

THE LEGISLATIVE ASSEMBLY OF MANITOBA
8:00 o'clock, Monday, March 31, 1975

SUPPLY - AGRICULTURE

MR. CHAIRMAN: Resolution 8 (d)(4). The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, when we adjourned just before the evening break I was asking the Minister of Agriculture if he could give me some information on the dispersal of that herd of pure bred Holstein dairy cattle that was established some years ago at the Headingley Correctional Institution, and Mr. Chairman, I think the Minister was going to attempt to get some information on it. I was asking specifically whether or not this herd had been disposed of by his department at public auction, or whether it had been done through a private sale, and I wonder if the Minister can give me that information now.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Well, Mr. Chairman, I think that I can give part of the information today. I don't have all of the details handy.

The department authorized the Manitoba Agricultural Credit Corporation, who took over control of some of those lands, to also dispose of the cattle. The cattle were not tendered, as such, but I believe were provided to members of the Farm Diversification Program or people who participate in that program. I don't know the details of how that was arrived at, so I can deal with that at a later time.

MR. MCGILL: Mr. Chairman, I would like to ask the Minister then if they were not sold at public auction, or by tender, how were their prices established on the cattle?

MR. USKIW: Mr. Chairman, the individual that established the value on the animals was one that was familiar with those animals, namely the man that was in charge of Institutional Farms for some time in this province and had jurisdiction over them, in the name of Ray Chandler.

MR. MCGILL: Mr. Chairman, did he place a value on each individual animal of the some 60 or 65 head that were there?

MR. USKIW: That's my understanding of it, yes.

MR. MCGILL: Mr. Chairman, then, how were the people who were selected to buy these animals, how were they selected?

MR. USKIW: Mr. Chairman, well, again this is the part that I am not sure of and I want to get the details of, so I could give the honourable member the right information.

MR. MCGILL: Mr. Chairman, I'm trying to reconcile this information which the Minister is giving me with the established custom of disposing of public assets at public sales. And it was the Minister's philosophical explanations earlier this afternoon that reminded me of this particular disposal, and I'm wondering how he justifies the fact that while these assets, these animals, were owned by all of the people of Manitoba that he arbitrarily selected a small group of people to be the recipients of the sale of these animals. Just how does that reconcile with the philosophy of government of all the people for all people?

MR. USKIW: Mr. Chairman, well I think it's fairly easy to reconcile that, Mr. Chairman. We do have specific programs for what we consider to be people that are either underprivileged or in the developing stages within the agricultural sector. Farm Diversification grants for example are not available to everyone. You know, not everyone can get into that program. There are criteria that enable people to qualify into those programs and the FDP program is one such specific program where special emphasis is put in favour of those people that need additional public support to get them started. So that is not a new procedure in terms of the Department of Agriculture. It's not peculiar to this government either, Mr. Chairman.

MR. MCGILL: Mr. Chairman, I believe that the Federal Government is particularly concerned about the disposal of Crown assets, and they do that through a specific agency and they make sure, as far as they can, that all of the taxpayers in Canada have an opportunity to bid on, or to in some way participate, if there are government assets being put up for sale.

Now I don't just understand why the Minister would consider that in this case there was a reason for departing from this responsibility, as I see it, to all of the taxpayers of Manitoba. These cattle and this herd was a purebred herd I'm told; it had blood lines that were of particular value to those people who were in the dairy industry, and who were anxious to improve their herds.

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(MR. MCGILL cont'd)

The Province of Manitoba had, I would presume, gone about this raising of this herd and taking great care with that particular attribute of the herd. So the manner in which the sale was arranged, it would seem to me, would simply throw away this kind of breeding in these purebred blood lines that existed in this group. They might have been used to further improve dairy herds in the Province of Manitoba, but I gather that they simply went into a specific use as ordinary dairy cattle and without any chance for herd owners to have improved their herds by buying these animals at public auction.

MR. USKIW: Well, on that point I should like to indicate to my honourable friend that there are many ways of dealing with that kind of a problem. If one wants to, one could have a public auction, which could indeed result in a situation where all of these cattle would leave the province, or even for that matter leave the country. On the other hand I recall the program that we launched a couple of years ago with respect to the sale of dairy cattle from the Brandon and Selkirk institutions, where we restricted the buyers to be Manitoba citizens only. However we were never positively sure that that would be the case in that people could be fronting for other organizations or people from other countries. But to some degree we at least attempted to have some control because we wanted to retain these cattle within the province as part of a herd-improvement program.

Now this follows very much in that vein excepting that it is considered that if you auction these cattle that only the people with the most money in their pocket would have access to them. By allocating them to Farm Diversification clients one can be more directional as to the value of herd-improvement that would take place right across the Province of Manitoba.

So it isn't something that, you know - I shouldn't say it doesn't amount to a very significant thing in terms of herd-improvement, but it does provide an opportunity for people who otherwise would not be able to have that same opportunity.

MR. MCGILL: Mr. Chairman, I wonder then if the Minister, since he's chosen this rather unique way of disposing of public assets, if he would be able to assure the members of the House that they obtained at least as much through the private sale of this herd as they would have achieved through public tender or public auction.

MR. USKIW: Well of course my honourable friend knows that one could not determine that, nor am I in particular interested in doing just that. I think the important thing is that we retain these cattle within the confines of the dairy producers of Manitoba, and therefore the citizens of Manitoba get the most benefit from the sale of these cattle.

MR. MCGILL: Mr. Chairman, I consider that the manner of disposal was so strange to the regular procedures of governments in disposing of assets belonging to the people, that I would like to ask the Minister if he's prepared to provide a list of those who bought the cattle, and also to tell me whether or not there was any limit as to the number any one person could buy, and if the established prices that were put on each of these animals by the person that the Minister mentioned were in all cases adhered to in the sale of the animals?

MR. USKIW: Well, I think the best way to do that is to put it on paper and give it to my honourable friend, and that we can do in the next day or so.

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

MR. GRAHAM: While we're on the same subject, I was wondering if the Minister could give me any information on the number that went to the Birtle Co-op farm?

MR. USKIW: I have no idea, Mr. Chairman, I'd have to check. Apparently no.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSON: I wonder if the Minister could tell us how many dairy farmers who are in the habit of shipping milk under the fluid milk contracts have ceased operations since the quota was eliminated and if the Minister could tell us what happened to those dairy herds.

MR. CHAIRMAN: The Minister of Agriculture.

MR. USKIW: I wouldn't know exactly, Mr. Chairman, one would have to do some research to give that answer, but I'm advised that as far as we know there has been no sales of herds and the disposal of cattle related thereto. I'd have to check to be more certain.

MR. JORGENSON: Well I would hope that the Minister can give that information because my information is that there have been a number, not just a few, but a number of dairy farmers who have quit and have sold their herds, and their herds are not in this province today, and

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(MR. JORGENSON cont'd) . . . I happen to have been at a couple of those auction sales. So the Minister cannot tell me that there has been no dairy farmers that have quit since that quota was eliminated.

MR. USKIW: . . . to clarify, I did not indicate that that was the case, I said that as far as I was aware it was, but I could get that information, but it would take some research to do so.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Chairman, I have a question for the Honourable Minister. Were these cattle advertised that only clients for the Farm Diversification Program could qualify to buy them?

MR. USKIW: Well, again I think I have to rest on the suggestion that I gave to the House earlier and that is, until I have all of the details of the disposition of those cattle I don't think that it's worthwhile pursuing.

MR. MCKENZIE: Well another question to the Honourable Minister. Were they advertised at all?

MR. USKIW: Well again, Mr. Chairman, the members opposite presume that I know the precise details of those transactions, and I suppose they are trying to engage me into a situation where I would make a statement on assumption which would later be proven incorrect. Rather than do that, I would like to get the information for my honourable friends.

MR. MCKENZIE: I'm only assuming that the Honourable Minister with his deputy at his hand, with all the records that's at his disposal, would surely have some of this information at his fingertips, or if he hasn't got it in black and white, surely by word of mouth he could give him some idea of what's going on in his department.

Let me ask the Honourable Minister another question. Have you got a feasibility study or have any knowledge or information you can give to us in the opposition as to why you're going to locate this plant in Selkirk?

MR. USKIW: Well again, you know, Mr. Chairman, the members opposite are asking questions that would normally be asked for by way of Order for Return. Now, I am prepared to collect the information for them, which we do not have handy within the offices of this building, and it was too late in the day to be able to contact the people at the Norquay Building after the questions were put this afternoon, so we hope to be in a position to give you those specific answers tomorrow. I don't see anything wrong with that, Mr. Chairman. It's an undertaking that we are prepared to do.

MR. CHAIRMAN: The Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Well, Mr. Speaker, I'm wondering about this same thing here as has been discussed. On March 14th we have a news release here that says that there was a farm co-operative set up through the Diversification Program where 5,000 acres of land was purchased through the Agricultural Credit Corporation. And I'm wondering if these cattle are the ones that . . . this dairy herd went there. So I would hope that the Minister would do this, and I don't believe that filing an Order for Return is the right way to get it. We should get it while we're on your estimates so as we can talk about this because there's many of us very critical about you going into the Agricultural Credit Corporation and purchasing the land. We're also concerned about you owning the cows and maybe putting them out in another diversification program where you pretty near got the people treated like they're treated in Russia.

MR. CHAIRMAN: The First Minister.

MR. SCHREYER: Mr. Speaker, since that kind of extravagant and nonsensical language has been used, perhaps it's just as well to bring a few simple facts of ordinary routine procedure to my honourable friend's attention. The longstanding and common practice is that if certain information is requested, the request of which is accepted in principle, and the Minister doesn't have the information, and since it is extremely unlikely we will be leaving the estimates of his department this evening, the Minister merely undertakes to get the information and to bring it back to this committee at an ensuing subsequent day or date. What's the problem?

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSON: Mr. Chairman, that has been a longstanding practice, but that was prior to a rule change which permitted the Minister to have his officials in front of him. The reason that the rule was changed so that the officials could be in front of the Minister, was to

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(MR. JORGENSEN cont'd) . . . be able to provide that kind of information without having to have these interminable delays, and in many cases no answers at all. And so, to a large extent the Minister, or the First Minister's suggestion that because it has been a tradition for so many years, does not hold water today because of the fact that he has the officials in front of him to provide the answers.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: The previous practice was to have officials in the gallery, in the gallery to the Speaker's left, and their presence there did not guarantee that they would be able in every and all circumstances to send notes down, as they often did with respect to certain questions, but with respect to other questions which involved more detailed or lengthy material, their presence there notwithstanding, the question would be taken in effect as notice the one day, and replied to the next or the third day. That really doesn't change by the mere transferring of the official from the Speaker's gallery to the floor of this Chamber. The need for notes is obviated but not the need in some cases for a delay of a day or two or three.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSEN: Mr. Chairman, there were a number of questions that were asked last Friday and we still don't have the answers to them. But the point I want to make here is, that we are on an item by item discussion of the estimates right now.

MR. CHAIRMAN: Order please. --(Interjection)--

MR. JORGENSEN: Well, Thursday, then. But the point I want to raise now is that since we're on an item by item discussion of the estimates, I hope the First Minister's suggestion does not preclude an answer being given if we're on another item because --(Interjection)-- Well, the First Minister says no, but the Chairman, very rightfully, very carefully, attempts to insure that when we're on a particular item that we stick to that particular item, and if an answer's going to come two or three days late we're liable to be on another item of the estimates, and I want to be sure that we're not going to be precluded from getting those answers because we've moved on to another item.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: There is a gentlemanly way, a parliamentary way, more precisely, to deal with that, it's either agreed that in the absence of certain information being sought and not yet available, that item is either held, or alternatively it is agreed that if it is not held that there is no preclusion by anyone to come back to it for purposes of providing that information. One way or the other, that's the only parliamentary thing to do.

MR. CHAIRMAN: The Honourable Member for Portage la Prairie.

MR. JOHNSTON: Mr. Speaker, while the Minister is undertaking to supply information tomorrow or at a later date, could he undertake to table in the House the whey plant proposal which cost \$9,271, as mentioned on Page 20 of the Milk Control Board Annual Report.

MR. CHAIRMAN: The Honourable Member for Swan River.

MR. BILTON: While I realize the Minister is going to bring us some information on the Selkirk plant possibly tomorrow or another day, I've listened to it with interest and I would like to ask the Minister to take this question under consideration. What impact will the Selkirk Plant have on the creameries in Swan River, The Pas, and Dauphin? And my second question is: are the producers being given the opportunity to express their views? That is, the people I represent.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Well, Mr. Chairman, you know, if we were following the rules of the House, after all of the statements that have been made on that subject, you would now be ruling that that's a hypothetical question, since that decision has not yet been made.

MR. CHAIRMAN: The Honourable Member for Swan River. The Honourable Member for Morris.

MR. JORGENSEN: On a point of order here. The Minister now has invoked the rule of hypothetical questions, which is applicable during the question period. It has no validity here at all during the course of the consideration of the estimates, and the Minister finds all sorts of excuses for not answering questions, and yet he's the one that complained on one year when we did not ask any questions at all, because we had not asked any questions on his estimates. Let me point out to the Minister that one of the reasons we have not asked very many questions on his estimates is because first of all we can't depend on the answers being truthful; and

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(MR. JORGENSON cont'd) . . . secondly, because of the evasiveness of the Minister who persists in doing everything but answer questions when they're asked.

MR. USKIW: Mr. Chairman, the Member for Morris can indulge in all kinds of things if he so wishes. That doesn't happen to be my approach in debating the estimates of the department in the Legislative Assembly. If they want to get into that level that's up to them. They will be discussing the question of the building of Crocus Foods, if a decision is made to build Crocus Foods Limited, or the plant, and since the decision has not yet been finalized, there is no point in belabouring that point.

MR. CHAIRMAN: The Honourable Member for Swan River.

MR. BILTON: I can't let this opportunity pass when the Minister accuses me of a hypothetical question. I would remind him that the dairy herds in the Swan River Valley are developing, as he knows, and some people have gone to a great deal of expense, and I want to have some assurance that I can give the people of the Swan River Valley the Minister's answer to the question that I've asked. I thought I asked it in a gentlemanly way to take it under consideration, and give me a reply when he is replying to the other questions. And it is not hypothetical.

MR. CHAIRMAN: The Honourable Member . . . order please. The Honourable Member for Rock Lake.

MR. ENARSON: Mr. Chairman, yes, I want to point out to the Minister of Agriculture as well, that I resent very much that he directs remarks to this side of the House by saying that our questions are hypothetical and ridiculous. I am pleased to see the First Minister in his seat and I think it's time that we probably start directing some questions to him, because I feel that as the First Minister of this province he should take more responsibility than he is taking. (Hear Hear) The First Minister seems to be coming out lily-white on all these problems that we're dealing with, and it's about time I think that he started taking some responsibility. I'm wondering now, Mr. Chairman, from some of the comments the First Minister has made in this Province of Manitoba . . .

MR. CHAIRMAN: Order please, order please. Would the honourable member direct his debate towards the item under consideration. We're not considering the responsibilities of the First Minister under this section right now. We're discussing the Milk Control Board and the Whey program. Would the honourable member continue on that or else I'm going to rule him out of order.

MR. ENARSON: Mr. Chairman, I said that I was pleased to see the First Minister in his seat, and because of the fact that he took part in this debate, I merely thought I should mention this. So, Mr. Chairman, to keep in order, I'll go back to the Minister of Agriculture.

We'll have another opportunity with some of the comments the First Minister has made, and remarks that he's made I think that he's regretted, and I don't know whether it should be brought to the attention of the people of this province much more forcefully than it has been in the past.

The question, Mr. Chairman, I want to ask the Minister of Agriculture, I would like to ask him how many processing plants in the rural parts of Manitoba have been asked to sign an agreement that they relinquish their responsibility in disposal of their whey? How many plants in the Province of Manitoba have been asked to do this; and I would like to know the names of those plants that were approached on this particular matter?

MR. USKIW: Mr. Chairman, the member now is alluding to an earlier stage of the development of the Crocus Plant proposal, which is at this point redundant. That particular question is at this point redundant in that there was no follow through, there was no follow-up to that particular exercise. That exercise was abandoned a long time ago.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. ENARSON: Mr. Chairman, I would like to advise the Minister of Agriculture that the board that is operating the plant at Pilot Mound did sign the agreement because they were told if they didn't sign it they would lose the quota of milk that would be coming into their plant. Probably, we were asking questions, Mr. Chairman, maybe for the information of the Minister, that he doesn't want to convey to this House, and I want to know how many more plants in this province who have the club thrown over their heads and said, if you don't sign, you're going to regret certain conditions of the operation of your plant, namely, that you will have a certain percentage of your quota taken away from you, and I would like to ask Mr. Chairman - this is

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(MR. EINARSON cont'd) . . . the past year and a half and the Minister has had ample opportunity, if he doesn't know it, then there's something wrong in the way he's operating his department. I would like to know again Mr. Chairman, how many plants have been approached to sign this agreement in regards to the whey disposal, and what plants were they. I could give him one that signed it, and he tells me there were none that signed it.

MR. USKIW: I believe there was an awful lot of discussion and there were some agreements that were entered into on a tentative basis, but I don't believe that the former chairman of the Milk Control Board would want to put undue pressure on any one particular plant, and I have to now concur with my friend the member for Souris-Killarney who seems to think so highly of the man in question and Dr. Kristjanson was involved in the earlier discussions with the plants on trying to get agreements signed for the disposal of whey from those plants, but that approach has been abandoned some time ago.

MR. CHAIRMAN: The Honourable Member for Portage la Prairie.

MR. JOHNSTON: Mr. Chairman, I am rather surprised at the attitude of the Minister when he stands in his place after we have drawn out, or taken from the various reports, that over \$149,000 have been expended on a plant, Crocus Foods, that he obviously hopes will be in operation someday, and then to tell members on this side who ask questions about this, or anything to do with it - like for example the Member for Swan River asked how it will affect plants in his area, and he says that's a hypothetical question. Well, Mr. Chairman, I hope that the Premier's listening, if he's still in the room, that a Minister has already expended, or caused to have expended, nearly \$150,000 on a program, and then when members on this side ask questions about that program he says, that's a hypothetical question and I'm not going to answer. I think that's astounding to say the least. The Minister knows full well that it's his hope to have that plant in place in a year or so. We know it, we know what he's up to; we know that he's only waiting for the DREE grant and when he has that DREE grant, and if he gets it, he's going full steam ahead. And for him - I'm going to tell my friend opposite that I am writing the Minister responsible for DREE grants in Ottawa and asking him before he gives this proposition any consideration whatsoever, that he undertake a feasibility study to see how many jobs are going to be lost in other parts of the province, and what kind of dislocation is going to happen to the industry. So don't let my honourable friend try to kid us that he doesn't intend to go ahead, and will we just keep this discussion cool, will we not ask so-called hypothetical questions, because if it should go ahead he's going to bring a bill in the House. Mr. Chairman, that's a lot of nonsense. We on this side of the House have every right to probe into this affair when they've spent taxpayers' money to the amount of \$150,000, and the Minister had the consummate gall to stand in his place this afternoon and say with a straight face, "If this program doesn't go ahead, well they'll just write off the 140,000," just write it off. Well my God, Mr. Chairman, what's going on at the Manitoba Development Fund when they make loans and the Minister stands up a year later and says, "Well if we don't go ahead, it'll just be a write-off."

A MEMBER: What a way to run a railroad.

MR. G. JOHNSTON: What a way to run the MDF, No. 1; and what a way to be running the Department of Agriculture.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Well, Mr. Chairman, the fact of the matter is that the reason that we are not using research moneys from the department's estimates to do the studies, initial studies, is that we hope that if the plant is built and operating that we will recover the development costs, and therefore we went the MDC route to do it. It is simply so that the corporation itself pays for the costs from day-one right through. If it happens that we don't proceed, and I think that I have to doubt that we won't proceed, I think we will proceed, but if it happens that we don't, the question is whether we have spent - and it's not 140,000. That was a loan advance of 140,000 at 11 percent interest, of which some \$75,000 had been drawn, which paid for salaries and research capability. But in any event, in any event, what I'm really concerned about, not concerned about but amazed at, Mr. Chairman, is the fact that the Member for Portage la Prairie would now want to use a political exercise to interfere with the normal operations of DREE, because that is the implication that I draw from the statement of the Member for Portage la Prairie. Because, Mr. Chairman, I don't care where you go in this province wherein there was a DREE grant received by any particular plant, or industry, where

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(MR. USKIW cont'd) . . . there wasn't some negative effect somewhere along the line that one could point to, and I can point to one right in Portage la Prairie where a DREE grant was provided for a new plant which took away jobs from a Winnipeg plant.

So let not the Member for Portage la Prairie start shaking a big stick in this House that he will use his political influence to deny the Province of Manitoba a DREE grant. Because if that is the way DREE is operating, Mr. Chairman, if that is the way it is operating, Mr. Chairman, it certainly has to be a disappointment to the people of Canada. In the first place I don't believe in the program, but since it's there I want to get every nickt that I can get, and I hope that the Member for Portage la Prairie would assist the Province of Manitoba in getting every nickel that it can get to enhance the development of industry in this province. So let's make it clear, Mr. Chairman, we have applied for a DREE grant. We hope that we will be building a plant; we believe that it will not provide undue interference with respect to the existing plants. We believe that it will operate on the basis of the volumes of whey that it will handle, as well as the added production of milk in this province in the years ahead.

Now I want to remind members opposite that we do not have enough plant capacity to handle our peak milk production now. Now my friends opposite want to doubt that but last summer, Mr. Chairman, last summer we dumped milk into the sewer because the plant said we will take your milk if you give us a discount in the price, otherwise we're not interested. So let not the members opposite think that we have, that we have a plant capacity sufficient, sufficient to handle the peak volumes of milk production during the summer months.

MR. G. JOHNSTON: Well, Mr. Chairman, the Minister obviously has a very weak taste because he went far afield to try to buttress his argument because the Phillips Cable Plant is locating in Portage la Prairie. I presume that's the plant he's referring to --(Interjection)-- That's not the plant you're referring to. Well then perhaps he could name the plant that he is referring to.

But I come back, Mr. Chairman, to his remarks about me being political by writing the Minister in charge of DREE grants in Ottawa to ask him to conduct a feasibility study to see what dislocation in the industry will take place, and how many jobs in other parts of the province will be lost. And if that's political, well then I'm going to do it anyways. I don't care if it's political or not. It's commonsense. I'm surprised that the Minister hasn't done this himself. I have asked him this question earlier in the session. He has in his possession, or in his control, to have a whey plant proposal at a cost to the taxpayers of over \$9,000, and I asked him to produce that in this House so that members on this side can see what kind of a feasibility study has been conducted by the province, and he hasn't answered me yet. I've asked him three times now. He hasn't answered me as to whether or not he's going to produce that so we can satisfy ourselves on this side as to what safeguards and what sort of care the government is taking before they plunge into this venture. You know, when one examines the arguments of the Minister as to why they're going into the proposal, the Crocus Foods proposal, the first one that comes to light is that he wants to compete with an American corporation, and I suppose there's nothing wrong with that, there's nothing wrong with that at all. But his first reason - that wasn't his first reason - his first reason was to protect the environment, to protect the environment. He never mentioned the other reason at all until I believe today, no Thursday. So, you know, if you're going to do something and you have your primary reasons you spell them out when you're asked the question. But the Minister didn't tell us this until he was pressed for two or three days. So it seems strange to me, Mr. Chairman. . .

MR. CHAIRMAN: The Honourable Minister on a point of privilege.

MR. USKIW: On a point of privilege. The announcement and the public discussions on the whey plant have been going on for about two years, wherein we did discuss the total operations that we envisaged.

MR. JORGENSEN: Mr. Chairman, I ask you to rule on that question of privilege that was raised, that is, to determine whether or not it is a question of privilege.

MR. CHAIRMAN: Order please.

MR. GREEN: Mr. Chairman, on the matter that the honourable member asked that there be a ruling on. The Member for Portage la Prairie suggested that the Minister withheld reasons for the development of a project until he was pushed in the House. The Minister rose and said that he didn't and he merely made that point.

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MR. G. JOHNSTON: Well, Mr. Chairman . . .

MR. CHAIRMAN: Order please. If the Chair ruled on every point of privilege that was raised in this House I would be doing nothing but raising and ruling on points of order, points of privilege, most of which are frivolous, Members have differences of opinion; members have differences of interpretation of what another member says, and it's very difficult for the Chair to try and conduct a debate as it is going on. Now if you want me to rule every time that a member is in order or a point of privilege, I will do so, but I don't think that will lead to a great amount --(Interjection)-- Order please. But you were violating Rule 64 of our House Rules. And so if that's what you want me to do well then I'm prepared to do so, but I don't think it's going to be conducive to debate in this House in answers and questions because . . .

MR. JORGENSEN: Mr. Chairman, that is exactly my point. The Minister has a habit of rising every time that he disagrees with something that has been said, he rises on the question of privilege in order to interrupt the member. Those are nothing more than just interruptions and should not be permitted. The Minister has an opportunity when his turn comes to reply without rising on questions of privilege, and that is simply the point that I want to make, that we're in Committee of Supply, the Minister has amply opportunity to correct or to put forth his point of view on anything that is said on this side of the House without having to rise on questions of privilege all the time, which are not questions of privilege at all.

MR. CHAIRMAN: The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Chairman, the point I'm coming to is this; that we have two reasons from the Minister as to why the government should go into this particular program. I don't know whether or not it was asked, and I believe it was, and I ask the question again in any case. Why is the government going ahead with a program that the Minister has told us in the House was going to cost 7 or 8 million dollars to build and put in place, and then I believe he said that he didn't expect it to earn any profit, or make any money, that he would hope it would be a break-even affair. Well my question is this: If it is so important to consider the whole problem of disposal of whey and to manufacture it and help the environment, and so on, has he tried to talk this over with the industry that is here in Manitoba now - I'm talking about not the big multi-national plant, I'm talking about them all, Manco, the smaller dairies, the smaller operators - to see if they can handle this problem themselves, if necessary with some government assistance, that are not necessarily grants, maybe perhaps loans. Has he done this? Has he done this, and can he come back to this House and say with a straight face and honesty in his heart, that he's tried this route and there's no co-operation and it's not working, therefore the government has to do this for the good of the people of the province. I'd like an answer to that question.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Well, Mr. Chairman, the Department has had discussions with the processors throughout Manitoba for the last two or three years on this particular problem, and we believe that those discussions were very worthwhile in the formulation of the proposition to build a central whey drying facility. It's out of those discussions that the proposal came forward. So, you know, I don't anticipate ever that we will get 100 percent agreement from all the plant owners in this province but by and large most of the plants in Manitoba expressed a keen interest in the proposal in that the whey problem was a cost factor in their operations, and that if that could be reduced that would be to their advantage.

Now I have here a note that suggests that contracts were signed with Pilot Mound and the Arborg plants, and who are willing to enter into this program and there was no undue pressure. That's from one of our staff positions, one of our staff members in the gallery who are familiar with the program and the discussions that took place.

With respect to the Member from Swan River, it should be noted that the dairy farmers of Swan River Valley are getting about a dollar more on average than the farmer across the border in Saskatchewan. The Member for Swan River is not here at the moment, but for his benefit that's their position relative to those people in Saskatchewan just across the border.

Now the DREE people have been studying this application since July of 1974, and it has been updated since. They've been provided with all the research done to date on the proposal, and the first application went out in December of 1973.

A MEMBER: 1974.

MR. USKIW: No I believe '73. So that in essence the DREE people have had a long time,

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(MR. USKIW cont'd) . . . a good opportunity to look at the question, and I know that it doesn't take the prodding of the Member for Portage la Prairie to have the DREE mechanism act responsibly. They, I believe, try to assess all of the points that have been raised by the Member for Portage. He is not introducing any new dimension to the study on the part of the DREE people as to whether or not they should approve the application for a grant from the Province of Manitoba. All of these things are normal procedure on the part of DREE.

MR. G. JOHNSTON: Well is the Minister going to give the House the copy of the Whey Plant proposal?

MR. USKIW: Well, Mr. Chairman, there have been a series of documents and what he is asking for is, I presume, an inter-departmental communique, and I believe that that is counter to House policy which I don't know that we should go beyond.

MR. G. JOHNSTON: Well, Mr. Chairman, if the Minister is asking some degree of co-operation from this side of the House for a government proposal that he's pushing, he surely should supply all the information. And this information that we're seeking is mentioned in an Annual Report, a public report, and has cost the taxpayers over \$9,000, and he can call that an inter. . . well it isn't an inter-departmental document, it's a proposal made to and paid for by the Milk Control Board, and that's not a part of his department, is it? Is that what you call inter-departmental? I don't think so. I think that we're perfectly entitled to a copy of that proposal.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, while the Honourable Minister is consulting with his colleague as to a response to the Member from Portage, let me remind the Honourable Minister that, as he has indicated on several occasions, that he intends to bring a bill before the House dealing with this matter and that that might be the more appropriate time to discuss the subject matter. I would find it completely consistent with the position taken by him and his group on another occasion, when another Minister indicated to this Chamber that on a subject which had excited some controversy, that a bill would be brought in the House, and then attempted to be brought through the House on the strength of the majority of the government of the day. The Minister should be forewarned that any and all information will be required, and now I take the position that was taken fairly effectively and eloquently by the now House Leader at the time of an attempt made by myself to introduce, I believe it was Bill 10 having to do with the flooding of South Indian Lake, into this House, and the position then was taken, and we learn, I will take that position and I believe all members of the Opposition will take that position, that if it's the Minister's intention to introduce this measure by way of a bill in this House, then before we can make any kind of responsible judgment on matter contained in that bill, we would require all the information, inter-departmental or otherwise, that went into formulating that position of the Minister and of the Government. And we would want to have that information tabled before us or you would stand accused of simply trying to use the majority that you have to bring about a measure that otherwise can't stand the scrutiny, the public scrutiny that we believe the matter deserves. So that's one item that I raise for the Honourable Minister's future consideration.

The other matter, sir, is that earlier on this afternoon he took some pleasure at indicating to us the inconsistency or the difficulty that we particularly of the Conservative Party had with respect to the subject matter of milk quotas and that we couldn't be on both sides of the fence insofar as milk quotas were concerned. Well, let me tell the Honourable Minister, Mr. Chairman, that it was recognized a long time ago, I believe possibly as long ago as in the thirties by whatever kind of government then sat in this Chamber, a coalition government or a Liberal government, I'm not sure, that milk being the perishable food product that it is, being the kind of staple food item that it is and the necessity for continuity of supply was of utmost importance, that a system was necessary to ensure a continuity of supply; also recognizing that left to the primary producer it was much more advantageous for him to peak his production in the summer months when pasture was available and generally speaking the work was more easier done and at lower costs. So we set up a quota system that ensured the consumer of a steady supply of milk, ensure the processing industry of a steady flow of product through their plants which meant better utilization of plant equipment, and also of course tied the producer to a fixed and firm commitment to that supply of product.

Now the Minister stands up and talks about milk being poured down the sewer this

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(MR. ENNS cont'd) . . . summer. That, sir, is largely the result of his abandonment of the quota system, because we can expect more of this to happen, we can expect more of this to happen as the primary producer no longer fixed to any definite commitment to supply product at any given time, but can rearrange his production to suit himself, namely in the summer months, in the spring, the fall months when the production costs are lower and the potential or the possibility of having a two week or a three week or a month's holiday, you know, is just as attractive to the dairy farmer who is otherwise very strenuously tied to his occupation, you know, this possibility certainly arises. And I'm suggesting that part of the problem that the Honourable Minister indicated is as a result of that.

Certainly in total when a statement is made that the present processing plant is being under-utilized, is an accurate one, is an accurate one, despite the fact that you may be able to point to certain peak weeks within the production year where for one reason or another, even if the reasons that I cited aren't the correct ones, but for some reason or other there was a problem of having not sufficient capacity, in total, the statement nonetheless stands that the processing industry is by and large working under capacity. Prior to the government's entry into this field in a massive way with public funds, certainly some greater effort should be made by this government to utilize to a fuller degree the present capacity now existing in a province.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, I think it's worthwhile to alert the members of the House to the fact that the Member for Lakeside who is a cattleman is trying to snow the House. Mr. Chairman, the Member for Lakeside knows that it takes about nine months after a certain event before you get the cows to come into full production. Now, Mr. Chairman, the Member for Lakeside knows, knows that the decision to bring milk pooling into place in Manitoba on May 1 had nothing to do with the fact that we had a larger supply of milk than the plant could handle on July 1. It takes nine months to change the pattern at least.

Now the Member for Lakeside should know that, he has three or four hundred cows on his farm, and he's trying to convince the people of Manitoba that a decision made on May 1 had the effect of creating a surplus of milk on July 1st the same year. Now my honourable friend should know that he's not going to get away with that one. That's stretching the point a bit and it's typical of members of the Opposition, it's very typical. Only this time it's so easy to show up, Mr. Chairman.

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MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSON: The Minister is suggesting that the removal of the quotas the year before had nothing to do with it, the removal of the quota took place before the introduction of the Milk Marketing Board. But what the Minister has suggested is that the action that was taken - and I'm not going to quarrel with the effort that the producers themselves and the government have put forth in attempting to come to grips with what has been a longstanding problem in the dairy industry. And I've stated this before. The Minister has suggested that we on this side of the House have had no recognition of that kind of a problem but I do recall making statements in this House to the effect that the dairy industry has been confronted with a peculiar problem, a problem that is inherent or was inherent in the dairy industry, where although it was one industry, it was composed of four component parts: those who shipped to the food milk market, those who shipped to the manufactured milk market, those who shipped to the cheese factories, and fourthly, those who shipped cream. And all through the years although they are one industry, the four were at loggerheads in attempting to get the best deal for themselves and as a consequence were fighting amongst themselves almost continuously. And the effort to pool the milk in my view was a logical progression in the dairy farmers attempts to get some greater stability into his income and a greater stability in the industry itself.

I suppose one could quarrel with the method that the Minister chose to introduce his pooling plan, I think it would have been the part of wisdom to have introduced it over a longer stage, or pick a staging period, and perhaps it would not have created many of the dislocations that took place. But that's not the main point of my argument. I simply want to point out to the Minister that he's not the only one that was aware of the difficulties that were inherent in the dairy industry and he certainly was not the only one that was attempting to do something about it. I think the first steps that were taken in this particular instance were taken by the Honourable Alvin Hamilton when he was Minister of Agriculture in Ottawa and the effort that he put forth in attempting to get both Ontario and Quebec who were the major milk producing provinces in Canada to come to some form of an agreement in pooling their milk so that they could have greater control of their own industry. There is no one that quarrels with that kind of a concept, I think that in the long run it will benefit the dairy industry. But I question very much the removal of the quotas has created the kind of stability that the Minister seeks in the industry. I note in the report of the board that Alberta has taken a different approach to the whole question by simply allowing more and more producers to become eligible for the fluid milk quotas and I think maybe that is one of the ways that the problem could have been resolved.

But I want to ask the Minister, he mentioned the program that he had started out being abandoned, of asking processors to sign agreements with the Whey Corporation to supply the Crocus Foods with their end product, whey, that could be processed, and that now this program has been abandoned. Mention was made by the Member for Rock Lake that those who approach the processors had used the big stick technique by telling them that if they did not sign the agreement that they would be cut off their supplies of milk. --(Interjection)-- Well that is true, because I have spoken to processors who have told me the same thing and this is what the Member for Rock Lake has said, and I can verify it because it was told to me by processors themselves. --(Interjection)-- You know, the Minister has a tendency to believe only those things that he says and that's perhaps the reason why he gets himself in so much difficulty because he better learn that he can't depend on the statements that he makes for their veracity as we have learned. But the fact is that I don't . . . One thing that I would like the Minister to explain is that how does a representative of Crocus Foods have the authority to tell the processing plants that if they don't sign the agreement that they will be cut off their supplies of milk, when he continues to tell us that the allocation of milk supplies is in the hands of the Milk Marketing Board - the Producers Marketing Board. Now if the producers are controlling the supply of milk to the processors then what authority does a representative of Crocus Foods who have nothing to do with the Milk Marketing Board, where do they get off telling the processors that they're going to be cut off their supplies of milk. I wonder just how much the producers are in control of their industry if a representative of this corporation is able to tell them . . .

MR. ENNS: This, as yet, unborn corporation.

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MR. JORGENSON: Well I'm not too sure that it's unborn because here's a copy of the agreement, here's a copy of the agreement that was sent out to the processors, and here is the first part of that agreement and it makes rather interesting reading:

"Whereas a supplier owns and operates a cheese manufacturing plant at" - and then it's left blank - "and develops at the plant substantial quantities of whey as a result of its cheese manufacturing operation; and whereas Crocus Food Products Limited, the processor, will establish and operate in the public interest and for the benefit of the milk producers, a whey producing plant in the Town of Selkirk in Manitoba, and upon completion of the processing plant the supplier has agreed to deliver to the processor all whey produced at this plant, and the processor will accept and process the whey developed by the supplier at the above-mentioned location in accordance with the terms herein contained; now therefore in consideration of the mutual covenants and conditions herein contained and the full and faithful performance thereof, it is agreed by and between the parties hereto as follows" - and I won't go into the rest of the agreement. But I went into that particular part because there seems to be no doubt in the minds of those who were circulating this agreement that the processing plant will be established. It says so in the agreement. I wonder . . .

A MEMBER: Who's snowing who?

MR. JORGENSON: I wonder if the Minister could tell us who is snowing who? I also would like him to tell the House what authority that a representative of the whey processing or the Crocus Foods has in telling the processors that if they don't sign this agreement that their supplies of milk are going to be cut off, supplies of milk that are supplied not by Crocus Foods but by the Producers Marketing Board.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, I don't believe that anyone has that kind of authority, nor do I believe that anyone has suggested so. That is a figment of the imagination of the Member for Morris.

Now, Mr. Chairman, I want to deal with the broader issue and that is the question of gradual entry. The Member for Morris tried to tell us in this House a moment ago that other provinces have solved their milk industry problems in terms of the fluid versus industrial debate by a gradual entry. Well you referred to Alberta as an example and Ontario is the other one and they are having their problems, they are having their problems after ten years of gradual entry. But I want to now prove to my honourable friends how they are so quick to contradict their own position, because I want to know through gradual entry, if we wanted to add 100 milk herds, cow herds to the fluid quota or the fluid pool, which hundred my honourable friend from Morris would select, because if that is the way we were to proceed, Mr. Chairman, I know that the Member for Morris would rise in this House and he would say that it's only New Democratic Party members that were given the privilege of entering the fluid milk quota. That's what the Member for Morris would say, Mr. Chairman. That is what they say every time, Mr. Chairman. So, Mr. Chairman, they're not at all consistent. They are saying that there's no sense in allowing everybody in, that's too fast, that's progress far too fast, Mr. Chairman. But I can only recall numerous instances where there is a matter of selection and criteria developed in government programs that members opposite are quick to stand up and say, "but you have to be a New Democrat to enter." But they are now advocating that we just do that, Mr. Chairman.

I want to know whether it's the friends of the Member for Morris that should have been allowed into the fluid pool, or whether it should be my friends that should have been allowed into the pool, or whether the Milk Control Board should have selected its friends, because the objective was about a hundred herds that would have to enter the fluid pool from the industrial side; but there were 1,200 industrial herds, Mr. Chairman. Which hundred would my honourable friend the Member for Morris select is what I would like to know? Should we draw names out of a hat, Mr. Chairman? How do we proceed with that kind of an approach? And, you know, that is only one side of the argument. There are many many parts to the whole question that could be debated, but a very cumbersome and complicated industry because of the way it grew up and developed in this province over many decades. And the only fair and equitable solution was total pooling. That is the only way in which it can be fair and equitable to all of the milk producers of Manitoba. Gradual entry would have perpetuated the unfairness of the past for another 20 years, another 20 years. And

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(MR. USKIW cont'd) that is not the way in which I am prepared to proceed to introduce equity and fairness amongst producers in this province.

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

MR. GRAHAM: Thank you, Mr. Chairman. You know, Mr. Chairman, it's nice to hear the Minister talking about equity and fairness. I think those are tremendous words and there are farmers in my area who would like to hear those words repeated because there were farmers in my area that were cut off last summer in August by this Minister. And, Mr. Chairman, when I talk about my area I talk as a Canadian, not as a Manitoban, because we have farmers in our area that live in Saskatchewan as well, and Saskatchewan farmers were cut off at the cheese plant in Rosburn last summer. And I would like the Minister to explain why, why arbitrarily their price was dropped? They weren't cut off but they were just paid less money. Suddenly the price dropped to them almost \$2.00 a hundred-weight. Now there's several ways of cutting people off; there's economic starvation which this Minister chose; they can also put them in jail which this Minister didn't choose.

MR. SHERMAN: He might, he might.

MR. GRAHAM: But I think it's time that the Minister explained to the people in my area who have an interest in that cheese plant which is only operating at probably 40 percent capacity, because of the arbitrary decisions made by this Minister. I don't know whether it was done in consultation with the Province of Saskatchewan, but it certainly wasn't done in consultation with the farmers and I wish he'd give us an answer.

MR. SHERMAN: Nice going, Harry.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, it does demonstrate the limited knowledge that my honourable friend from Birtle-Russell has on this subject because what he is indeed advocating is that the Manitoba producers subsidize the producers of Saskatchewan. That is what he is advocating here this evening. It isn't that the price of milk was reduced to the producers of Saskatchewan who were shipping into Manitoba plants, what really happened was that they didn't share in the increase in the price brought about by the pooling of milk in Manitoba, that the Manitoba producers were able to share in. That is the only difference, and therefore it showed up the advantages of pooling within this province as compared to not pooling in the province of Saskatchewan. Now surely he isn't suggesting here in this House that the shippers of Manitoba should subsidize the returns to the shippers of Saskatchewan.

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

MR. GRAHAM: No, Mr. Chairman, what I am saying is that the grade was dropped.

MR. CHAIRMAN: The Honourable Member for Minnedosa.

MR. BLAKE: Mr. Chairman, I wanted to ask the Minister one or two questions and I'm a little reluctant because of some of the answers we've been getting; you ask the Minister what time it is and he describes a clock, but you notice he never tells you what time it is.

He mentioned earlier that he had had meaningful discussion with all of the producers in the province. Now we have many producers in my particular area; we have a first rate creamery in my home town that has been first and second in butter competitions for years and years, they employ about twenty people, and we're very concerned with what happens with the Selkirk Plant also. I would also . . . With regard to his remarks about the meaningful discussions with the producers in the area, I wonder if he might tell us just what happened with his discussions with the Manco plant in Brandon in connection with the Milk Producers Marketing Board's request to divert a portion of their milk supply. And I don't think they were, as the Minister suggested, that they were meaningful in any way, unless he considers being told to go to hell with his problem, a meaningful discussion. And they're certainly concerned with the Crocus Plant at Selkirk, there's no question about that. But one of the other reasons that the Minister mentioned for the building of the plant was that there had been an oversupply of milk, it happened on maybe one or two days when they had to dump milk in the sewer. This is one of the reasons for him to embark on a multi-million dollar plant at Selkirk to solve the problem.

Now right at this present day we're in danger of having probably the slaughter of great numbers of cattle throughout the province with the problem that those beef producers

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(MR. BLAKE cont'd) are facing and I wonder if he does not consider that particular problem to be serious enough to require some action as well as the building of the whey plant at Selkirk?

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, I would just like to add a few more comments having heard remarks from my colleague from Birtle-Russell and he was indicating that the farmers of Saskatchewan were stopped from bringing their milk into Manitoba, or something to that effect. As I was given to understand in Saskatchewan, in Swift Current, there's a cheese processing plant there and the Minister was talking about, you know, protecting the farmers in Manitoba, but that plant in Swift Current is producing a product that is finding its way into Manitoba markets. That plant in Swift Current, Saskatchewan is taking the whey it's processing, and making feed for hogs and is selling it as such to farmers in Saskatchewan. Now I'm wondering how can the Minister reconcile the position when he talks about the way in which this industry's going to be run in Manitoba and the farmers in Saskatchewan. What is his position then, if the farmers are going to take a lesser price in Saskatchewan, when at the same time the product that is being produced in Saskatchewan is coming into Manitoba and having its effect on the market and inevitably having effect on the producers that are producing that commodity in this province?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, I just indicated to the members opposite that we cannot expect that the producers of Manitoba would by some way hand over the benefits of pooling to producers of Saskatchewan who happen to be delivering milk in this province for processing. That is something that you just cannot rationalize in the sense of fairness. So that there's no way in which you can avoid the kind of adjustment that had to take place in the border areas in western Manitoba. That is something that had to be met head on and the board will make their decision. It wasn't a government decision, it was a board decision, and the board will make other decisions.

In response to the Member for Minnedosa, I don't know the kind of discussions that were carried on as between the board and the plant in Brandon, that is something that I wouldn't have any knowledge of. They have the authority to market milk. They are the producers' representative, they own the milk; the Province of Manitoba or the government doesn't own the milk and their bargaining technique is something for them to answer for.

MR. CHAIRMAN: The Honourable Member for Minnedosa.

MR. BLAKE: Just a short question, the member mentioned or the Minister mentioned that all the members of the board were producers. I know of one member who is not a producer. He sold his herd approximately a year ago and hasn't sold a quart of milk since and he's a member of the board.

MR. USKIW: Well, you know, I think that if that happens, it seems to me an adjustment to the board should be made. I don't think that a person that is not a producer of milk, although there is perhaps nothing wrong with it, but it would be better if we had a board composed of all milk producers who represent milk producers in the marketing of that product. It doesn't mean though that producers of milk shouldn't have the facility of recommending someone who they have a lot of respect and faith in, even though that person wasn't a producer. But I admit that it would appear better if they were all producers and if one quits production of that commodity one should probably step down. So that's a matter of consideration.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, I'd like to ask the Minister one further question. We have discussed and he has mentioned the feasibility cost study of the whey proposal, or whey plant. One item that is, I think, of great importance and that is the trucking of whey from all plants to this one central point. Has the Minister, is he able to give us any figures on that, the cost of that particular item?

MR. CHAIRMAN: The Minister of Agriculture.

MR. USKIW: Well again, Mr. Chairman, I had indicated to the House on a number of occasions that all of those factors will be here for debate at the time that that decision is made and members opposite will have their opportunity to assess the validity of those considerations and recommendations.

MR. CHAIRMAN: The Honourable Member for St. James.

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MR. GEORGE MINAKER (St. James): Thank you Mr. Chairman. I wonder if the Minister could explain the fairness and equity that we have in the situation that is presently occurring in one spot that I'm aware of and in another location possibly as well, where there is a company operating, and because of the Clean Environment Commission's request to clean up the problem of liquid whey and its disposal that the company has gone out and got equipment to correct this situation. The equipment is sitting there idle because of, I guess, the demands of the Minister to want to create a whey plant in Selkirk, they have not had the opportunity to get a license to dry whey. How would he explain the fairness to the people of Manitoba and to the companies who want to abide by the Clean Environment Commission's rulings to clean up this problem? They have the equipment to do so, would like to do so, but in the interim period while the government is waiting to decide when it is politically right to open this Selkirk plant, they are polluting the atmosphere because they cannot get a license to produce dry whey, and in the same instance, in another location, the plant is designed to look after the handling of whey. I believe they can roller dry or would like to go into this process yet they cannot get a license to do so and in the meantime the atmosphere is being polluted. So how could the Minister explain this in terms of fairness and equity which he has used throughout his whole answers tonight.

MR. CHAIRMAN: The Minister of Agriculture.

MR. USKIW: Well I think it stems from the very point that the Member for Lakeside raised in the House a few days ago wherein he indicated that the Dairy Board in its considerations of applications for licensing has to take into account the total needs of the province and the disposition of the industry in such a way that it is an efficient industry. From that point of view, it does make sense to hold off the granting of any licenses at this point until we know just where we are proceeding with respect to the overall problem, province-wide.

MR. CHAIRMAN: The Honourable Member for St. James.

MR. MINAKER: Mr. Chairman, a question through you to the Minister. I wonder if the Minister could advise the House if companies approach his department or the Board tomorrow for a license to dry whey, would they be refused?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Well I don't think that the question is put in its proper context. . . The companies don't approach my office, the companies would have to submit an application which would then be referred to the Dairy Board who would then discuss and recommend to my office a course of procedure. That is a longstanding practice and one which we didn't set up but which we inherited from my friends opposite, so it is not a new procedure that we are involved in.

MR. CHAIRMAN: The Honourable Member for St. James.

MR. MINAKER: Mr. Chairman, I wonder if the Minister could advise us, he indicated earlier that milk had to be dumped last summer because the plants couldn't handle the peak production, I wonder if he could advise us how many times that this occurred last summer, also the volume of milk involved. He also indicated that there was interest by some of the processors to purchase this milk at a reduced rate, and I wonder if he has any indication of the dollars involved in that reduction in cost so we would know, in terms of economics, how many dollars we're talking about and could compare it to the cost of running a whey plant in Selkirk which would run idle for many days of the month.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Well again I want to stress that the plant, in essence, would be a whey disposal plant and that would be the bulk of its activities. The studies that we have done so far indicate a small involvement on the plant's part with respect to the processing of whole milk. So that, in essence, what we are talking about is the plant having the facility to pick up the overload in the peak production months which would also serve to increase the feasibility of that plant. You know, the 35 million pounds of milk that are embodied in the studies, whole milk processing, simply add to the feasibility and make it more possible that we wouldn't have to underwrite or subsidize too much in any given year. There's no question that there will be a degree of subsidization until the volumes are substantial enough.

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(MR. USKIW cont'd)

On the question of how much milk was dumped, I don't know the tonnages. I know that there was an offer that if the price was half the normal price that the plants would take the milk, that's the kind of situation we had in July of last year. Now the most important point on this whole question is the fact that we really can't talk about increasing our milk production when we know that at a given period of the year, we are now in a position where we can't handle the volume. So you know, we have to accept the fact that milk is a product that is a cyclical production product and that we can't expect to have high volume throughout twelve months of the year. You know, it's just an impossibility. Now we're moving towards equalizing the production or spreading it more evenly throughout the twelve-month period but I don't believe that we'll ever get to a point where we will have twelve even months of production.

MR. CHAIRMAN: The Honourable Member for St. James.

MR. MINAKER: Mr. Chairman, I wonder, through you, Mr. Chairman, if the Minister could answer the questions I raised or get answers to them. I would hope that the producer board has records that will indicate when this dumping occurred and how much volume was involved if they're keeping proper books. I'm sure that that information is available and I think would be very valuable to the House to have so that we would be aware of it - also when it occurred. I understand that when this does occur is when the fluid milk production gets ahead of the consumption on long week-ends in the summertime and this seems to be the main area of concern, and I would like to know that information so we would have it available to the House.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, it's taken me, not nine months to just state the last comments of the Honourable Minister of some little while ago about when production of milk can be increased or not be increased - he seemed to indicate to us that it could only be done within the biological time period of nine months. Of course that's patent nonsense. The fact of the matter is that the industrial milk shipper was free and indeed began to ship into the pooling process the minute the quotas were removed. So the gestation period of cows had nothing to do with the sudden increase in the flow of milk that brought upon this problem.

But the other question really that I wanted to ask the Honourable Minister is, and again points out, you know, his inability to appreciate - understand how the private sector can or probably should and would respond, what guarantee is there, or what hope is there, what encouragement is there for the private sector to do precisely what the Minister just said was necessary to increase plant capacity to handle increased production if looking over their shoulder is big brother government as a major competitor. What private entrepreneur in his right mind would invest money in expanding or enlarging plant capacity in Manitoba at this particular time when the government is actively considering getting into the business on their own? What entrepreneur that is in the business now and recognizes the kind of controls that the government already enjoys in this industry, would consider putting money into this kind of plant expansion at this particular time.

Mr. Chairman, the Minister has no concern about that because coming back to what I said earlier he doesn't really want to encourage the private sector in this area. And the Honourable Minister doesn't want to encourage any private activity in this particular area, or at least if I were to be perhaps more charitable, is at least not concerned about what private industry does in this area, whether they are encouraged to meet the expanding needs, or whether they're penalized, or whether they're prevented by regulation from fulfilling the need. His concerns are what he and his government intend to do in the industry. You know, I don't think the Minister can stand up and say that there has been no willingness on the part of the private sector to acknowledge the fact that perhaps some plant expansion is necessary in lieu of the room that is apparently there, it's provided for by the Canadian Dairy Commission under the quota arrangements in Canada, the room that is there for expansion in the dairy industry, which I don't argue with the Minister, I accept his figures. But I ask the Honourable Minister, you know, the simple question: What possible encouragement is there to the private sector to rise to the

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(MR. ENNS cont'd) occasion, if I may use that phrase, to meet that need? In fact, Mr. Chairman, just the opposite is the case. There's every reason, every discouragement, every reason for nervousness to spend any new dollars in the industry, indeed even spending the necessary dollars to maintain the present industry in its present capacity, with the kind of activity by this Minister and this government.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSEN: Mr. Chairman, to make one further point. The Minister has suggested that the construction of this plant at Selkirk, it was not the intention of the government that this plant would break even, or that they would just break even, if I understand him correctly.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, I wouldn't want to leave the impression that the province would not like to show a black figure, but based on the problems that we foresee in the area of whey collection and disposal I think that the profit position is some year away, and therefore while it may occur, you know, it certainly isn't going to occur in the first several years.

MR. JORGENSEN: That's the very thing that was worrying me because I recall the very glowing predictions that were made in respect to Flyer Coach Industries and Saunders Aircraft, and if, you know, on the basis of a very optimistic prediction those two companies could lose that much, just think of how much we can lose with Crocus Foods if they say we are going to break even. My God, you know, not only the processors are in trouble but the taxpayers are in trouble again too, and I think they should know about that.

MR. CHAIRMAN (Mr. Walding): Resolution 8 (b) The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Mr. Chairman, I want to make a very brief comment on this. After sitting here all evening and the better part of the past days regarding this plant, there's only one comment I would like to make, and it's similar to the Member from Morris, that I've heard tonight that we're in pretty good position regarding producers and milk prices in Manitoba compared to the rest of the country, and all I can say is that the Minister now wants to build his great castle the same as other Minister's have built their castles in this government, and all those castles are losing money.

I assure you that now that we have the Minister going into seven or eight million dollars in the dairy industry in agriculture, we had the dumping of eggs, and now we're going to have the dumping of milk, and there's no question in my mind that after about a year or a year and a half's production of this plant when it's in shape, is that we will probably have the highest milk prices to consumers, and producers, and the lowest to producers in this province, because the track record of this government in business is absolutely 100 percent bad. But we go doggedly along, wanting to go further into business without any more information on the subject than the Minister has been able to give us tonight, and yet we sit there and we just sort of smile, pass it off as saying, well I'll have my castle the same as the other Ministers in this province. And Mr. Chairman, we've got nothing but disaster for taxpayers when this happens.

MR. CHAIRMAN: Order please. Resolution 8 (b) (4) -- Passed, 8 (b) passed.
8 (c) (1) -- The Honourable Member for Morris.

MR. JORGENSEN: I don't rise to speak on this particular issue but I do rise to raise a question and I wonder if the Minister could tell us under what item are we going to be able to discuss - I don't notice it here in the estimates at all. In previous years the extension service was very clearly designated in the estimates. It is not so clear now, and I wonder under what item may we discuss this extension service or the Ag Reps.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, I'm quite happy to inform my friend opposite wherever you see the notation 'Regional Division' that is the delivery arm out in the field, so to speak, which was at one time under the extension program housed centrally here in Winnipeg. It is now broken up through decentralization into five regions.

MR. JORGENSEN: . . . it's going to be possible to discuss the operations of the extension service under five separate headings.

MR. USKIW: As per region.

MR. CHAIRMAN: Resolution 8 (c) (1) -- Passed; (2) -- Passed; (c) -- Passed; 8 (d) (1) -- Passed; The Honourable Member for Minnedosa.

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MR. BLAKE: Mr. Chairman, this particular item here, would this cover the Rural Development Officers, or what do you call the people that are involved in Rural Development Counselling Officers, or whatever their correct title is now.

MR. USKIW: That, Mr. Chairman, we can discuss under the Regional Division. What we are now discussing is the Assistant Deputy Minister and his immediate staff, which is a supervisory agency over that group that my honourable friend refers to.

MR. CHAIRMAN: Resolution 8 (d) (1) -- Passed; (2) -- The Honourable Member for Killarney.

MR. McKELLAR: Mr. Chairman, what item does home economists come under?

MR. USKIW: That would come under Youth and Family Programs, Mr. Chairman. Item 10.

MR. CHAIRMAN: Resolution 8 (d) (2) -- Passed; (d) -- Passed. Resolution 8 (e) (1) -- The Honourable Member for Rock Lake.

MR. EINARSON: Yes, Mr. Chairman, I would like to ask the Minister on 8 (e) Administration of Program Services Division of 589,000. Could the Minister indicate what program services he's referring to here.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: That's the administration of the department, Mr. Chairman. That's the in-House top administration.

MR. CHAIRMAN: Resolution 8 (e) (1) -- Passed; (2) -- Passed; (e) -- Passed; 8 (f) (1) -- The Honourable Member for Rock Lake.

MR. EINARSON: Well, Mr. Chairman, I take note with interest this particular item. When we talk about research in the Department of Agriculture last year 158,000, today's 107,100 on policy studies. The other is the same but there is Agricultural Research Grants but there is a reduction here, and I'm wondering, Mr. Chairman, what is the reason for the Minister taking this position by reducing the cost of research. I think that probably if I'm wrong then I would want some elaboration on this because, Mr. Chairman, I feel that if there's anything that the Minister of Agriculture can do to assist the farmers in this province is some further research on some of the problems that farmers are facing that they don't have the answers to and look to the experts in the field of the various departments who are researching various things.

I'd like to use one example, Mr. Chairman, where farmers have a problem with alfalfa.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, I'm wondering whether I couldn't help my honourable friend by pointing out to him that these research studies are of a policy nature, and what he is attempting to discuss is the technical studies. So this has to do with policy.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSEN: Mr. Chairman, I wonder if the Minister could tell the House just what policy studies were conducted with that \$107,000.

MR. USKIW: Which policy studies will be conducted, I presume, is the question? That's in the future tense.

MR. JORGENSEN: Policies that have been studied or in the process of being conducted right now.

MR. USKIW: The meat inquiry is one example of the expenditures of money under that item. The development of the General Development Agreement with the Federal Government is another area wherein funds were drawn from this source.

MR. JORGENSEN: I'm sorry I didn't catch the last . . .

MR. USKIW: The General Development Agreement which is not yet signed with Ottawa, a subsidiary agreement to ARDA.

MR. JORGENSEN: Mr. Chairman, I take it those are the only two policy studies that have been conducted under this particular item.

MR. USKIW: Well it's a very flexible item that wherein the department feels they want to undertake a study on any question that arises, that is the source of funding for those studies whether they be small or large if it involves policy.

MR. CHAIRMAN: The Honourable Member for Riel.

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MR. CRAIK: Mr. Chairman, I wonder if the Minister could advise me here. I wanted to find out what the government was doing in the way of research policy, or research on policy with regard to irrigation lands in the Province of Manitoba, and I assume that this might be as good a place as any to ask the Minister about it, and if that being the case I'll continue on, if it's not I'll wait until a later item.

MR. USKIW: That item comes under Technical Services, Mr. Chairman. It appears later on. Technical Services.

MR. CHAIRMAN: Resolution 8 (f) (1) -- passed; (2) -- pass? The Honourable Member for Morris.

MR. JORGENSON: I wonder if the Minister could give us an idea of what that research grant to the University of Manitoba is being used for. I'm particularly interested in knowing if part of that is research in the development of methane gas. I know that the University of Manitoba has been conducting some research along those lines, and I wonder if there is some contribution on the part of the Provincial Government to assisting the university in the conduct of this kind of research work.

MR. CHAIRMAN: The Minister of Agriculture.

MR. USKIW: I don't know whether it wouldn't be an expedient thing to simply make the research document available to members opposite. This represents the totality of the programs of the University of Manitoba Research Faculty of Agriculture. It's a whole host of activities that is presented to us before the budget is arrived at, and where we in the end have to pare down to confine that program within our budgetary limitations, or within the limitations of the faculty and the contribution that they receive from the department. So it's a pretty heavy document. If my honourable friend wants me to read it, I can read it, but I don't think that's his intent.

MR. JORGENSON: . . . more curious about the research that's being conducted along the lines of recycling animal waste. I know that the University of Manitoba has been doing some work along those lines, and I think also the Glenlea Research Station has been doing some work along those lines, and I just wondered if that was part of the research that was being conducted. My honourable friend the Member for Riel tells me that the Biomass Institute is involved to a large extent in that kind of a research, but I would like the Minister to explain just what the Provincial Government is doing with respect to this very significant development of an alternate energy source.

MR. USKIW: I believe that the Biomass studies relate to the Manitoba Research Council activities, which is sponsored by the Department of Industry. So if he's looking for research in that area it's not this department that's directly involved.

MR. JORGENSON: Well then who is involved in the research that is taking place at the Glenlea Station?

MR. USKIW: Glenlea would be the agricultural component, yes. We have it listed here, we have it listed here.

MR. JORGENSON: . . . if the Minister could give us some information on that kind of research program. I think members of the House would be interested in knowing just what prospects there are, and what stage that the research has now reached, and what the potential for that kind of energy is in the future.

MR. USKIW: I think, Mr. Chairman, the best way to expedite is if I could provide my honourable friends with a copy of the research program, so that they can peruse it and ask questions subsequent if they wish. I don't have the specific data that my honourable friend wants.

MR. JORGENSON: Are we to understand then, Mr. Chairman, that the document that the Minister now has before him is going to be made available to each member of the House, or is that going to be one document available to members of the opposition.

MR. USKIW: Well I would hope that we could have one available to each party, or each caucus, rather than try to make one available to every member. But there is a report on producing methane gas from hog manure within this particular document.

MR. JORGENSON: Is it being conducted at the Glenlea Research station?

MR. USKIW: I believe it is, I'm not so sure.

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MR. CHAIRMAN: Resolution 8 -- The Honourable Member for Roblin.

MR. McKENZIE: I'm wondering under this item if the Honourable Minister can advise the House of - the pesticides, do they come under this in the research. What pesticides have been withdrawn and . . . I wonder can the Honourable Minister advise the House which ones have been withdrawn off the marketplace since the Act was passed, the Control Act.

MR. USKIW: I'm sorry I didn't get that question.

MR. McKENZIE: Well I'm wondering what pesticides have been taken off the marketplace since the Pesticides Control Act was passed.

MR. USKIW: I'm not aware of any resulting from provincial activities. I believe that the only pesticides taken off the market had to do with the Federal Food and Drug authority. I don't recall of any that we have intervened with directly, provincially speaking.

MR. McKENZIE: All the outlets in the province are licensed to date, and they are regulated. Then I ask about the infestation that's indicated for grasshoppers in the forthcoming season. Has the department ample supplies, or can we expect an infestation in the coming year?

MR. CHAIRMAN: The Minister of Agriculture.

MR. USKIW: We're not on that item but I can tell my honourable friend that the department has anticipated a problem for this summer and we have provided for the purchase of chemicals and so forth.

MR. CHAIRMAN: The Honourable Member for Riel.

MR. CRAIK: Mr. Chairman, under this topic I just wanted to briefly ask the Minister if the Department of Agriculture is following the activities that are carried on in fields that may or may not be under his financing at the university. I understand that the National Research Council has tightened up pretty hard with regards to the investment of funds for research at the university, and this includes a great number of different areas and disciplines of course, but there are a number of fields that are agricultural that are affected by this, and I'm wondering since the amount is kept the same this year as it was last year if this action by the National Research Council or tightening up of the National Research Council has been taken into account. There has been one area in particular I know that's in some difficulty, and there may be many others, but the one of investigations of fungus growth for possible food supply which is carried on partly through this Biomass group additionally that was mentioned here along with the methane studies, have found that at the sort of most critical period of their study, the research funds from the National Research Council are effectively cut off, and I wonder if there are others that are being caught in the same position this year by lack of funds from the federal source.

MR. USKIW: Well I'm not sure that I can respond to that adequately. I can simply indicate to the honourable member that we do have discussions with the university people before we finalize our budgetary proposals and in keeping with those discussions that we arrive at a position and amount of money, and I have to say that we have been trying to hold the line on expenditures and have asked the university to prioritize, or at least the faculty over which I have responsibility or to which I make contributions from my department, to prioritize their projects so that we don't have to have undue increases in expenditures year after year.

MR. CRAIK: Well I gather then this is not just a block grant, that you actually do monitor the programs that are undertaken, or monitor the types that they at least initiate.

MR. USKIW: Yes, the university presents us with a proposal amounting to, I suppose, hundreds of programs and the dollars that go with it, and of course in the budgetary process we deal with the dollar question and then try to get them to emphasize studies where we have an interest insofar as that is possible and ask them in the process to use their good judgment within the confines of the financial position that we're in at the time.

MR. CHAIRMAN: The Honourable Member for Fort Garry.

MR. L. R. (BUD) SHERMAN (Fort Garry): On this same item, Mr. Chairman, can the Minister advise the House whether this particular estimate and this particular appropriation refers specifically to programs undertaken only by the University of Manitoba and within the aegis of the University of Manitoba, or whether it includes research, for example, undertaken by the Dominion Rust Research Laboratory and agencies of that sort of the university campus?

MR. USKIW: The totality of the \$570,000 is a grant to the Faculty of Agriculture, University of Manitoba.

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MR. SHERMAN: It just covers those programs that are specifically undertaken by and related to the Agriculture Faculty at the University of Manitoba?

MR. USKIW: Yes, it relates to that proposal which is presented to the Department of Agriculture which is discussed with them and refined and sent back.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, then I think it's in order that I pursue a question. I don't know whether the Minister could give an answer but the document he said he's prepared to table on this side, and I mentioned something about an alfalfa plant that causes bloat in cattle. I'm wondering can the Minister offhand indicate whether there's any progress being made in that direction producing a kind of alfalfa plant that would not cause bloat in cattle.

MR. USKIW: Well I believe that there is such a product on the market, Mr. Chairman, I am not sure where it is but there is supposed to be bloat free alfalfa on the market now. And I would have thought my honourable friend for Rock Lake would know more about it than I would. But notwithstanding that I will try to get the information for him.

MR. CHAIRMAN: The Honourable Member for Riel.

MR. CRAIK: Mr. Chairman, I wonder if the Minister does have any sort of reading on whether there is problem with the lack of NRC support this year for research. Is it showing up in agriculture?

MR. USKIW: No, I'm afraid I can't respond to that, Mr. Chairman. It hasn't been brought to my attention as a problem.

MR. CHAIRMAN: Resolution 8(f)--pass; resolution 8(g)-- the Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, I rise now primarily to perhaps serve the Minister notice that we would appreciate having a general overview of the status of current Canada-Manitoba ARDA Agreements currently operative in the Province of Manitoba and the kind of work and programs that will be carried out as a result of passage of these estimates.

I note that throughout the estimates there is continual references in various sections of the estimates, properly so probably, dealing with the Canada-Manitoba ARDA Agreements as well as the FRED Agreements, but I am sure the Minister will concur with me that it's difficult to try to tie these together in this way and would perhaps be of greater benefit to us, and if the Minister chose perhaps tomorrow where time would be sufficient for staff to be of help to him, to pull together the current projected programs under the Canada ARDA Agreements.

I think it's particularly important, Mr. Chairman, in view of the fact that there are members in the Chamber that have, you know, not been with us from the inception of some of the original ARDA Agreements, some, you know, some historical background I think would be of help at this particular time to see just where we have arrived at over-all in the ARDA agreements and which direction we're heading. Some capsulizing of over-all dollars and cents would be appreciated if that's possible, and of course for myself, representing the area that I do, the specific references to the FRED program in the Interlake, some overview of the status of that program, remaining funding that is being anticipated in the coming year, some look back at project completions under these federal and provincial agreements.

Mr. Chairman, as I stated, I'm suggesting that that be considered by the Minister as a possible way of dealing most expeditiously with this item which then would preclude us from having to necessarily raise the matter every time the Canada ARDA Agreement item appears in the estimates. Thank you, Mr. Chairman.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, the programs that are currently under ARDA are in the area of that kind of construction, water services, sewer and water for farms that is, the Farm Diversification Program, and likewise that is part of the FRED package. But if the members would notice on all of the pages there is reference to ARDA expenditures and FRED expenditures, and I think that after we get through debating them item by item you might get the overview, and if at that stage there are still some questions to be asked then I believe I should give you the answers that you're looking for.

I'm not sure that it's going to be too meaningful to repeat the discussion two or three times. The item before us now merely deals with the publication of the annual ARDA booklet, the five thousand dollar item. That is what we are now dealing with rather than with the

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(MR. ENNS cont'd) program. We're just dealing with the publication. That gives you the whole overview. Once the publication is tabled that gives you the whole overview.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSON: I note, Mr. Chairman, that that particular item has increased from 2, 000 to 5, 000 dollars. Does that represent an increase in the printing costs or is that an increase in the number?

MR. USKIW: I'm advised that it is just a general increase in a larger number of brochures that are going to be put out.

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

MR. GRAHAM: Mr. Chairman, when we're dealing with ARDA, I understand that ARDA doesn't appear just only in agriculture, we have it in several other departments. Could the Minister indicate what other departments we can expect part of the ARDA program to appear in.

MR. USKIW: I believe it would relate to mines . . . well I know it relates to Mines and Resources. I believe the Department of Municipal Affairs, Tourism, Industry, I would think, yes. There may be others but those are a number that I'm certain that there will be references with respect to ARDA.

MR. CHAIRMAN: (Resolution 8(g) and (h) were passed). Resolution 9 - the Honourable Member for Souris-Killarney.

MR. McKELLAR: Mr. Chairman, I'd just like to say a word on crop insurance. While I know that the report that we have on our desk relates only to the year previous, 1973 crop year, the past crop year I understand from talking to some of the men involved who were working with the crop insurance, an enormous number of claims and most of us know the reason why, because of the lateness of the year and also the dry weather that existed during the summer months. Also we had an unusual number of aphids last year in the barley and this caused no end of trouble. But I'd like to know if the Minister can relate just what their experience was this past year, just what increase in the number of claims there would be or the amount of claim money paid out compared with the amount of premium money collected, just what that would be. Also, too, any new changes in policy that might relate to this year's coming program, if he could relate that to us. And also the direction that the crop insurance program is taking from now on. Are they going to continue to expand their hail insurance program or are they going to expand into any other crops that they have in the past been insuring, and any other thing that might involve crop insurance in the Province of Manitoba.

MR. USKIW: Mr. Chairman, the expansion area is the pilot studies that we're going to undertake this year on forage crop insurance, that is the area that we do not have coverage for at this point in time. It is an area where the province has almost every year provided through special emergency measures some form of assistance to ranchers across Manitoba, or different parts of Manitoba, due to the problems of nature and we are just entering the pilot stage which is really the way we've always proceeded before we've gone into a program or before we've added another crop to the program, and it will likely take at least a couple of years before we decide on whether it's worthwhile to get into forage crop insurance. This would be related to tame forage rather than the native grassland areas of the province.

With respect to the premiums, the total amount of premiums that were paid by farmers was \$2.4 million, and of course Government Canada paid an equal amount, that's for the all-risk coverage. In the hail spot loss there was an additional 443, 000 added to that figure, for a total of 2, 848. The pay-out was \$8.1 million, 8, 116, 000 which is the largest payout ever in the history of the corporation. However, it is not as much a disaster as we feared it would have been had the farmers of Manitoba not used the ingenuity that they have developed over the years and the fact that they were able to complete their seeding program and get their crop off under very abnormal conditions. If it wasn't for that we would have had to pay out a lot more. But it is a credit to our farmers that we have been able to keep within bounds the payouts from the crop insurance fund. We still have with the Crop Insurance Corporation some \$2.2 million, 2 1/4 million to be exact in reserve. We have 2.9 million in Canada Reinsurance, and we have 2.2 million in Manitoba Reinsurance, for a total reserve position of \$7.350 million. So in essence before we really get into serious difficulty with the program we could probably stand another year or two like last year, although we don't hope to see another one like that.

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MR. McKELLAR: I'm just wondering, I notice in the report here that in '73 the Federal Government did expand the amount of moneys paid out 25 to 50 percent. Is that the reason you mention, like did they put up \$.4 million this year? Well how is the Stabilization Fund that we're talking about now, is that going to create a conflict with the crop insurance or what's that - the stabilization that they're talking about at Ottawa now covering all of Canada. I'm just wondering is that going to create a conflict on the crop insurance, are the farmers going to be able to decide whether they want one or both or what is the policy regarding that?

MR. USKIW: At the moment, Mr. Chairman, the two are unrelated. I don't know just what the thinking of the Government of Canada is with respect to that question. I know it has been raised by the Crop Insurance Corporation but we are not clear at this point as to the ultimate intent of the Government of Canada, but hopefully we are going to have some discussions with them. As a matter of fact next week we are meeting on the question of stabilization programs. I don't know if it will include grains at this particular meeting but it may. I might have more information after that trip to Ottawa.

MR. McKELLAR: One other thing and then I'll sit down. One of the complaints this fall, that it was taking a long time to make the adjustment on certain fields and this little wheel that you use for pushing around this - surely there must be some other system of measuring fields. I understand they do take aerial photos too but most of them, the adjuster said they had to use this little wheel to go around. Well that took no end of time, and I'm sure that there must be some other method on a year like this because this is creating real problems on delays, farmers are wondering when they're going to get their money. Also, that the delay after they did make the adjustment it was about two months before they did get their pay. I was just wondering if there is some study being made as to how they could speed up the measuring of fields which would in turn speed up the adjustment of certain losses. I would imagine if you look back in the records that you'll find out that 1961 was a terrible year too, and it was a terrible year because we were dried out the same as we were this past year, and they paid about four or five times as much money as was collected in premiums, and that was a disaster year too, but maybe smaller proportions because of the small number of people that were insured that time. Because the crop insurance plan just came in in 1959. So, are there any studies being made on how you measure fields rather than go around with this little wheel, pushing it - and I know the adjusters got pretty tired about Christmas time when they started going through the snow banks trying to push this little wheel around. Maybe you could answer me on that.

MR. CHAIRMAN: The Minister of Agriculture.

MR. USKIW: No, Mr. Chairman, I'm not aware of any discussion on that point, at least it hasn't been brought to my attention. It's quite possible that the corporation and the board of directors have entertained some discussion along those lines but certainly not something that has been brought to my attention.

MR. CHAIRMAN: Resolution 9. Resolved that there be granted to Her Majesty a sum not exceeding \$1, 151, 500 for Agriculture.

MR. GREEN: Committee rise, Mr. Chairman.

MR. CHAIRMAN: Is there a consensus that committee rise? Call in the Speaker.

MR. SPEAKER: The Honourable Member for St. Vital

MR. WALDING: Mr. Speaker, I beg to move, seconded by the Honourable Member for Gimli that the report of the committee be received.

MR. DEPUTY SPEAKER: Regularly moved and seconded, report of the committee be received. (Agreed) The Honourable House Leader.

MR. GREEN: Mr. Speaker, I move, seconded by the Honourable the Minister of Agriculture that the House do now adjourn.

MR. DEPUTY SPEAKER: Moved by the Minister of Mines and Natural Resources, seconded by the Minister of Agriculture, the House be now adjourned. (Agreed) House is accordingly adjourned and stands adjourned until 2:30 tomorrow afternoon.