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HOUSE OF COMMONS
Fifth Session—Twenty-second Parliament
1957

STANDING COMMITTEE
ON
Agriculture and Colonization

Chairman: RENÉ N. JUTRAS, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE
No. 1

BILL No. 157
An Act to amend the Prairie Farm Assistance Act

TUESDAY, MARCH 5, 1957

MONDAY, MARCH 11, 1957

WITNESSES:

Mr. G. J. Matte, Associate Director of Rehabilitation, Department of Agriculture and Mr. W. R. Bird, Director, Prairie Farm Assistance Act, Regina, Sask.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1957.

STANDING COMMITTEE
ON
AGRICULTURE AND COLONIZATION

Chairman: René N. Jutras, Esq.
and Messrs.

Anderson,	Jutras,	Perron,
Batten,	Kickham,	Pommer,
Blackmore,	Kirk (<i>Antigonish-</i>	Proudfoot,
Boucher,	<i>Guysborough</i>),	Purdy,
Bruneau,	Laflamme,	Quelch,
Bryce,	Legaré,	Roberge,
Cardiff,	Lusby,	Robinson (<i>Bruce</i>),
Charlton,	MacKenzie,	Schneider,
Decore,	MacLean,	Smith (<i>Battle River-</i>
Demers,	Mang,	<i>Camrose</i>),
Deslières,	Massé,	Stanton,
Dinsdale,	Matheson,	Studer,
Fontaine,	McBain,	Thatcher,
Forgie,	McCubbin,	Tustin,
Gingras,	McCullough (<i>Moose</i>	Villeneuve,
Gour (<i>Russell</i>),	<i>Mountain</i>),	Weaver,
Harkness,	Ménard,	Weselak,
Harrison,	Michaud,	White (<i>Middlesex East</i>),
Huffman,	Montgomery,	White (<i>Waterloo</i>
James,	Murphy (<i>Westmorland</i>),	<i>South</i>).
Johnson (<i>Kindersley</i>),	Nicholson,	
Jones,	Patterson,	

ORDER OF REFERENCE

HOUSE OF COMMONS,

JANUARY 24, 1957.

Resolved,—That the following Members do compose the Standing Committee on Agriculture and Colonization:

Messrs.

Anderson,	James,	Nicholson,
Argue,	Jones,	Patterson,
Batten,	Jutras,	Perron,
Blackmore,	Kickham,	Pommer,
Boucher,	Kirk (Antigonish-	Proudfoot,
Bruneau,	Guysborough),	Purdy,
Bryce,	Laflamme,	Quelch,
Byrne,	Legaré,	Roberge,
Cardiff,	Lusby,	Robinson (Bruce),
Charlton,	MacKenzie,	Schneider,
Clark,	MacLean,	Smith (Battle River-
Decore,	Mang,	Camrose),
Demers,	Massé,	Stanton,
Deslières,	Matheson,	Studer,
Dinsdale,	McBain,	Thatcher,
Fontaine,	McCubbin,	Tustin,
Forgie,	McCullough (Moose	Villeneuve,
Gingras,	Mountain),	White (Middlesex East),
Goode,	Ménard,	White (Waterloo
Gour (Russell),	Michaud,	South)—60.
Harkness,	Montgomery,	
Huffman,	Murphy (Westmorland),	

(Quorum 20)

Ordered,—That the Standing Committee on Agriculture and Colonization be empowered to examine and inquire into all such matters and things as may be referred to them by the House; and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

FRIDAY, FEBRUARY 22, 1957.

Ordered,—That the following Bill be referred to the said Committee:

Bill No. 157, an Act to amend the Prairie Farm Assistance Act.

TUESDAY, MARCH 5, 1957.

Ordered,—That the said Committee be authorized to sit while the House is sitting.

Ordered,—That the quorum of the said Committee be reduced from 20 to 15 members and that Standing Order 65(1)(f) be suspended in relation thereto.

Ordered,—That the said Committee be empowered to print from day to day, 750 copies in English and 250 copies in French of its Minutes of Proceedings and Evidence, and that Standing Order 66 be suspended in relation thereto.

THURSDAY, MARCH 7, 1957.

Ordered,—That the name of Mr. Johnson (*Kindersley*) be substituted for that of Mr. Argue on the said Committee.

FRIDAY, MARCH 8, 1957.

Ordered,—That the name of Mr. Harrison be substituted for that of Mr. Byrne;

That the name of Mr. Weselak be substituted for that of Mr. Goode; and
That the name of Mr. Weaver be substituted for that of Mr. Clark,
on the said Committee.

Attest.

LEON J. RAYMOND,
Clerk of the House.

REPORT TO THE HOUSE

TUESDAY, MARCH 5, 1957.

The Standing Committee on Agriculture and Colonisation begs leave to present the following as its

FIRST REPORT

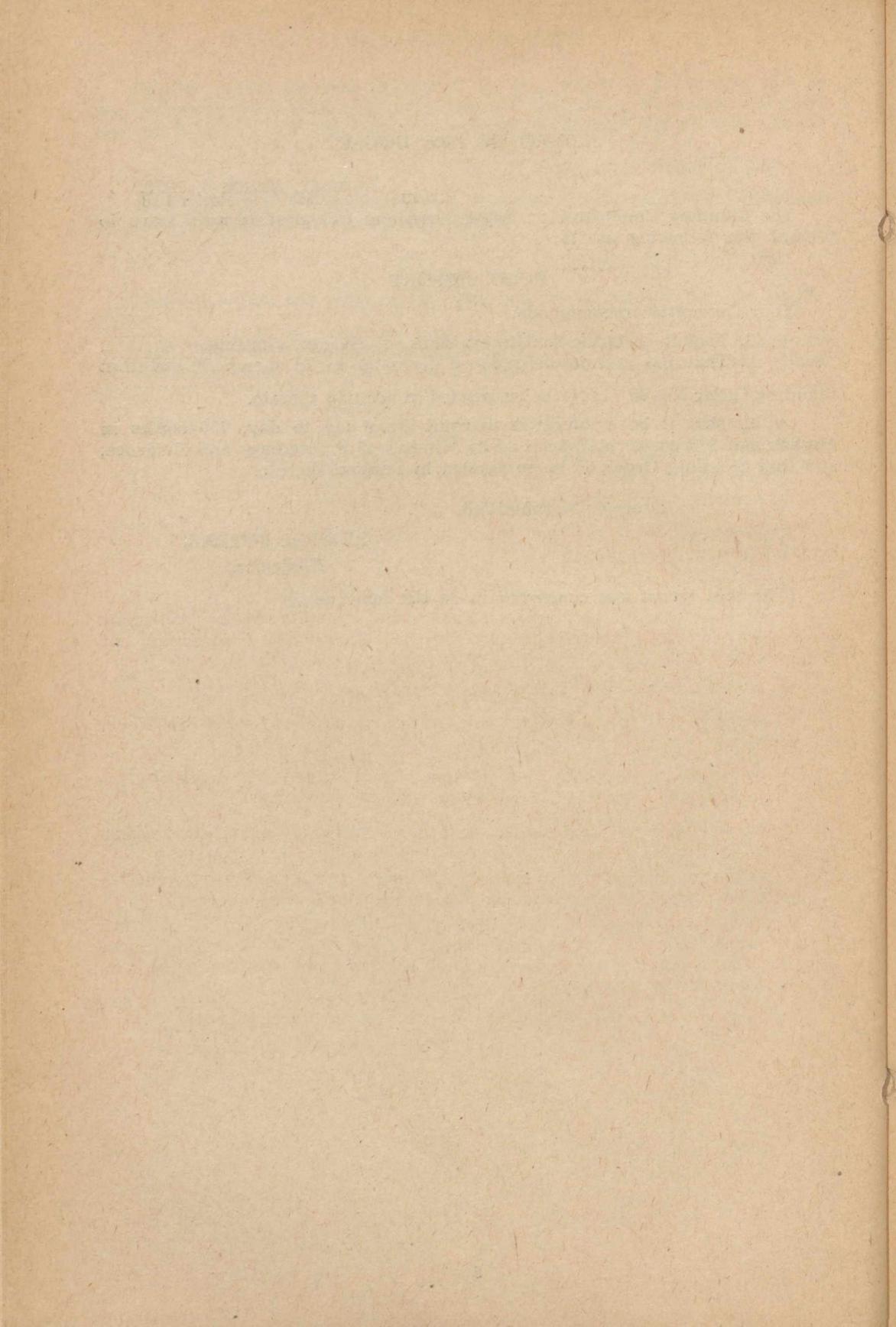
Your Committee recommends:

1. That it be authorized to sit while the House is sitting.
2. That its quorum be reduced from 20 to 15 members and that Standing Order No. 65 (1)(f) be suspended in relation thereto.
3. That it be empowered to print from day to day, 750 copies in English and 250 copies in French of its Minutes of Proceedings and Evidence, and that Standing Order 66 be suspended in relation thereto.

Respectfully submitted,

RENE N. JUTRAS,
Chairman.

(The said report was concurred in on the same day.)



MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 118,
TUESDAY, March 5, 1957.

The Standing Committee on Agriculture and Colonization met at 11.00 a.m. this day. The Chairman, Mr. René Jutras, presided.

Members present: Messrs. Argue, Boucher, Bryce, Cardiff, Decore, Deslières, Harkness, James, Jones, Jutras, Kirk (*Antigonish-Guysborough*), Légaré, MacKenzie, MacLean, Massé, McBain, McCullough (*Moose Mountain*), Pommer, Purdy, Quelch, Roberge, Schneider, Smith (*Battle River-Camrose*), White (*Middlesex East*).—24.

In attendance: The Right Honourable James G. Gardiner, Minister of Agriculture.

The Orders of Reference were read by the Chairman.

On motion of Mr. Pommer, seconded by Mr. Roberge,

Resolved,—That a recommendation be made to the House to reduce the quorum from 20 to 15 members.

On motion of Mr. Deslières, seconded by Mr. Jones,

Resolved,—That permission be sought to print, from day to day, 750 copies in English and 250 copies in French of the Committee's Proceedings and Evidence.

On motion of Mr. Bryce, seconded by Mr. Légaré,

Resolved,—That the Committee request permission to sit while the House is sitting.

Agreed—That a Subcommittee on Agenda and Procedure, comprising the Chairman and 8 members to be named by him, be appointed.

Agreed—That farm organizations desiring to make representations relating to Bill 157 be heard.

The Chairman undertook to make available to members of the Committee copies of the Regulations made under the Prairie Farm Assistance Act.

Following a statement by the Chairman indicating that Mr. W. R. Bird, Director of Prairie Farm Assistance would appear at the Committee's next meeting, the Committee adjourned at 11.20 a.m. to meet again at 11.00 a.m. Monday, March 11.

J. E. O'Connor,
Acting Clerk of the Committee.

MONDAY, March 11, 1957.

The Committee met at 11.00 o'clock a.m. The Chairman, Mr. René Jutras, presided.

Members present: Messrs. Anderson, Bryce, Cardiff, Charlton, Dinsdale, Harkness, Johnson (*Kindersley*), Jones, Jutras, Kickham, Légaré, Mang, Massé, McCullough (*Moose Mountain*), Michaud, Montgomery, Nicholson, Patterson, Pommer, Purdy, Quelch, Robinson (*Bruce*), Smith (*Battle River-Camrose*), Studer, Thatcher, Weaver, White (*Waterloo South*), Weselak.—28.

In attendance: The Right Honourable James G. Gardiner, Minister of Agriculture; Mr. James Patterson, Manitoba Chairman of the Interprovincial Farm Union Council; Mr. Henry Young, Vice-President, Farmers Union of Alberta; Mr. Stanley Perka, Farmers Union of Alberta; Dr. E. C. Hope, Canadian Federation of Agriculture; Mr. G. J. Matte, Associate Director of Rehabilitation, Department of Agriculture, and Mr. W. R. Bird, Director, Prairie Farm Assistance Act, Regina, Saskatchewan.

The Committee proceeded to the study of Bill 157, An Act to amend the Prairie Farm Assistance Act.

At the invitation of the Chairman, the Right Honourable Mr. Gardiner spoke briefly to make a correction to a statement made by him in the House a few days before.

Messrs. Matte and Bird were in turn called to address the Committee. They outlined their respective functions and explained the mode of administration of the Prairie Farm Assistance Act. They commented on the amendments to the Act brought forward in the Bill now under consideration.

The Right Honourable Mr. Gardiner, Mr. Matte and Mr. Bird answered many questions put to them by the members of the committee.

And the study of the bill still continuing, it was postponed to the next sitting.

At 1.00 o'clock p.m. the Committee adjourned to meet again at 11.00 o'clock a.m. tomorrow, Tuesday, March 12.

Antoine Chassé,
Clerk of the Committee.

EVIDENCE

MONDAY, March 11, 1957.

11.00 a.m.

The CHAIRMAN: Order. Gentlemen, we have a quorum.

Do you all have copies of the bill? There are some copies here at the head table for those of you who have not already got copies. We also have a few copies of the act, if anyone wants them.

This morning, we have with us, Mr. G. J. Matte, from the Ottawa office of the P.F.A., and Mr. W. R. Bird, from the Regina office.

I will ask Mr. Matte and Mr. Bird to come to the head table.

We also have in the room a representative of the Interprovincial Farm Union Council, Mr. Patterson. We have Mr. Young, from Alberta, and Mr. Stanley Perka from Alberta. Dr. E. C. Hope, from the Canadian Federation of Agriculture, is also in the room.

Before we begin, I will ask the Minister of Agriculture to say a word.

Right Hon. Mr. GARDINER: I just want to say that, in a rather hurried reply to the member from Selkirk the other night, when he asked me a question as to whether the Indians paid the levy, I think I said "yes". They do not. I just wanted to make that correction before we started. According to the regulations, the Indians are not supposed to pay the levy.

The CHAIRMAN: I will call on Mr. Matte.

Mr. G. J. MATTE (*Associate Director, Prairie Farm Assistance, Department of Agriculture*): Mr. Chairman, I do not know exactly what you would like me to cover. However, I would just like to say that my work is here in Ottawa. I am in charge of the administration of the act, in so far as Ottawa is concerned.

Mr. Bird, the director, is in charge of the field administration in Regina.

What we look after here in Ottawa is, largely, the general administration—that is, financing of the act, and getting the required funds for the administration, and the making of payments.

In addition to the set-up in Regina, that consists of about 57 permanent staff—and these men and women are employed the year round—we have a large staff of field inspectors, who are taken on in the fall of the year, and stay for periods ranging from a few days to a few weeks, to make inspections as the applications come in from the municipalities. These men are not, strictly speaking, employees of the government. They are picked up in the field. They are mostly municipal men, and men with municipal experience, or men who know the country very well. They are paid on a daily rate basis, for just as long as the work lasts. If it is a big program, they may be employed longer, and if it is a small program, they may only last a few days. That is the set-up.

In addition to that, there is a board of review. I think I will just read the duties of this board of review from the act.

This board of review consists of three members. I happen to be the member representing the Department of Agriculture. Mr. Holmes, of Saskatoon, represents the treasury department, Mr. Sol Sinclair, the Dean of Agriculture at the University of Manitoba, represents the farmers in the municipalities.

Now, under the act it says:

- (1) A board of review shall be established to consist of three persons, to be appointed by the governor in council on the recommendation of the minister, one of whom shall be named chairman.

(2) The board shall examine all information and data regarding the average yield of wheat in any township for which an application for assistance has been received and shall determine the eligibility of such township for an award under this act.

(3) The board shall decide, under the act and regulations, any question concerning the eligibility of any farmer or class of farmers for an award under this act.

(4) The decision of the majority of the members of the board constitutes the decision of the board.

Incidentally, Mr. Sol Sinclair is the chairman of the board.

I think that is about all I need to cover at the present time. There may be questions asked later on.

Mr. POMMER: You are not allowing questions now?

The CHAIRMAN: Possibly we should hear Mr. Bird, and then you can direct your questions to both of these gentlemen at the same time.

I will call on Mr. W. R. Bird, the Director of the Prairie Farm Assistance, Regina.

Mr. W. R. Bird, Director of Prairie Farm Assistance, Regina, called.

The WITNESS: I take it, Mr. Chairman, you would like me to outline the procedure that is followed in administering the act.

As Mr. Matte has outlined, our headquarters, for the administration of the act, are located in Regina. We have a small sub-office at Edmonton, which takes care of the Alberta area, and the Peace river district.

First of all, I think, Mr. Chairman, I might outline the assistance that is given under the act.

Where a crop failure area is established and set up by the board of review, there are three categories of assistance, as the act is presently set up.

Where we find an area established, with a yield of wheat from zero to four bushels per acre, we pay assistance to a farmer, who is otherwise eligible, at the rate of \$2.50 per acre, on half of his total cultivated acreage. The maximum payment is \$500.

Where the average yield, in an eligible area, is four bushels to eight bushels per acre, we make a payment at the rate of \$1.50 per acre on half of the farmer's total cultivated acreage. The maximum payment is \$300.

In the zero bushels per acre to four bushels per acre category, and in that category only, there is also a provision for a minimum payment of \$200, to any farmer qualifying.

Then, we have a provision under those yield sanctions of the act, where the eligibility is established by the yield, for the addition of small areas. We have used, first of all, the township as a basis for eligibility, and if when a township is found eligible, there is a rectangular block of one-sixth of a township—six sections or more in an adjoining township, with a side adjoining that eligible township with an average yield, under eight bushels per acre, we add that as a payable area.

The act provides also, that in an eligible area, where there is a sixth of the township, or more, which has an average yield of over ten bushels per acre, then that area must be removed from payment.

Under recent amendment, there is a provision for assistance to farmers, who cannot seed or summer fallow their lands because of reasons beyond their control, such as flooding. The qualification of the act, in regard to this type of assistance, is that there shall be an area of six sections, or 3840 acres, in a continuous flood area.

Where such an area can be established—that is, an area which has not been seeded or summer fallowed—then we pay assistance at the rate of \$2.50 per acre on half of the farmer's eligible land. Again, there is a maximum payment of \$500.

The amendments, which are proposed, would increase those rates of pay, and change the shape of the blocks, which I have mentioned, under section 6 subsection (c) and section 6, subsection (b) of the act, to an irregular shape, rather than the present rectangular shape, as the act now calls for.

Now, the procedure of dealing with the administration of the act is this: we ask that all municipalities—and where municipalities do not exist, the provincial governments on behalf of the local improvement districts—make application for assistance to us before September 15 in any year. We ask them to give us estimates, township by township, of the average yield of wheat which they expect to harvest. This enables us to make plans for our inspection program. As soon as the harvest is over, we proceed to carry out farm-to-farm inspections, in each township that has applied for assistance. Each farmer is asked to provide us with a cultivated acreage report, which indicates the acreage that he has sown to each type of grain, or summer fallow, or the acreage he may have in pasture, and also the acreage of tame grass which is in production.

I might point out there, Mr. Chairman, that the benefits of the act include the taking into consideration of grass acreage which has been planted to tame grass, and where the production is being maintained.

We take this information from the individual farmer. It is then taken and plotted on township maps, which are presented to the board of review, showing all of the information in connection with the acreage and yields of grain. The board of review then decides or determines the area which is to be paid.

As soon as the area is set up, we then take all of the farmers, who are included in the eligible area, and make payments to them on the basis that I have outlined to you.

The act provides that 60 per cent of the payments shall be made in the month of December, provided the harvest is early enough that we can get that done. Sometimes, if the harvest is delayed, it is necessary to delay the payments until a little later, but wherever it is humanly possible we make the first payment, of 60 per cent, in December. The act calls for the balance of the payments, that is 40 per cent, to be made during the month of March.

The payments under the act are provided by a 1 per cent levy, which is made on all the grain sold by the farmer, and collected from him at the elevator. This fund is handled by the Board of Grain Commissioners, who turn it in to the government.

As in the case, the amount collected, under the 1 per cent levy, has not been sufficient to carry the program, and the federal government has then reimbursed the fund, in order that the payments can be completed.

All of the costs of administration are provided by parliament through a separate fund.

I think that covers briefly what I have to say.

Mr. POMMER: Mr. Chairman, when Mr. Matte was stating the number of employees at the Regina office, a question came to my mind regarding the superintendents and the district representatives. Are those men civil servants?

Mr. MATTE: They are included in that group.

Mr. POMMER: When they are retired they draw superannuation payments?

Mr. MATTE: Definitely yes.

Mr. POMMER: Thank you.

Mr. THATCHER: Mr. Chairman, I was wondering if Mr. Bird or the minister could give any estimate of how this bill will affect the prairie farmers, how much it will mean to them. In other words, how much money will be paid out of the treasury, in addition to whatever is paid under the old act.

The CHAIRMAN: What was that question again, please.

Mr. THATCHER: I was wondering if either Mr. Bird or the minister would estimate how much additional money the prairie farmer is likely to receive as a result of this amendment—how much is it going to mean to him?

Right Hon. Mr. GARDINER: Roughly speaking about 50 per cent. I would not like to say we could prove the figure would work out to that, because we have yet to have the experience.

Mr. THATCHER: You could not give the dollar estimate at all, I suppose, because it would depend on crop failures.

Hon. Mr. GARDINER: Yes. I should like to say that I understood Mr. Pommer to ask two questions a few moments ago, one as to whether those men were civil servants and the other as to whether they had superannuation. I think Mr. Matte said yes, which would probably apply to both, but I do not think they are civil servants.

Mr. MATTE: No, they are not civil servants under the Civil Service Act but they do qualify for superannuation in that regard. That is all. They are full-time employees, and as full-time employees they are qualified for superannuation; but they are not, strictly speaking, employees under the Civil Service Act. They are full-time employees but they are not subject to the Civil Service Act.

Mr. POMMER: Well then how do they qualify for superannuation?

Mr. MATTE: Well, the act was amended within the last two or three years covering all employees of the government, even part-time, and the prevailing-rate employees as well as others. The prevailing-rate employees do not come under the Civil Service Act.

Mr. POMMER: Is there any reason why these do not come under the Civil Service Act?—

Mr. MATTE: Well the act—the Prairie Farm Assistance Act—

The CHAIRMAN: The minister will answer that question, I think, as it is a question of policy.

Right Hon. Mr. GARDINER: The reason they were not put under the act to begin with, was that the act was not originally drawn with the knowledge that it was to be permanent and, as a matter of fact, it is not as yet known whether it is to be permanent. It was not therefore thought wise to put a group of persons under the Civil Service Act at a time when it was not certain that this was something which was to be continued. If the act discontinued at some time then we would probably have had to find employment for them elsewhere.

Mr. NICHOLSON: Would the minister consider making provision for these people to be brought under the Civil Service Act, now that we are having this change in the act? It would look as though it might be more or less a permanent thing.

Right Hon. Mr. GARDINER: Well I do not know whether it will be permanent or not but this is something which would have to be discussed.

Mr. POMMER: Are these superintendents then classed as full-time employees of the government?

Right Hon. Mr. GARDINER: Yes. I think quite a considerable number of them have been from the beginning.

Mr. POMMER: That is the superintendents?

Right Hon. Mr. GARDINER: Yes.

Mr. POMMER: But the inspectors are not so classed?

Right Hon. Mr. GARDINER: No, the inspectors are not so classed.

Mr. POMMER: They are part-time?

Right Hon. Mr. GARDINER: They are what you might call part time employees of the government. They are called in the same way as hail insurance inspectors, for example; that is to say, there is a group of men here and there over the country and they are called in when there is hail, in order to go out and adjust losses. They are just a group of men who through long experience, in checking losses become efficient and are called up for short periods following drought or rust. The greatest number, of course, was required in 1954 when there were the highest payments made but they vary from time to time, from very many to very few, depending on whether there is a crop failure.

Mr. HARKNESS: I presume the chief significance of this matter is that the permanent employees are not appointed by the Civil Service Commission; they are appointed by the minister or the department.

Right Hon. Mr. GARDINER: That is the chief difference but we have to refer the appointments to the Civil Service Commission, through the treasury board. That is to say, when we ask to have persons put on, they are all checked by the Civil Service Commission, with regard to salary and all that kind of thing.

Mr. HARKNESS: But the payments are made by you; they are not made by the Civil Service Commission.

Mr. POMMER: This is not applicable to part-time inspectors?

Right Hon. Mr. GARDINER: No. They are just called on in the same way as companies call hail inspectors or the highways department would call men to maintain a road.

Mr. PURDY: If the people growing cultivated grass are subject to payments out, do they pay assessments on their crown land?

Right Hon. Mr. GARDINER: There is no assessment. We simply say to anyone who takes grain to market, pay a levy of 1 per cent.

Mr. PURDY: Could a farmer grow a lot of grass and pay no assessment and still be eligible under the act.

Right Hon. Mr. GARDINER: Yes.

Mr. BRYCE: Mr. Chairman, I should like, with your permission, to refer to a question which the minister answered for me this morning, when I asked him about the Indians being under the scheme of the Prairie Farm Assistance Act. The minister has told me that they are not under this scheme.

Right Hon. Mr. GARDINER: Well, I think what I told you was that they are not in the scheme and they do not pay a levy. The question you asked me the other day in the house was as to whether or not they paid a levy and I said yes. Well now, on checking I find the regulations provide that if an Indian farms on a reserve and delivers grain to an elevator, he is not supposed to pay a levy.

Mr. BRYCE: I might tell the minister that there is no grain sold in Manitoba where a levy is not collected.

Right Hon. Mr. GARDINER: Well, if they do pay a levy they may apply for a refund and they will get it in every case. If an Indian from a reserve should deliver grain to an elevator operator, when the load of grain comes in the elevator operator may not know whether that grain came off a reserve

or not. For example, I employ Indians on my own farm. Now, when they take a load of grain to the elevator the operator would not know where it was brought from, so he may charge them, but a refund may be had simply by applying for it and proving the grain came from a reserve.

Mr. BRYCE: That clears that point. There is no difficulty about that, but in regard to the fellow who is living on crown land, where he is charged when he comes to the elevator, he gets no benefit under the Prairie Farm Assistance Act, because the law says he cannot. That solves that problem, however, if you have the machinery set up for the Indian to get a refund, although the man on crown land should be able to come and get a refund also.

Right Hon. Mr. GARDINER: Well the answer to that is that you would have to dispense with the act altogether because everyone who pays taxes is involved. More than half of the amount which is paid out is contributed by all taxpayers many of whom are not entitled to any payments at all and do not get any; and of course, the person who never has a crop failure does not get any benefit either. But we do not say to the man who never has a crop failure, "You do not pay anything."

Mr. BRYCE: But Mr. Minister, he is in a different position from the rest because here is a man against whom you legislate—a man who got on to crown land after January 1, 1940. You stipulate in your act that he shall never be able to get any benefit from the Prairie Farm Assistance Act. On the other hand you think the other fellows should qualify and they will get benefit from it.

Right Hon. Mr. GARDINER: You are speaking about land in the north?

Mr. BRYCE: No, not in the north. Mr. Matte or someone else drew a line across, and while it is not a line straight across, there is a line. We have got land on the south of that line, where people have been paying in for years, and your law says that man cannot get it. I am asking now that you make legislation so that he can go to the elevator and get a refund.

Right Hon. Mr. GARDINER: Well I think you are going a little further north than I am, that is all. There is a line across the north which says that no one north of that line is eliminated on account of elimination sections in the legislation. However, when you get south of that line the elimination provision applies on the northern section of that area and, when you are south of that line, there are people who would be on crown lands, put there after January 1, 1940, and who take their grain in and pay the levy same way as any other person does. However, they are not allowed to draw benefits, the reason given at the time we amended the act, which was only a few years ago, was that these persons were put on that land by the province, after this act was put on the statute books; and this act was not on the statute books to make it possible for persons settled before 1940 remain on their land. The argument was that the provincial government should have made conditions after 1940 when they put them on this land such that they would not need the benefits of this act, while remaining on the land. That is the argument. Now perhaps that part of the act needs reconsideration.

Mr. BRYCE: Well, Mr. Minister, I have taken this matter up with the Premier of Manitoba and his Minister of Agriculture and, while you have a wonderful memory about all these things that were said, their memories are just a blank as far as this is concerned. They do not remember a thing about it.

Right Hon. Mr. GARDINER: Well, they were here in this committee—when it was done.

Mr. BRYCE: The line that we are talking about is not drawn very far north; it is drawn right across from Fisher Branch and you will have a lot of people

on one side of the street there, who are on crown land and who get help from the Prairie Farm Assistance Act. Then you have a man on the south of the road who cannot get it because he is on crown land, but he pays in just the same. As I said before, I am not going to labour this point but it is something that should be straightened out with the Prairie Farm Assistance Act. But when you say "Well, we had better do away with it", I would never be in favour of voting that the Prairie Farm Assistance Act be done away with. I think it is something worth while and it is something that we can improve. You have a lot of brains in your department who could arrange for this. I have asked Mr. Garson about this matter—whether it is legal to collect for something when you have said in the law that you are never going to give it to them.

By Mr. Quelch:

Q. Mr. Chairman, I should like to ask one question, if I may, regarding the date by which application has to be made for payments under the Prairie Farm Assistance Act. There has been a lot of trouble regarding that in special areas of Alberta. I believe you said it has to be in by September 15, that that is the final date by which application must be sent in in order to get payment made under the act.—A. September 15 is the final date.

Q. That is the point that I should like to have changed because it is impossible today for any municipality to make a clear-cut statement as to what land will be, in their opinion, and what will not. Harvesting is not completed very often until October or even November, especially in particular areas. You will very often get a fairly heavy standard of straw which threshes out to practically nothing.—A. Well to enlarge on the subject, the final date which we set for an estimate of the yield for the municipality is from the 10th of September. If they make an estimate of any kind prior to that time, we will of course have to amend it later on if their later experience proves that their first estimate was too high. We are quite willing to accept amended applications from the municipality.

Q. Up to what date?—A. We have not set any limit upon it. We have taken them even six months later.

Q. Well that has been changed, has it not, because I believe some years ago you were kind of sticky on that point, with the result that in special areas of Alberta, in order to protect their land, they practically sent in a blanket application. This was because in so many cases they found the land had a yield of maybe less than three, when they had thought it was going over eight. Therefore, in order to protect themselves, they started putting in blanket applications, which of course meant a lot of extra work for the department and was not a very desirable situation. You say that is now straightened out so that one could make an application at any time so long as they are amended later.—A. Yes.

Mr. THATCHER: The old act had two categories—zero to four and five to eight. The farmer got to know these categories and they were pretty used to them. Now, under this act you are changing the categories to three. I am wondering if you are not asking for trouble as far as this is concerned. I would ask you to explain, if you would, why you have changed from the old category, which the farmers knew, to three, which might be confusing.

Right Hon. Mr. GARDINER: Well, there is only one reason why we have changed. We came to the conclusion that he should be paid more money and he should be paid the highest amount in the category where he has nothing to sell; we thought that when he had four bushels an acre he would probably have a bushel, at least, to sell for each acre and therefore would get some return. But from three bushels to the acre by the time he cleaned two bushels per acre out for seed, he would have nothing to sell. He might have a little feed, but

nothing to sell. We thought it should be three bushels and we also felt that the amount on the crop failure area ought to be increased. Therefore we made it three bushels so that there would be no question about it being a crop failure area and we also increased the amount up to \$4.

Mr. THATCHER: I should like to ask a question—

The CHAIRMAN: I believe Mr. Pommer has something else to say—

Mr. POMMER: On the question asked by Mr. Quelch, with regard to the length of time in which these applications may be made, I would like to ask a question about it. Do you think it is a good idea to extend it for a six-month period? I have a case in mind in one of my municipalities in 1955. They were making their inspections as late as July. After inspection they were eligible, but through some agitation they were instigated to make this application. I suppose the municipality had already made a blanket application in the fall. I think it meant a great deal of unnecessary expense to go ahead as far as June or July and attempt to make an inspection at a time when it was a most difficult problem to ascertain how much had been fed of that grain, or how much of it had disappeared in other ways.

By Mr. Quelch:

Q. On that point, was not part of the problem due to the fact that for some years a lot of grain was left outdoors all winter and could not be harvested until spring and no one could prove if that grain would ever be harvested.—A. I think Mr. Pommer refers to the areas where the crop was badly rusted in 1954.

By Mr. Pommer:

Q. That is right.—A. And in many cases the farmers themselves felt they had considerably more grain than they actually did have when it came to delivering it to the elevators. Most of the requests we had were made on the basis that the crop had not weighed out as well as the farmers and our inspectors thought it would at the time the inspection was made, so we felt under these circumstances that it was only fair to proceed with an inspection.

Mr. THATCHER: I have another question. The main criticism I hear concerning the P.F.A.A. in my constituency comes from farmers who have another occupation at the same time. I wonder how much it would cost the treasury to pay it to these few people and be done with it, rather than to listen to all the hard feelings and abuse which they pass out.

Right Hon. Mr. GARDINER: I am not able to tell you at the moment how much it would cost. But no matter how little it would cost the principle underlying the act would not permit of its being paid. I think the moment we tried to put that idea through the house and explain everything in it, we would have some difficulty in getting the legislation passed. That has always been my opinion and I think the opinion of others as well.

Mr. THATCHER: If that is the case, could the minister say why it would not be proper to exempt them from paying in their premiums? There seems to be a good deal of hard feeling because of that.

Right Hon. Mr. GARDINER: Our answer is that the levy is not a premium. Some people did argue that when you put on a levy, it was a premium. But we made it clear all the way through that there was no element of insurance in it. Some people argue that to charge anything creates an element of insurance. We said that if you look at it that way, all right, but we did not consider it a premium at all. That is, a man is not paying for something that he is entitled to get. We are paying assistance because people have been dried out and are not able to stay on their land until they get another crop.

A merchant does not depend on the land, neither does a station agent, or an elevator operator. They have salaires which keep them where they are until the next crop. But we say when a farmer is there and gets no crop—for example, from three bushels down—it would be impossible for him to remain there until his next crop unless somebody does something for him. And we do something to assist in this act.

When you get into other categories, the argument is not quite so strong as it is in the case of crop failure. Nevertheless it is there.

I know the opinion is in the minds of some that we allow some to go away from the farm from the 1st November, just as long as they come back by the 1st May the next year, and why do that if we will not pay others who do not put in full time on the farm. But such a person does not get a payment for while he is away. For example, if he goes away to a lumber camp in the winter in order to make some money, he is only paid when he comes back. If he did not come back he would not be paid.

Mr. DINSDALE: The minister has almost answered one of the questions I was about to ask with the statement he has just made. We have that problem and I am running into it particularly around the Virden oil fields. He is just the type of problem the minister has mentioned. A farmer has had to leave his farm because of crop failure and to seek temporary employment wherever it was available. To a large extent it has been available in the Virden oil field area. And I have discovered from actual experience that the formula laid down by the minister does not seem to apply in every case. I have some farmers who have to supplement their income temporarily but who have not been eligible for payment because they were off their farms during that temporary period. Is this a new regulation?

Right Hon. Mr. GARDINER: No. It has been there since the beginning. But I shall ask Mr. Bird to reply to your suggestion that they do not all get it.

The WITNESS: The act and regulations state that an applicant's primary occupation shall be the operation of his farm. And in administering the act and deciding whether a man shall receive payment or not we try to determine what his primary occupation is. If he is a full time salaried man from an elevator company or some other employer, we decide that he is definitely ineligible for assistance. But when a man goes away for some period through the growing season from the 1st of May through the crop season to the 1st of November to take some temporary work, we do not disqualify him. If he feels of course that he is not being treated fairly, then he can refer his case to the board of appeal.

By Mr. Dinsdale:

Q. On that point I do not want to deal with any specific cases before the committee, but I shall exercise my privilege of presenting one or two cases before the appeal board. I have investigated these cases fairly closely and it seems to me that there has been a rather rigid interpretation of this particular part of the act.

We suffered a rather devastating hail storm in southern Manitoba last summer and as a result I think some of the farmers up in the Dew line worked for the hydro plant at Brandon and all over the place. Surely they suffered financially from the consequences of that hail storm. It has become a very important problem and I am glad to have that interpretation given at this time.

I have one more question: is there any restriction in the frequency of payments on any particular area?—A. Well, the only restriction under the act is that the land, in order to be eligible, must be seeded or summer fallowed in at least three out of the last five years. That is the only restriction there is.

Mr. JOHNSON (*Kindersley*): Mr. Chairman, I would like to ask Mr. Matte to give us some information on the administration costs of the P.F.A.A. for the last five years and for each of those years. I would like to have this information because I feel that as we break it down into more categories there is a lot of reflection of it in the administrative costs. Could Mr. Matte give us that information now?

The CHAIRMAN: Would you like to work on it?

Mr. MATTE: Mr. Chairman, starting in 1950 for the crop year 1950-51—do you want the actual figures or a percentage of the administrative costs?

Mr. JOHNSON (*Kindersley*): Both, if you please.

Mr. MATTE: For the year 1950-51 administration cost was \$403,836.27, or 3.9 per cent of the total payments made. For the crop year 1951-52 administration cost was \$290,041.90, and the ratio was 6.2 per cent. For 1952-53 the administration cost was \$295,704.26, and the ratio was 18.8 per cent, because the program was very small that year. For 1953-54 the cost of administration was \$304,507.83, and the ratio was 10.9 per cent.

Then we come to 1954-55 when the administration costs jumped to \$774,062.04, and the ratio there was 2.3 per cent.

Incidentally I might say that since the program was started in 1939 the ratio of cost of administration over that whole period remained at an average of 3.2 per cent.

Mr. POMMER: What was the total amount?

Mr. MATTE: The total administration from 1939 to the present was \$5,940,510.56, with a ratio of 3.2 per cent.

Mr. JOHNSON (*Kindersley*): Is this to be accounted for in part because of the permanent staff which you have at a fixed figure, and, I presume, the variations which would come about through the payment of field inspectors on a daily rate basis?

Mr. MATTE: This includes everything, permanent staff as well as temporary field staff.

Mr. JOHNSON (*Kindersley*): The variation would be that you have 57 of a permanent staff?

Mr. MATTE: That is right.

Mr. JOHNSON (*Kindersley*): And that would account for the high percentage in 1953. I am interested in the number of field inspectors that you had for the same period. I would appreciate it if you would supply that information for the same period.

Mr. MATTE: You mean for the part time field inspectors?

Mr. JOHNSON (*Kindersley*): Yes.

Mr. MATTE: I am sorry but I have not got that information with me. I think it would require considerable research.

Mr. JOHNSON (*Kindersley*): Surely you must know the number appointed in each year because you are the ones who make the appointments. Surely you must know who you appoint.

Mr. MATTE: I think it would take some research but we could get it for you.

Mr. JOHNSON (*Kindersley*): Please do so. I would greatly appreciate it.

Right Hon. Mr. GARDINER: I might say that I am not too sure that it would take much research, I think you have had nearly all of them through returns brought down in the house.

By Mr. Johnson (Kindersley):

Q. That being the case I hope you will take the responsibility of supplying it to the committee on an individual basis. I can appreciate the difficulty with field inspectors in going through a community and determining the various areas and the basis of the requests of each municipality, on what basis they make their assessments, and what the yield of the farmer in fact is.—A. The inspector when calling on a farmer takes a statement from him as to the actual amount of grain that he has already sold or harvested in that year. He makes an inspection by measurement in most cases of the actual grain on the farm and he arrives, with the farmer, at a mutual agreement as to the actual amount of grain which is there.

Q. It would be greatly complicated by the fact that the farmer may have a considerable reserve of grain from the previous year which he was unable to market, what the market had been, what the actual yield was and what acreage he had in a particular set up because as we all know the measurements of growers are not too accurate. They vary considerably for the grades and the quality of the grades. I wonder if we have a circumstance here which should be taken from the so-called qualifications under the operations of your field men, to determine what the actual yield of that farmer was?—A. The first question which we ask a farmer and which we go into with him is the amount of grain he has on his farm carried over from previous years. We determine that first. Then our inspectors take a statement of what he has already sold or what he may have fed. In that case the farmer does have the information from his permit book but he may have to make an estimate of what he fed. It is a matter between the inspector and the farmer to make as close an estimate as they can.

Q. It was mentioned here that the permanent staff and the field men are not appointed by the civil service. I was wondering if the same civil service regulations apply to those who work under the P.F.A.A. as would apply to civil servants.

Right Hon. Mr. GARDINER: The appointment of them in the first place is made on my recommendation. Of course the recommendations come in and I cannot say I know more than a small percentage of them. They come in and as Mr. Matte has stated many of them are men who are there because of their municipal experience and because of other reasons of that kind. The point that you are trying to make, I think, is explained in one way by this, that the chief work of the superintendents who covered the districts, who are employed permanently—and some of them have been employed right from the beginning—is to keep in touch with the area all the time when the crops are growing by driving around in the area and visiting the municipal councils and by keeping in touch with the crop conditions. In the very early stages of this act it had been intended that would be the only check made. These men were to have been driving around continuously and they would not take the farmer's word that it had been dry in that area. We were trying to determine whether or not it had been dry enough in that area to indicate that the farmer should be helped. It was thought that the men would drive through the area, call on municipal councils and have the matter decided very early. The date September 15, I think, was set. That did not work out. They had to go around and check grain deliveries afterwards.

As a matter of fact I went and sat in at meetings in the first year or two in areas where they were attempting to prove they had a much lower yield than was indicated by the inspectors. After hearing what they had to say we thought that there had to be a check made after the crop was threshed. That is the point Mr. Bird is speaking about.

Mr. JOHNSON (*Kindersley*): Then you do not have sufficient faith in the municipal authorities to take their word for it.

Right Hon. Mr. GARDINER: When you are paying out public money you do not take anybody's word. You prove that it is right.

Mr. JOHNSON (*Kindersley*): It has been mentioned that these P.F.A.A. officials drive through the area. I have seen them at times of the year when the crop has been harvested, and the trip happens to coincide with some political function which the members of this government happen to be holding in the constituency.

Mr. THATCHER: You are getting that mixed up with the power corporation of the provincial government.

Mr. JOHNSON (*Kindersley*): I am trying to find out what action the minister would take if it was proven that a member of his administrative staff had taken a direct path in political activity by virtue of his position as a member of the civil service.

Right Hon. Mr. GARDINER: In the province of Saskatchewan it might be somewhat different from elsewhere. In the province of Saskatchewan they have a law which was put in the statute books recently to the effect that any civil servant can take part in politics.

Mr. JOHNSON (*Kindersley*): A provincial civil servant.

Right Hon. Mr. GARDINER: Yes. But why should it be one thing for one and something else for another. I am not saying that it is done. I am simply telling you that in Saskatchewan every civil servant employed by the government of Saskatchewan has a right to be at any political meeting. He also has the right to run and still be a civil servant. That does not apply to many provinces and there might be actions taken by some other people on account of the legal situation in Saskatchewan.

Mr. JOHNSON (*Kindersley*): The minister has carefully evaded answering my question. I was not talking about Saskatchewan civil servants. I was talking about what action the minister would take if it were proven that a federal civil servant was detected taking part in political activities. What action would the minister take?

Right Hon. Mr. GARDINER: If a man employed by P.F.A.A. does anything at all, whether it is what my hon. friend is talking about or not, which he should not do in relation to the work for which he is appointed and paid he would likely be dismissed.

Mr. JOHNSON (*Kindersley*): I would call the minister's attention to a distinct case where Mr. Donald Laing was on the platform of a Liberal meeting in Kindersley as the defeated Liberal candidate and a past director of P.F.A.A. in that district. Would the minister pursue that?

Right Hon. Mr. GARDINER: Mr. Donald Laing has not been employed by P.F.A.A.

Mr. MANG: I wish to refer back to Mr. Thatcher's point with respect to people who have rented and are employed perhaps at an elevator or employed in various other categories. I wonder if after inspections have been made if it would be possible for these people to apply for a refund and we would thereby get away from a lot of the irritation. What these people say is, all right we

are paying in but we can never get any benefit out of it. If they could have the privilege of asking for a refund of the 1 per cent I think they would be happy. Could consideration be given to such a point? I do not know that it would amount to too much, but it would take care of a lot of these irritations which we constantly meet.

Mr. MATTE: Are you referring to a refund of the 1 per cent levy?

Mr. MANG: Yes.

Mr. MATTE: As I understand it this is a tax on everybody selling grain through the elevator. Whether or not they come under the act they are still subject to that tax. I might say there are thousands, possibly tens of thousands, of people right across western Canada in towns and villages, people who are store keepers, implement dealers and others who do farming on the side and rent the farms on a share basis. They are all subject to that 1 per cent levy. It would be quite a job to separate the straw from the chaff when it came to make these refunds. I do not know, as this is not my work, but it would then become a problem if you only charged the levy to the man who could qualify for assistance under the act. This is called a levy, a tax.

Mr. MANG: It is a point which I meet frequently.

Mr. MATTE: I think it would be difficult to separate them. There are tens of thousands of people through the west doing farming on a share basis. How would you separate the two? It would take tremendous machinery to do that.

Right Hon. Mr. GARDINER: There is one other thing which I might mention on that. The fact is that most of this land is rented. A school teacher is not a farmer as a rule, but occasionally you will find a school teacher or a policeman who owns a farm. Most of that land is rented and the individual on the farm if he is a renter does qualify.

Mr. POMMER: There are a few cases in my experience where they operate their farms and when the area qualifies I think it is rather a hardship that they cannot qualify for payment due to the fact that for argument's sake the person happens to be a school teacher who operates a farm. I rather support Mr. Mang here who feels probably that there might be a refund made in those cases. If those people were in the unfortunate position of being hailed out or of having a crop failure they would not qualify although they were in a qualifying area.

Mr. THATCHER: Mr. Chairman, I want to go back to Mr. Johnson's question. I do not blame Mr. Johnson for asking it at all, but I rather think he is on weak ground in suggesting that some P.F.A.A. officials have been in politics. Certainly the C.C.F. party in Saskatchewan are past masters at that. I think perhaps I can speak with some authority on that subject. For instance, for the 1949 election five members of parliament who did business with the C.C.F. government, Mr. Bentley, Mr. Castleden, Mr. Burton, Mr. McKay, Mr. Probe, I do not know how many more, were down in the constituency of Assiniboia; there were also men from the Timber Board and we have no timber board that I know of in Assiniboia. I did not like the statement made by one of the M.L.A.'s in the legislature to the effect that the P.F.A.A. had a thousand men running around the country doing Liberal government work. Mr. Bird told us that the staff is fifty-seven. That certainly gives the lie to some of these ridiculous figures which are being spread around by C.C.F. speakers in Saskatchewan. They are on pretty weak ground when they are speaking on a subject like this. I may say more if I am forced to.

Mr. JOHNSON (*Kindersley*): Is it the intention of the committee to investigate political backgrounds? If so I would ask Mr. Bird to outline his background over the past five years. I think it would be quite in order in view of the statement made by Mr. Thatcher.

The CHAIRMAN: May we deal with the question before us. Mr. Purdy.

Mr. HARKNESS: If I may first, I would like to ask the minister if he does not think it would remove a lot of the type of conversation we have just had here and suspicions in respect to P.F.A.A. appointments if the whole matter of P.F.A.A. appointments were put under the civil service commission rather than remaining a matter of patronage as has been the case since the inception of the act.

Right Hon. Mr. GARDINER: In answer to that it would not make any difference to what you are suggesting. It might make a difference to fifty-seven of these men who are on the permanent staff. They must meet all the conditions with respect to service and everything of that kind which other civil servants have to meet if they remain there. It might be a comparatively easy thing to put those men under the civil service. I do not know if there would be any serious objection to it. However, in the top year, when the payments were the highest, which was 1954, I think the number of men put on to do the inspection work was approximately 600. Those are the men moving around the country constantly going in and visiting farm operations and talking to the farmer about his grain and so on. There would still be the same complaint about those 600. At other times there are only 100. There were two years when there were not any part time inspectors because there was no crop failure.

With respect to public meetings I see plenty of men of the political parties who attend my public meetings and I do not try to turn any away because I try to convert them. Because a man is attending a meeting of a Liberal candidate I would not object to him because he is working for the C.C.F. government in Saskatchewan, or this government or any other government. I would hope that they would attend.

An Hon. MEMBER: But, not sitting on the platform.

Right Hon. Mr. GARDINER: I would even have them sitting on the platform, if there was not enough room in the hall, and sometimes that is the case. But, in any case, I like to see them there, and I am sure the C.C.F. like to see our men at their meetings too, so they can have a chance to convert them.

Mr. JOHNSON (*Kindersley*): The minister apparently has the information with regard to the number of field inspectors. He just quoted the figure of 600 for one year, and so many for another year. I wonder why he refused to give that information when I asked him for it earlier?

Right Hon. Mr. GARDINER: I did not refuse to give that information. You were not asking me for information, to start with. I got up to correct it, and to say that you had already got it. You have every one of those 600 men on a list that was tabled as a return in the house.

Mr. JOHNSON (*Kindersley*): I asked for that information in respect of each year, and I wonder if the minister would give that information to this committee.

The CHAIRMAN: The witness did undertake to provide the information. He has not got it on hand.

Mr. HARKNESS: In view of the fact that the minister said that there was really no reason why the permanent employees, at least, of the Prairie Farmers Assistance Act should not be under the civil service, and it seems to me, that the act is going to be continued more or less indefinitely, I would suggest that it would add considerably to the general confidence in the Prairie Farmers Assistance Act, if these permanent employees were put in the same situation as other civil servants. It would remove, I think, a considerable amount of the suspicion, which does exist, in regard to these appointments, and the general idea, that in order to get an appointment you have to be a defeated liberal candidate, or something else along that line. Now, as far as my part of the

country is concerned, the thing is not a very pressing problem. I would say that the people laugh about it, and talk about it, and so forth, but they do not worry about it very much, because we do not get any payments under the Prairie Farmers Assistance Act.

Mr. ROBINSON (*Bruce*): Being an eastern farmer, I would like to get a little information. I do not think it will give you gentlemen very much trouble. The first question is: what is the total amount that has been paid to the farmers, since the act came in?—

The CHAIRMAN: The information is available right now.

Mr. ROBINSON (*Bruce*): I have two other questions also. What amount has been collected, in premiums, from the farmers, since the act came in?

The CHAIRMAN: You mean levy?

Mr. ROBINSON (*Bruce*): Yes, levy. The third question is: what has the administration cost since the act came in?

Mr. MATTE: The total payments, to January 18, 1957, are \$185,581,971.90. I have only got the figure in respect of the levies up to November 30, 1956.

Mr. ROBINSON (*Bruce*): That first amount was paid?

Mr. MATTE: That first amount was paid to January 18, 1957.

The total amount collected to November 30th, 1956, was \$96,626,902.58.

The administration costs, which is the figure I gave a little while ago, since the act was passed is \$5,940,510.56.

Mr. ROBINSON (*Bruce*): As a supplementary question there, I want to find out how much has come out of the consolidated fund to pay for the cost of this act since it came in.

I ask these questions while thinking along the lines that have been discussed here during the last few minutes—that politics enter into this. I think it is a bad thing to have it suggested that politics do enter into it. I would suggest that the minister consider these suggestions made by the member from Calgary, that these employees be taken into the said civil service, and not be left out on a limb, where there could be a political pork barrel, in regard to the poor farmers down in eastern Ontario paying for something out there.

Mr. SMITH (*Battle River-Camrose*): Mr. Chairman, I would like to ask Mr. Matte one question in clarification. Did I understand him to say, that assuming the farmer was hailed out sometime in July, it would be possible for that man to go out and take a temporary job, such as truck driver, or something, and still qualify, under the act, for payments?

Mr. MATTE: Yes.

By Mr. Smith (Battle River-Camrose):

Q. That is the practice right now.

Now, my second question has to do with the field administration. I take it, that all farmers are required to give a statutory declaration of some type, that the figures they gave to the inspectors are true?—A. They do not make a statutory declaration, they simply sign a statement.

Q. They sign a statement?—A. Yes.

Q. What penalties are imposed on the farmer, if his statement is not true? Supposing you find out, in the course of your investigation, that a farmer has given you false information. As a result of this false information he has deprived a certain area from qualifying under the Prairie Farmers Assistance Act. What penalties do you impose on that farmer?—A. The act provides penalties. The penalty is \$100 for anyone who gives false information.

Q. Do you enforce that at all?—A. I do not know of any case where that section of the act has been invoked.

By Mr. McCullough (Moose Mountain):

Q. Mr. Chairman, I should like first to ask a question. Could we have a breakdown of the 57 permanent staff, as to the work, or the classification of them?—A. I can give it to you, Mr. Matte, without reference.

Maybe I can answer that question without referring to the material here.

The breakdown of the staff is this: firstly, there is myself as director, head of the organization. There is a superintendent covering Saskatchewan and Manitoba, and a superintendent, who is in charge of the Alberta office, which also takes care of the Peace River district. There are three supervisors provided for in Manitoba, and eight field supervisors in Saskatchewan, and there are four provided for in Alberta. The balance of the staff is broken down into clerical and stenographic staff.

By Mr. Pommer:

Q. Who are the supervisors for Manitoba?—A. At the present time there are three provided for, but there are only two on the staff. We have Mr. Wilson of Pilot Mound, and Mr. Clark of Stonewall.

The CHAIRMAN: You have never had more than the two in Manitoba?

The WITNESS: The third was provided for in last year's estimates.

Mr. McCULLOUGH (*Moose Mountain*): Mr. Chairman, my understanding is that none of the personnel have at any time entered into a civil service examination—that is, the superintendents for Saskatchewan, Manitoba and Alberta, and so forth.

Right Hon. Mr. GARDINER: I would say that they have not, for the positions they occupy, but some of them may have been in the Civil Service before.

Mr. McCULLOUGH (*Moose Mountain*): Yes, I understand that, but not in respect to their particular offices and work in the Prairie Farmers Assistance Act.

I think it would be a good idea if civil service examinations were given for these people, so that they would come under the Civil Service Act, and then they would be more directly responsible to the House of Commons, and perhaps they themselves would have more safeguards against political—

Mr. THATCHER: Would you favour that for Saskatchewan?

Mr. McCULLOUGH (*Moose Mountain*): I would suggest, Mr. Chairman, that if we want a quorum in this committee, that you keep the honourable member for Moose Jaw - Lake Centre quiet. Because, if you want to discuss things that are completely irrelevant, such as the corporation officials of Saskatchewan, we are quite prepared to debate it here, and we can prolong this committee. I do not desire to do so. I am not making a personal attack on the personnel of the Prairie Farmers Assistance Act, but as far as we are concerned, we are quite free to debate this. However, the things that the member from Moose Jaw - Lake Centre is saying to this committee, and some of the things that he has already said, are completely without foundation, and he should not be allowed to continue, and those remarks should not be left on the record of this committee.

Now, I want to take up the issue, which the member for Selkirk has raised, in respect to the suggestion that there are farmers today, who are having to pay a levy, but who are not eligible for payments. I go along with the minister to some extent. This is a line which he has taken from time to time in the house. There are some people who say that this proposition of the Prairie Farm Assistance Act is not actuarially correct or sound on an insurance basis. I do not think anyone has argued that it is sound on an actuarial basis, but I do think that there is a good deal of foundation in the argument that where you have farmers who are levied for, then they should be, pursuant

to Canadian justice, eligible for that farm on which the grain is grown. Someone should be eligible for payment. I think it is rather an extended type of argument to say that the taxpayer in Montreal pay into the consolidated revenue and is thereby helping to pay the farmer, and for that reason we are going to disqualify certain people who are responsible for growing grain. Now I think that the member for Selkirk is quite correct when he says that people on crown lands who are deducted for this yield should be eligible, whether they are classified as being bona fide farmers on the land or someone who owns the land and is responsible for the production of it. As an example, we have retired people who still have their farms and who are dependent on a return of income from their farms. They have to get that farm into production and they may just have someone working it. I suggest, therefore, that wherever there is grain which is being deducted for this levy, then someone should be paid for that and I say that this is a sound argument. Now Mr. Robinson, although I think he has now left the committee, made a point in connection with estimating the payments made in the levies and the payments paid out, and he expressed the idea that the poor farmers in Ontario are paying for western farm assistance in this regard. Well, they are to the extent that they are paying into the consolidated revenue, but the western farmer also is paying into the consolidated revenue and paying for freight assistance to the eastern feeders and the eastern farmers.

Mr. CHARLTON: That helps them as much as it does us.

Mr. McCULLOUGH (*Moose Mountain*): Mr. Chairman, my contention is that we would be far better feeding our livestock in western Canada. But we are quite prepared to assist the farmer in eastern Canada in his livestock production and we are competing in that regard for about \$6 a hog as compared with Toronto prices versus Winnipeg prices, so, therefore, there is some basis of fairness. I do hope that we can get around this problem by trying to make it possible for more and more people who are now deducted this levy, to be eligible for payment. I might say that in my dealings with the Prairie Farm Assistance Act at Regina those dealings have been very good and, on those occasions when I had asked for specific applications, they have been fairly treated. I might say that whenever I have taken up a matter with the Prairie Farm Assistance Act officials at Regina I have received consideration. Nevertheless there are many people who, believing they have gone over their deadline, also believe they become ineligible and therefore they lose their participation in this scheme. I think that something should be done in that regard.

The CHAIRMAN: Mr. Montgomery, do you have a question?

Mr. MONTGOMERY: My question was a supplementary one, sir. I believe the amount of administration given was \$5,940,510. That should be added in addition, should it not, to the \$185,581,971 to make a total amount of the cost of the operation of this act, from the time of its inception.

The CHAIRMAN: Oh yes, yes.

Right Hon. Mr. GARDINER: Yes. On the question raised by the member for Moose Mountain, we have tried, right from the beginning, to make it possible for every piece of land outside these crown lands that were provided for later on, to have a payment. We have only said that there must be somebody operating that piece of land, who is entitled to the payment. Now, one of the difficulties which arose from the beginning, was that we say there is a maximum acreage on which payment can be made, and that maximum is 200 acres. Under that ruling the farmer who is farming 1,000 acres, or 1,280 acres would be more exact, or some large farm of that kind, only gets payment up to 200 acres although he pays in more than he can possibly get out—he is paying

in 1 per cent which is more money than he can possibly get out, from his 200 acres. This applies in many cases where the farmer is big enough. Now we started right from the beginning, by saying that he is not paying his 1 per cent for the purpose of getting a payment on all that acreage; he is really paying his 1 per cent to make it possible for people to live in the area, so it would be a community where he wants to live. In this way we hoped not to have everybody moving out of the drought area and causing trouble in that way. Now one thing we experienced right from the beginning is the fact that some people started dividing up their land in order to make two, three, or even four collections where there was only one intended to be possible, as the act was drafted. We said with regard to that finally, that when land was turned over to a son, as owner he was entitled to payment, or, if rented to him and there was written an agreement, he was entitled to payment according to the terms of the act. If that written agreement is there, the son will get paid and the father will get paid, thus providing for payment on more land than if the father alone had been entitled to payment. When it comes to persons who are in business and who may be living on a farm, a couple of miles outside of a village—where they reside on the land, sleeping on it at night—the businessman may often even go home for his lunch and other meals, he often thinks that the amount ought to be paid to him. Well, as Mr. Bird has already indicated, we try to determine which is the job that the man is really doing, and if he is dependent on the farm for his existence and only running, say, a little store with a post office attached to it somewhere, and is only there for certain hours, well, he is probably paid. If they depend on the other work as their main job, then they are not paid. We say, when they get too insistent, "Well, all you need to do is to rent that farm to someone and there will be payment made on it". We say, "If you get a man who is just hired and you pay him daily wages, it is a different thing, but if you rent it to him, he can draw a payment on it." We do not think that we should go so far as to make all the moves which make it possible for everybody to keep in the scheme when they can make the move to make it possible for themselves. Take the station agent, for example, and as a matter of fact, I had one such person come to me away back in 1939 when I was buying a ticket at the railway station who started right in at me then. He said, "I have got a farm, why do I not get paid?" Now he was a full-time station agent on the C.P.R. I said to him, "If you rent it to somebody, it would be paid, but you are getting pretty good wages here. If you want to rent it to someone and let him run it, get someone who wants to live in that community and farm it we will pay". I told him that was what he should do if he wanted the farm to draw because the land was paying a levy.

Now you can enlarge that in many directions—take for instance the old persons that were mentioned, who have gone off the land. Most of them have their land rented—they may have a son or they may have someone else on the land. At any rate, while we are paying to the person on the farm, they come back and say, "Well, we do not get anything, we need the money." We say "All right, you make an agreement with the man under which you are entitled to the money, and it will be made available to you. Get it in writing." We try to make it possible for those who are dependent upon the land to get the help provided by the Act.

Mr. McCULLOUGH (*Moose Mountain*): Just one supplementary question. I understood that Mr. Matte said that the Board of Review decisions were final, and then when Mr. Bird spoke, he indicated that the Board of Review, if I understood him correctly, reviewed municipal applications. I do not mean to indicate that there is some contradiction there, but just for the sake of clarification, I understood that the municipality sent in their applications, that these

are under review by the board which is rather than some other set-up of your own, say yourself and Mr. Bird as supervisor or director. Or are they examined by the Board of Review in the first instance. Then, perhaps, they are pending until some inspection is made. Mr. Matte, I believe, said that these applications are reviewed and the decisions of the board are final. Do I understand these are individual applications? As an example, once an area was classified as eligible and went into the Prairie Farm Assistance Act, is it examined by the Board of Review and then the individual applications within that area examined as to who will be eligible or otherwise, and then that is final?—A. When applications are received in the first instance they are not examined by the Board of Review. The Board of Review does not enter into the picture until we have completed the inspection and presented them with the detailed information as to acreage and yields and then the Board of Review sets out the eligible areas, but they do not decide on the eligibility so far as the individual is concerned. We then go ahead and pay the individual without reference to the board. That applies to any eligible individual within the area which they have established. The only time that the board enters into the individual case is when it is referred to them either by ourselves, the treasury branch, or the individual applicant.

Mr. SMITH (*Battle River-Camrose*): I should like to ask the minister if he would give the committee, or perhaps call upon the officials to give the committee, information with regard to the argument against reducing the size of the qualifying block for payment under the Prairie Farm Assistance Act.

Right Hon. Mr. GARDINER: Well, I think perhaps I had better make that answer myself since it is a matter of policy. We start off, of course, with the idea of keeping the costs of operating a system of this kind as low as possible. At the time we were starting there were at least 300 municipalities in western Canada, in Saskatchewan, in Alberta, and Manitoba, which everyone admitted had crop failures. As a matter of fact we were paying money from here into every one of them by shipping in feed, fodder and food and clothing and other things to the extent of \$186 million—almost exactly the amount which we have paid since 1939 under the Act, as these figures indicate, into that same area.

Mr. NICHOLSON: What period were you speaking of there, Mr. Gardiner?

Right Hon. Mr. GARDINER: Prior to 1939, when we brought the act in to deal with the situation which had existed; at that time there were over 300 municipalities on relief all at one time. Now a municipality is nine townships. Our country out there is different from that down here. It is blocked first into a mile square sections and then 36 of those are put into a block to constitute a township, and then nine of those townships are in most of the municipalities in Saskatchewan and Alberta. In Manitoba they dealt with it in a little different form at the beginning and they are not quite so regular in form as they are in Saskatchewan; but when you multiply 300 by nine, that is 2700 townships and it was admitted at the time that they were all in need of payments and were getting them. So that when we set up the act, we said "Now, there is always going to be a considerable block in the area in a year of drought. The least costly way to operate the thing is to have them apply by townships to get in, and make application through the municipal council. The townships in each municipality would have the right to apply through their council and then their council would make application to our set-up in Regina.

A number of admitted townships will constitute a solid block. The Act was drawn to provide that these solid blocks be maintained. Then the next reason for what we did in making it a solid block with straight lines was the fact that not every one in these municipalities was being assisted to maintain them there. We simply said that we will take solid blocks in a township and become

responsible for them; and where there are smaller areas within a municipality— if they were within a municipality—we presumed the municipality would provide for them or if there were too many for the municipality the municipal council would appeal to the Provincial government. We suggested that we would set up an organization or add to our organization sufficient staff to take care of those areas provided funds were supplied by the municipality and province. For that reason we stuck very closely to townships. At the beginning we would not accept anything else but townships for payment under the Act.

We operated for a few years on that basis and the provinces did not do anything. I am not offering any criticism of them for not doing anything. There has been no relief paid in any of the three provinces involved either on the basis of the provinces or on the basis of the municipalities. We have had the feeling that if we took responsibility for these blocks we would make it much easier for the local bodies to bear their responsibility to care for those in need. Nothing was done in an organized way to care for those on the fringes.

When nothing was done by local bodies, representations were made by farm organizations in general—and they are here represented at this meeting and I think they will agree with what I shall say in a minute. Very strong representations were made not only by farm organizations but also by municipal organizations to make provision for taking in smaller areas than townships.

So we went so far as to say that where drought exists outside the solid block, there might be some plan just the same as for townships beginning with 18 sections of land; whether it is all within one township or not, provided there are 18 sections of land, in a rectangular block. We agreed to start from there and pay for an 18 section rectangular block as though it were a township.

When we had half a township provide for as though it were a complete township, we provided in the Act to add to any solid block six or more sections lying alongside of them in a township that does not qualify provided those six sections qualify; we will take them in just as if there were full townships. To offset that, the treasury insisted that if you are going to do that well for townships which have qualified, why not take out six or more sections too; that do not qualify in townships which have qualified. The objective of all that was to follow up the criticism made that we have kept them to a straight line and did not zig-zag it to follow drought or grasshoppers. We accepted those suggestions. They are covered in the act. For a time we insisted on these 6 sections being rectangular. Then the municipalities—the municipal associations of Saskatchewan—made a very strong representation to have them made contiguous districts and not rectangular. If there were six or more sections not eligible in eligible townships, you could take them out on the same basis.

Now, two years ago we went back to the rectangular blocks, and this year we have agreed again in view of strong representations to make it contiguous again. I said in the house—and I repeat it here—that we were charged with the administration from the beginning, or at least charged those who were administering it from the beginning; and so far as I, personally, am concerned I am not in favour of going back to that because I think it creates more of the troubles we have been talking about that it does to have it rectangular. But because there are so many of these criticisms made, we are going to try the contiguous blocks again, if this committee agrees. We desire to maintain the solid block and we do not want the expense of considering small areas or units which could after be right in the centre of a solid block. When the smaller areas are around the edge of a solid block

we are quite prepared to make the necessary adjustments to get this thing as equitable as we can make it. That is our objective and the only objective we have in following the present plan.

Mr. SMITH (*Battle River-Camrose*): May I take it that as far as the P.F.A.A. payments are concerned, they are attempting to take care of all disaster in the form of drought?

Right Hon. Mr. GARDINER: That is what started it.

Mr. SMITH (*Battle River-Camrose*): You won't recognize all disaster; your regulation is not set up to recognize disaster in the form of hailstorms.

Right Hon. Mr. GARDINER: No. The reason we had at the beginning was that farmers had been working for 50 years to get certain things done. One of the things they succeeded in getting done was to get hail insurance plans set up in all three western provinces. I have not followed carefully what happened in the case of the others but the principle that was applied in Saskatchewan—we are talking about it from 1913—still applies—the municipality can get in under municipal hail insurance where you are insured and the tax rates that you pay are for payments of \$4 an acre; and they have always been able to do that since back in 1913.

But in recent years the provincial government passed legislation for the hail commission which permits an individual pulling out. They do not have to take it. In the community in which I live we have hail insurance and I could, in any year, write in before a certain date and say that I did not wish to come under hail insurance and I would not come under it. I would not have to pay into it and I would not get anything out of it if it hailed.

When these acts were already in existence we were not concerned with hail insurance when drafting this Act. No one had found it possible to set up insurance against loss by drought. Drought is always widespread when it comes, but when a hailstorm comes it takes in a narrower strip. Anybody can insure himself against losses by hail, but some have not, and when they run into trouble, they have difficulty. If the hailstorm happens to go across a township which is ineligible under the Act, then there is a question about their being paid. If the hailstorm is wide enough to take in a whole township, there is no question about the payment; but that seldom happens, so that usually when one is paid for "hail", it is not hail alone but because of something else as well, generally speaking. There may be some people who got hailed out, but that does not mean that they were paid because they were hailed out. You can insure against hail, but if the individual does not want it, then he cannot complain very much about it if he does not get paid under this act.

Mr. POMMER: May I ask if any thought has been given to what additional costs there would be if we set up a smaller qualifying area? The reason I ask is that it has been pretty much the topic raised in my area that it would be more beneficial to Manitoba if we could set up smaller qualifying areas. As everyone here knows, Manitoba has paid in through the one per cent level a great deal more—some \$2 million more—than has been paid out, and naturally we feel we should have consideration, perhaps, by having smaller qualifying areas. In that way we might have more of our people come under hail disaster or drought payments if more of our producers qualified.

Right Hon. Mr. GARDINER: Well, it depends on how small an area you make it as to how much it would add to the cost.

Mr. POMMER: Let us say three sections?

Right Hon. Mr. GARDINER: We find in meeting the requests which are made that the only way it would satisfy most of the people who are asking for smaller areas would be to get it down to the individual, and that would

require having insurance; you would require to have premiums paid and you would have to collect them. We do not think it could operate in that way in a manner which would be too helpful.

I think the main thing about cost is best illustrated by 1956 when there were 154,000 farmers paid, and we have not had complaints from—I do not think there have been complaints received from 1,000. On the basis of that, if you want to get it down to smaller areas, probably 150,000 of them are inside solid blocks. That is, you can listen to what the municipal council says, and if you are absolutely convinced of it, you do not need to do anything more. But if you want to get down to individual cases, or even to three sections or to two sections, you would have to examine into basic things in order to determine whether the man should be paid or not. You would have to find out if he farms like his neighbours, or whether he is carrying on in a proper way in connection with his farming operations. One fellow would say that he produced only cattle and that he was operating all right, while another might say that he had no cattle and was not doing all right. You would have to go into all these details which would lead to any amount of situations requiring individual inspections and costs.

Someone suggested a few minutes ago—I think it was you, Mr. Pommer—that there was considerable expense in making out and checking all these details for claims that they had made on a crop lost the year before. They were turned down anyway and might have just as well been turned down in the first place. But they were turned down in the first place and the farmer made an appeal and an inspector has to go out and look at it and see whether they were right or wrong. As a matter of fact I have a case before me now where the appeal is with respect to 1955. I will send a man out to look at it, but I rather think it will be decided that the decision made two years ago was the right one. When you administer a matter of that kind you must listen to the complaints. If we got it down to a small area in every case you would have so many that it would increase the cost no doubt.

Mr. JOHNSON (*Kindersley*): I want to follow up a question raised by Mr. McCullough and to express my concern for a landlord under the P.F.A.A. I am thinking of a widow who has found it impossible to carry on her farming activities herself and therefore follows the practice of renting out the land to someone else. The payments are made to the tenant and the widow, or the landlord, receives very little benefit from it; in fact she receives no benefit from the P.F.A.A., yet she pays into it. I have an example which has been drawn to my attention of a Mrs. Acott from Sceptere whose husband because of hayfever has found it impossible to continue farming. They have rented the land out. In 1954 when that area received benefits under the P.F.A.A. they as landlords got nothing although they had expenses in the way of taxes and so on which were very high. I think that consideration should be given to allowing this type of person to get some benefit under the P.F.A.A. Did I understand the minister correctly when he said that all the landlord would have to do would be to make an agreement with the tenant to receive his third share of the P.F.A.A.

Right Hon. Mr. GARDINER: No. I can, however, understand how you got that opinion. I have been in the hope that someone would bring it up again so I would have an opportunity to say that the arrangement would have to be made as between the person who rented the land and the landlord. We have a provision in the act which says no one can place a claim against this money. That is in the act in order to protect them against tax collectors, implement dealers, store accounts and everything else. We say that this money has to be paid to the individual and the individual makes up his own mind what accounts he will pay with it. Having said that I must add that there are a great many cases which are right on our doorstep but there are also a lot of

instances of Americans who own land in all three provinces. I do not think that anyone would argue that because an American owned some land that he should receive payments if he lives in Chicago or somewhere else. There are probably many people in western Canada who still own land and have it rented. We say to them if you are going to get anything out of it we must put the money in the hand of the individual who is on the land and if you have an agreement with him go and collect it through the courts. Therefore I would say that the person whom you have in mind would have to go through that process.

Mr. JOHNSON (*Kindersley*): Section 8 says it is not assignable either in law or in equity. I have not had legal training and I question whether this would prevent an agreement being made between the landlord and the tenant to assign the share. It might be a condition of the rental.

Right Hon. Mr. GARDINER: They could not do that?

Mr. JOHNSON (*Kindersley*): They cannot make an agreement to assign it?

Right Hon. Mr. GARDINER: No. They can only make an agreement that he is entitled to a part of it as a landlord and he would have to collect that the same as any other rent.

Mr. JOHNSON (*Kindersley*): It would be very difficult for him to collect it I suppose by virtue of this section.

Right Hon. Mr. GARDINER: It might be.

Mr. JOHNSON (*Kindersley*): There is another point which is concerned with the amendments in the act. The fear which crossed through my mind when I saw the change in the act was that there might be a danger of farmers in Western Canada being hoodwinked by the apparent generosity of the government. I hope I am not right. It seems to me that with farming techniques the incidence of crop failure in the 0 to 3 bushel category, which will gain the maximum benefit, would be very small indeed. We have developed since this act was introduced modern cultivation techniques and control which are some of the strong factors in combatting drought. I wonder if we have a gift horse here in a way because the benefits in the other categories, the four and five bushel an acre, will have an increase of about 50 cents an acre. I would like some information from the officials as to the number of townships that have qualified with a yield of three bushels per acre or less for the last five years, four bushels and five bushels and so on up to eight. I hope there has been a substantial number in the 0 to 3 bushel category and that the farmers are in fact going to get some benefit from this. But if it appears that the majority of the payments have been made on the five or six bushel an acre category I would be very suspicious that this legislation is not all it could be. I wonder if we could have that information?

Mr. POMMER: It is nearly one o'clock. Could that answer be given at the next sitting.

The CHAIRMAN: They have the information here.

Mr. MATTE: I have it here for three years. In 1951 8.5 per cent of the townships were in the 0 to 3 bushel category. In 1954 18 per cent of the townships were in the 0 to 3 bushel category and in 1955 26 per cent. Do you want the figures for the other categories as well?

Mr. JOHNSON (*Kindersley*): Yes, please.

Mr. MATTE: In the 3 to 5 category in 1951 it was 12.5 per cent, in 1954 30 per cent, in 1955 23 per cent. In the 5 to 8 bushel category in 1951 it was 79 per cent, in 1954 52 per cent, and in 1955 51 per cent. I just have it for those three particular years.

The CHAIRMAN: We will adjourn to meet tomorrow at eleven o'clock.

The committee adjourned.

HOUSE OF COMMONS
Fifth Session—Twenty-second Parliament
1957

STANDING COMMITTEE
ON

Agriculture and Colonization

Chairman: RENÉ N. JUTRAS, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE
No. 2

BILL No. 157
An Act to amend the Prairie Farm Assistance Act

TUESDAY, MARCH 12, 1957

WITNESSES:

Mr. W. R. Bird, Director, PFAA, Regina Sask.; Mr. G. J. Matte, Associate Director of Rehabilitation, Dept. of Agriculture; Mr. James Patterson, Manitoba Chairman of Interprovincial Farm Union Council; Mr. Henry Young, Vice-president, Farmers Union of Alberta.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1957.

MINUTES OF PROCEEDINGS

House of Commons, Room 118.

TUESDAY, March 12th, 1957.

The Standing Committee on Agriculture and Colonization met at 11.00 a.m. this day. The Chairman, Mr. Rene Jutras, presided.

Members present: Messrs. Blackmore, Bryce, Cardiff, Charlton, Decore, Dinsdale, Harkness, Huffman, James, Johnson (*Kindersley*), Jones, Jutras, Kirk (*Antigonish-Guysborough*), Laflamme, Légaré, Lusby, MacKenzie, Mang, Massé, McBain, McCubbin, McCullough (*Moose Mountain*), Ménard, Michaud, Montgomery, Nicholson, Patterson, Pommer, Purdy, Quelch, Roberge, Robinson (*Bruce*), Schneider, Smith (*Battle River-Camrose*), Stanton, Studer, Thatcher, Weaver, White (*Waterloo South*), Weselak. (40).

In attendance: The Right Honourable James G. Gardiner, Minister of Agriculture; Mr. James Patterson, Manitoba Chairman of the Interprovincial Farm Union Council; Mr. Henry Young, Vice-President, Farmers Union of Alberta; Mr. Stanley Perka, Farmers Union of Alberta; Dr. E. C. Hope, Canadian Federation of Agriculture; Mr. G. J. Matte, Associate Director of Rehabilitation, Department of Agriculture, and Mr. W. R. Bird, Director, Prairie Farm Assistance Act, Regina, Saskatchewan.

The Committee resumed from Monday, March 11th, the study of Bill 157, An Act to amend the Prairie Farm Assistance Act.

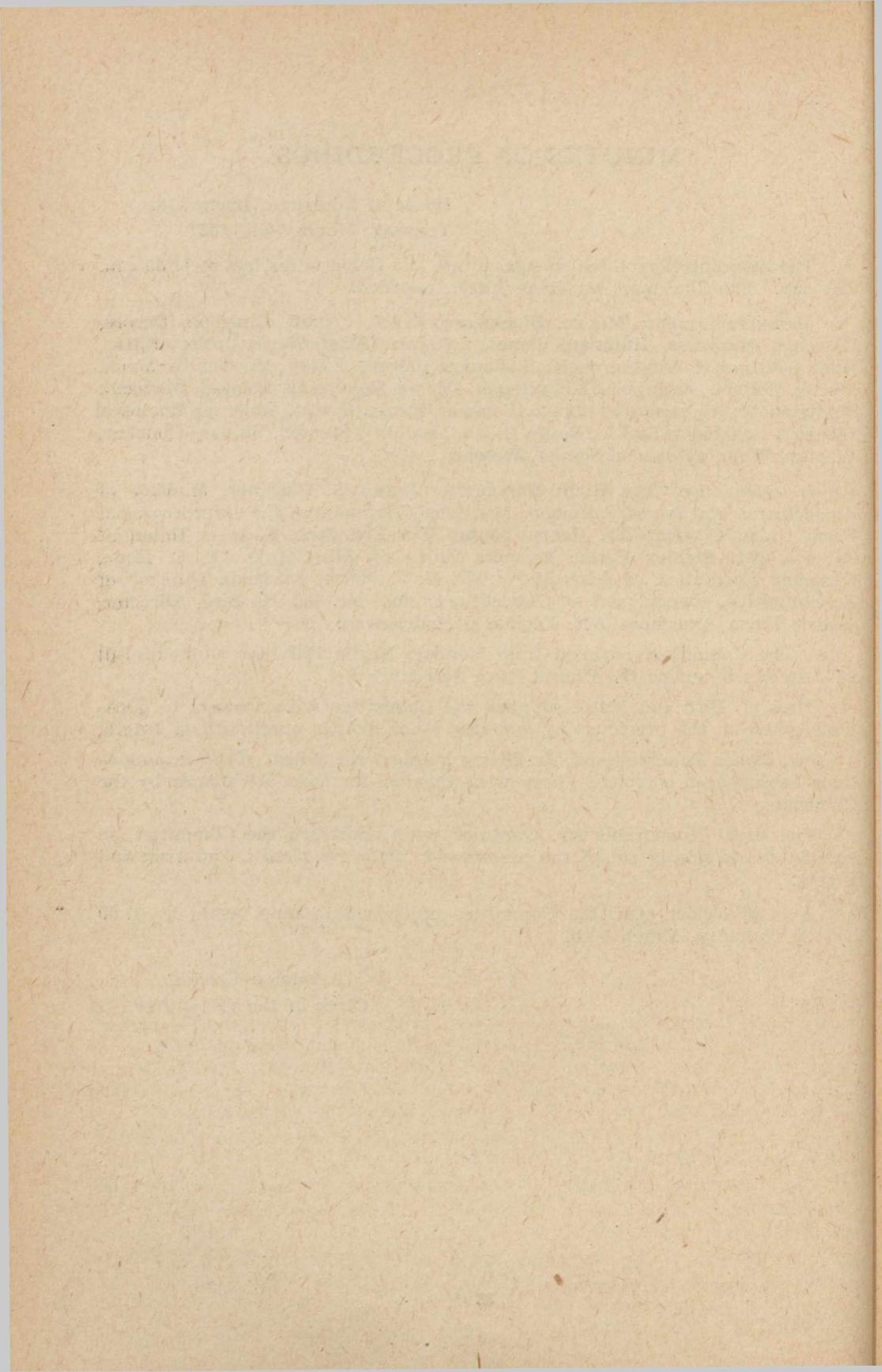
Messrs. Bird and Matte supplied the Committee with answers to questions asked on the previous day and they were further questioned at length.

Mr. James Patterson and Mr. Henry Young were called. Their examinations having been completed, they were thanked for their attendance by the Chairman.

The Right Honourable Mr. Gardiner again addressed the Committee on specific points arising out of the presentation made by Messrs. Patterson and Young.

At 1.05 o'clock p.m. the Committee adjourned to meet again at 11.00 o'clock Thursday, March 14th.

Antoine Chassé,
Clerk of the Committee.



EVIDENCE

TUESDAY, March 12, 1957.
11.00 a.m.

The CHAIRMAN: Gentlemen, we have a quorum. Yesterday we were dealing with the remarks made by the two witnesses, Mr. Matte and Mr. Bird, and I understand there are a few questions left. After we dispose of these questions we will hear the Interprovincial Farm Union Council. They have a presentation to make this morning.

Mr. McCULLOUGH (*Moose Mountain*): I think yesterday the member for Kindersley was trying to get some information with respect to the payments made each year under the various categories. If it is possible to go back for say ten years, I would like the witness to put on record the various payments made to each of the provinces and for the various category fields.

Mr. W. R. Bird, Director, Prairie Farm Assistance, Department of Agriculture, Regina Saskatchewan, called.

The WITNESS: We have it for 5 years, Mr. McCullough. We had the annual report for the last 5 years and that information is included in the report.

By Mr. McCullough (Moose Mountain):

Q. Starting with 1951, is that right?—A. 1951, yes. I have 1951-52, 1952-53, 1953-54, 1954-55, and 1955-56.

Q. One other question; while you are giving this information, could you also give us the field inspectors you have hired as temporary employees for each of those years?

Mr. MATTE: Yes. This question on the number of seasonal inspectors during the last five years was asked yesterday. These inspectors, of course, are hired just during the inspection season, after harvesting, in the fall and for a very short period of time. The figures are as follows: 1952—228; 1953—283; 1954—710; 1955—457; 1956—298.

Mr. McCULLOUGH (*Moose Mountain*): You have not any figure for 1951?

Mr. MATTE: No. We have not those here, Mr. McCullough.

Mr. JOHNSON (*Kindersley*): Mr. Chairman, in that same connection I asked a question last day with regard to the percentage of administrative costs which were given from 1950. I wonder if we could go back to those figures, because I believe they have a direct bearing on the amendment being proposed to the act, for each year since the inception of the act. Records must be around somewhere to establish the efficiency of the department, and I should appreciate it if you could give me those figures since the inception of the act.

Mr. MATTE: Do you mean the actual costs of administration in each year or in ratio?

Mr. JOHNSON (*Kindersley*): In the same dimension as you gave them last day—you gave the actual costs and the percentage of these costs to the payments.

Mr. MATTE: It is rather a long list. I can read it for you if you would like.

Mr. JOHNSON (*Kindersley*): Yes, if you please.

Mr. MATTE: 1939 to 1940, that is to say, the programme for 1939 to 1940 administrative costs were \$266,595.62 or a ratio of 2.7 per cent. 1940 to 1941 \$346,764.89 or a ratio of 5.2 per cent. 1941 to 1942 administration costs were \$422,459.67 or a ratio of 2.7 per cent. 1942 to 1943, of course, there were no payments made out at all but the 1943 to 1944 costs were \$216,777.47 or a ratio of 2.9 per cent. 1944 to 1945, \$186,767.26 or a ratio of 3.1 per cent. 1945 to 1946, administration costs were \$327,418.54 or a ratio of 1.9 per cent. 1946 to 1947, costs were \$333,014.41 or a ratio of 3.1 per cent. 1947 to 1948 costs were \$450,104.35 or a ratio of 2.6 per cent; 1948 to 1949 \$402,419.35 or a ratio of 2.8 per cent; 1949 to 1950, \$436,939.52 or a ratio of 1.9 per cent. 1950 to 1951, \$403,836.27 or a ratio of 3.9 per cent.

Mr. JOHNSON (*Kindersley*): Those are the figures you gave us yesterday. Thank you.

Mr. MATTE: Yes.

Mr. POWER: You have not those figures broken down into provinces, have you, Mr. Matte?

Mr. MATTE: No, I am sorry. We have not broken down the administrative costs into provinces. The head office is at Regina and we have not broken the administration costs down by provinces.

Mr. JOHNSON (*Kindersley*): Could you give me any explanation as to why the administration costs in proportion to payments have increased so tremendously during the last five years. I notice from the information you have given us that in 1953 costs were up to 18.8 per cent. I find that a marked contrast from this 10 per cent period from 1940 to 1950 when they would average less than 3 per cent. Would you have any explanation for this very significant increase in that one year?

Mr. MATTE: Well in the first place administration costs depend a great deal on the kind of programme for that year. For the year 1954 we paid out something like \$33 million and then in addition to that in the early days of the act we went by the straight township alone and the rectangular blocks which required a great deal less inspection work. Now that we have amended the act whereby we take fractions of townships to bring them into eligibility, and we also have the irregular-shaped blocks, this entails a great deal more inspection work.

Mr. JOHNSON (*Kindersley*): There is just one other point that might be explained on the same question I asked yesterday. You mentioned that you have your permanent staff and your field inspectors and I asked you to supply me with the number of field inspectors in each of these years. I should appreciate if that information could be given as it would explain to a very large extent the figures you have given. Could you give me those figures for the same period of time?

Mr. MATTE: Well I gave them to you just a moment ago.

Mr. JOHNSON (*Kindersley*): No, I am referring to the number of field staff.

Mr. MATTE: For 1952 to 1956—those are the figures I gave you a moment ago: 1952-228, 1953-283, 1954-710, 1955-457, 1956-298.

Mr. JOHNSON (*Kindersley*): No, I mean back beyond that. Do you have those figures?

The WITNESS: We have not those figures with us. We have just the years you asked for.

Mr. JOHNSON (*Kindersley*): Oh I see, thank you.

Mr. NICHOLSON: Mr. Chairman, there was some mention made yesterday indicating that probably the minister has some of his political friends on

his staff out in the country. I think I should give the minister credit for having had a Social Credit candidate on his staff up in my own constituency.

Right Hon. Mr. GARDINER: Thank you for mentioning that.

Mr. NICHOLSON: I was going to inquire how you happened to select a Social Credit candidate and whether that fact interfered with his employment after he became a Social Credit candidate. I am referring to Robert S. Claypool of Mistatim. He was the mayor of the town at the time and a highly respected citizen and I was wondering if, after he became Social Credit candidate, he continued to work for the Prairie Farm Assistance Act and whether he has done any work since he accepted the nomination. Perhaps Mr. Gardiner or someone might give me some information on that?

Mr. POMMER: Mr. Chairman, is that relevant to the subject we are discussing?

Mr. MANG: You had better clean it up.

Right Hon. Mr. GARDINER: I have no objection to answering that question. He has been treated exactly the same as the candidate who was selected in the Mackenzie constituency as a Liberal candidate. Any work he was engaged in at the time he was chosen as candidate, he finished. Mr. Marshall did the same thing of course. There has been some question in the house about Mr. Marshall. He was selected as Liberal candidate after which he ceased to be called up by the office to do any work. He was not an employee of the government any more than Mr. Claypool was. He was just on a list to be called from time to time and I presume the chief reason he was put on that list was the one mentioned by the member of Mackenzie, namely that he was quite active in the community—he was mayor of his village or town and had been active in other ways and for that reason was put on. I should say this with regard to the men concerned; as I said yesterday, we follow the same practice as the hail insurance companies follow. I do not know whether that is fully understood here. We make a point of not picking up persons who need jobs, because this is not a job. A man may only be out for a week—he may be out for two weeks or he may be out for two months, but we are very careful in selecting these men not to take persons who had no jobs to which they could return. Now, of course, every farmer has a job to go back to—men who are councillors in municipal councils are usually farmers, and we pick up that type of man so that when he is through with his work he has no hesitation in going back to what he was doing, and carrying on from there. That is the type of man we pick. Now Mr. Claypool was treated the same as anyone else and I presume will be all the way through the picture.

Mr. NICHOLSON: Mr. Chairman, I have another question I should like to direct to Mr. Matte. Mr. Matte is familiar with my constituency—he was active some years ago in getting new settlers up into this bush country and I am sure he has received quite a few representations along the line that if three bushels are to be considered a crop failure down in the prairies then six bushels in the bush country leaves the farmer in an even worse position, probably, than three bushels down in Kindersley, and that consideration might be given to taking that into account along with the fact that the weeds grow much more rapidly up in the bush country and farming costs are a great deal higher. Has consideration been given to making an adjustment for these representations which are coming in from the municipalities up in the park land with a view to taking into account that crop failures there start with a higher yield than down in the plains? Perhaps the minister would like to deal with that point.

Right Hon. Mr. GARDINER: Yes. I am not sure whether Mr. Nicholson's question is directed to the manner in which the act is administered or whether

it is a matter of the policy that has been set up in connection with it. We have not taken such matters as that into consideration, for the reasons I gave yesterday. That is, we decided whether an area is dry or whether it has been rusted or whatever the difficulty is—whether there have been grasshoppers in it and so on—we have decided on that basis as to whether that whole area should come in. We do not go out and check up individuals on their farms as to how they are forming; if that area is in we pay everybody in it, and if the area is out we do not pay anyone in it. We assume that the farmer there is going to look after his weeds in order at least to produce the average of the district, and the policy is that we do not go out and check this. But, when it comes to a matter of inspecting the grain in the bin to find out how many bushels to the acre he got, if it is half weed seeds or there is a very strong percentage of weed seeds, that may have some effect on the yield.

Mr. NICHOLSON: Mr. Matte might have noted in the recent statistics that in the area he was especially interested in some years ago, the population has gone down from 50,000 to 45,000. There has been a drop of 10 per cent in that area which would indicate that crop failure forces people off the farm in those areas where their yield is probably higher than it would be down in the prairies. Representations have been made from a number of municipalities with a view to taking this factor into account and weighting it so that assistance might be made available in periods where operating costs are a good deal higher than they are in the prairies, where there is such a large migration. Mr. Matte includes the areas where people were going in from drought areas and starting to farm but they are now moving out at the rate of a 10 per cent drop in the last five years. I am sorry that I have no exact formula given by the municipalities which I can present to you, but representations have come to the minister from time to time with a view to having some adjustments made in this park area.

Mr. JOHNSON (*Kindersley*): According to the evidence which Mr. Matte gave us on the years 1950-51, are those fiscal years?

Mr. MATTE: The administration is on the basis of the fiscal year, yes.

Mr. JOHNSON (*Kindersley*): And a lot of the temporary payments which you listed were on the same basis for the fiscal year?

Mr. MATTE: That is right.

Mr. JOHNSON (*Kindersley*): That being the case, I would question the evidence when you pointed out that for the fiscal year 1953, ending on March 31, 1954, there were 710 inspectors, with administration costs being 10.9.

Mr. MATTE: That would be for the fiscal year ending 1954, that would be for the fiscal year ending March 31, 1955 with 710.

Mr. JOHNSON (*Kindersley*): Oh, ending in 1955?

Mr. MATTE: They were taken on in the fall of 1954.

Mr. JOHNSON (*Kindersley*): That clears up the point.

By Mr. Weselak:

Q. I wonder if you can tell us from your experience in recent years if more inspections have been asked for by municipalities in marginal cases where no payments are made, and if so what the result would be? Would the percentage of cost of administration in recent years in comparison with the total payments be increased as a result of those applications?—A. That is very true. In 1954 for instance a great majority of the townships which were inspected were paid because they had a wide general crop failure; but in a year like this, we have so far paid in about 600 townships, and if my memory serves me correctly, we had applications from about 1,500 to be inspected.

If it looks to our supervisors that the yields are not such that will warrant inspection, we do try to persuade the municipality to withdraw its application. But if the municipality insists on having an inspection made, then we go ahead. And then, too, in some years there will be a large number of townships which are just on the border line, let us say, with from 10 to 11 bushels per acre, and nobody—neither our officials nor the municipal officials—want to take a chance of the township being ineligible through not having applied for an inspection.

In some of those years inspection costs seem to be higher. This does not indicate there has not been a comparative amount of work done. It simply means that there were not as many townships which were eligible. The percentage of townships inspected and in pay would be much larger in some years than in others.

Q. Would it be correct to say that under the amendment you would be able to have more inspectors working?—A. That is right, it might be necessary.

Mr. McCULLOUGH (*Moose Mountain*): We are getting a fairly complete picture now of the administration and I wonder if one of the witnesses could give us the yearly amount paid out to the farmers? We have the administration cost and the percentage in relation to administration but I wonder if we could have the payments made out for each year.

THE CHAIRMAN: May we table that? It is a long list of large figures. Part of it was given yesterday.

By Mr. McCullough (Moose Mountain):

Q. I think only the table was given.—A. For the last five years I think.

THE CHAIRMAN: Would it be agreeable to have it printed in the record at this stage and include it right now?

Agreed.

PAYMENTS UNDER P.F.A. FROM 1939 to JAN. 18th, 1957

Program	MANITOBA		SASKATCHEWAN		ALBERTA		BRITISH COLUMBIA		Total Payments	Total Awards
	No. of Awards	Total Payment								
	\$	cts.	\$	cts.	\$	cts.	\$	cts.		
1939.....	6,960	905,416.54	39,464	7,574,890.68	12,142	1,429,708.31			9,910,015.53	58,566
1940.....	6,368	615,109.23	40,846	5,603,266.80	4,356	504,179.29			6,722,555.32	51,570
1941.....	1,009	36,513.28	62,473	12,010,772.42	20,880	3,466,120.05			15,513,405.75	84,362
1942.....	No Payments		No Payments		No Payments		No Payments	No Payments	No Payments	Nil
1943.....	126	16,685.25	22,000	5,037,472.87	9,232	2,425,057.59			7,479,215.71	31,358
1944.....	1,417	163,501.97	10,576	2,980,282.68	9,145	2,833,762.91			5,977,547.56	21,138
1945.....	428	30,148.50	43,437	12,541,768.16	18,951	4,395,734.38			16,967,651.04	62,816
1946.....	87	6,163.50	40,286	9,204,820.72	7,130	1,620,922.17			10,831,906.39	47,503
1947.....	3,624	490,410.75	54,892	13,368,005.75	17,277	3,375,088.60	50	4,166.25	17,237,671.35	75,843
1948.....	488	63,638.75	46,581	11,532,255.50	14,735	2,544,571.50			14,140,465.75	61,804
1949.....	2,072	333,089.00	49,657	15,373,732.75	33,477	6,343,796.25			22,050,618.00	85,206
1950.....	3,116	347,239.00	26,601	5,608,926.00	26,486	4,314,371.75	1,334	214,185.75	10,484,722.50	57,537
1951.....	1,828	207,393.00	11,073	2,247,920.25	11,949	2,171,140.50	275	29,888.75	4,656,342.50	25,125
1952.....	1,169	185,691.75	3,969	810,803.50	4,001	532,101.75	468	42,285.75	1,570,882.75	9,607
1953.....	5,030	619,863.25	5,740	1,143,177.50	5,548	1,007,525.25			2,770,566.00	16,318
1954.....	30,136	5,260,631.75	90,098	21,888,985.75	33,970	5,783,209.75	596	83,630.75	33,016,458.00	154,800
1955.....	16,774	2,302,712.25	9,032	1,286,726.25	8,296	1,305,409.75	919	147,639.00	5,042,487.25	35,021
1956.....	2,302	385,560.75	2,747	484,362.50	1,720	339,537.25			1,209,460.50	6,769
	82,934	11,969,768.52	559,472	128,698,170.08	239,295	44,392,237.05	3,642	521,796.25	185,581,971.90	885,343

NOTE: 1956 figures indicate 100% payments.

Mr. McCULLOUGH (*Moose Mountain*): I want to refer to the 1952-53 figures. I think Mr. Matte said that the cost of administration was one factor having to do with the ratio of administration cost to the amount paid out. I do not have the figures for what was paid out that year but I see that the percentage is 18.8, and in that year there were only 283 temporary employees. I wonder why there was a high percentage of administration costs in relation to administration and the amount paid out in that year.

Mr. MATTE: What year was that, please?

Mr. McCULLOUGH (*Moose Mountain*): 1952-53.

Mr. JOHNSON (*Kindersley*): Were we not given those figures yesterday, or was it just the total? I do not recall.

The CHAIRMAN: What do you want exactly, Mr. Johnson?

Mr. JOHNSON (*Kindersley*): I would like to have the amount paid out in each of those last five years, as far as I am concerned.

The CHAIRMAN: You want the total amount paid for each year?

Mr. JOHNSON (*Kindersley*): Yes.

The CHAIRMAN: Very well. I think it was given yesterday for six years.

Mr. POMMER: Those figures were given in *Hansard*.

The CHAIRMAN: We would like to have them included in the record as if they had been read.

SUMMARY 1% LEVY COLLECTED 1939 to NOV. 30th, 1956

Crop Year	Manitoba		Saskatchewan		Alberta		Unallocated		Total Levy	
	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.
1939-40	333,453.13		1,344,208.23		743,121.61		724.40		2,421,507.37	
1940-41	354,813.76		1,360,540.00		866,831.79		502.32		2,582,687.87	
1941-42	339,969.87		711,869.33		407,642.45		272.05		1,459,753.70	
1942-43	481,974.50		1,536,146.00		710,632.53		322.51		2,729,075.54	
1943-44	779,490.76		2,743,544.09		1,191,300.92		371.01		4,714,706.78	
1944-45	754,366.36		3,218,572.23		1,412,417.31		230.71		5,385,586.61	
1945-46	575,408.69		1,977,735.42		873,082.60		131.69		3,426,358.40	
1946-47	845,631.86		2,703,357.17		1,644,706.41		112.20		5,193,807.64	
1947-48	764,744.37		2,727,187.90		1,624,237.42		148.51		5,116,318.20	
1948-49	1,120,741.27		3,417,480.86		2,084,088.52		6,185.87		6,628,496.52	
1949-50	1,355,660.07		4,525,628.79		2,515,568.28		197.64		8,397,054.78	
1950-51	1,442,138.08		3,890,444.68		2,001,322.58		153.72		7,334,059.06	
1951-52	1,331,548.73		5,075,404.05		2,560,006.74		116.72		8,967,076.24	
1952-53	1,423,916.39		6,370,894.35		3,074,384.50		5,116.75		10,874,311.99	
1953-54	973,258.03		4,939,452.16		2,069,163.48		5,158.10		7,987,031.77	
1954-55	748,694.05		3,169,787.24		1,614,486.03		152.31		5,533,119.63	
1955-56	731,305.39		3,791,927.03		1,697,305.03		19,077.17		6,239,614.62	
1956-57	284,422.35		925,534.41		426,290.60		88.50		1,636,335.86	
	14,641,537.66		54,429,713.94		27,516,588.80		39,062.18		96,626,902.58	

Mr. MATTE: This statement shows the payments by years in each of the provinces and it also shows the levy collected in each of the provinces by years. So you have everything there.

Mr. POMMER: This is to be found in *Hansard* anyway.

Mr. MATTE: Yes. It is also to be found in *Hansard*.

The CHAIRMAN: It is readily available. Now, have we any more questions?

Mr. HARKNESS: I have one question. When the bill was up for discussion in the house I raised the matter of including Indians on reserves. The minister said that this matter had been under study and some consideration had been given to it. I wonder if he could tell us just what that study consisted of, and what, if any, changes are contemplated in that regard?

Right Hon. Mr. GARDINER: The reason for the enquiry was largely this: that the Indian branch of the government has asked to have the payments made on the reserves, and we have been examining into the advisability of doing it. If we did it, of course, it would make it necessary to go back and charge a levy which is something we do not do at the present time. I think that will be fully understood.

And in addition to that, there is the general decision which was made when we set up this act, which was to the effect that where the government is already assisting people, that this act should not apply. Some of the places where that decision is effective are irrigation areas, for example; and if the government has already been making payments in connection with irrigation to encourage irrigation, we do not think we should pay under this act.

The government was originally the federal government but now it is the provincial government which leases land to ranchers at a comparatively low rental—let us say 50 cents an acre or something of that kind—we do not assist in any case of that kind. And there are a number of others.

The Indians were dealt with on that basis. If they were on reserves, they were looked after by a department of the government, therefore payments were not made. The question as to whether we should continue that policy will be discussed, and not only the effect it would have on Indians, but whether we should continue to apply it elsewhere as well.

That question will be at issue when the matter is finally considered but up to now it has only been a matter of consideration as between the Indian department and my department.

Mr. HARKNESS: I take it that the policy is that payments are not to be made in regard to this matter until the question is finally settled?

Right Hon. Mr. GARDINER: We are quite busy at the present time with other things and we do not get around to some of these things so soon as may be desired, but just as soon as we can get the matter before the government in council, it will be decided one way or the other. I am not in a position to say which way because it has only been a matter of discussion between the two of us.

Mr. CHARLTON: I think this question should be directed to the minister because it has to do with policy. What are the regulations regarding continuous payment in the case of an individual, for example, who has made payments over a number of years under the P.F.A.A. How long would it be your policy to pay on an individual township or a group of townships which have been dried out over a number of years?

Hon. Mr. GARDINER: Under this act there is no provision for any particular number of years. Whenever they meet the conditions which are set up under the act, they are paid. Some of them have been paid for a majority of the years since the act was set up, while others have been paid very seldom. There was one year when there were no payments at all as was illustrated by the figures read. The year was 1942 and you will recall that was a year following a year when we made payments to people to get out of production of certain crops with the result that, I think, the farming was the best that had ever been done. People were paid to summer fallow lands with the result that the next year they grew the biggest crops of wheat they had ever grown. It was an indication that there is a way to farm which is really better than some other ways. Some people have fallowed it since with the result that we have 21 million acres under wheat now whereas we had 29 million acres at one time.

We did not deal with the situation you have in mind under this act further than to say this: that if a province declares a certain area to be submarginal, we do not pay under this act. That was the basis of the amendment which was

put in going back to 1940, when most of these submarginal lands were vacated. People found they were not suitable for grain growing. So they vacated those lands. And while no province has yet told us that any particular area should be left out because it is submarginal, we consider this land to be submarginal. So that was the reason behind our suggesting that they should not be brought back in under this act. However, quite a number of them have got back in as a result of the fact that we did not apply it to the returned man. Much of that land now is back under the management of returned men who are probably members of families living in that district. As you know, we have the other act P.F.R.A. under which we try to take people off those areas and turn them into pastures and move the people somewhere else.

I was going to say that with regard to Mr. Nicholson's question, but I did not get around to it. If I had, he would have said to me immediately that some of the land which he has in mind is land not within the P.F.R.A. area. But there are lands which we do try to get people to move off. We convert those lands into pastures and they no longer draw payments under this act.

The CHAIRMAN: May I suggest at this stage that we hear from the Inter-provincial Farm Union Council. Mr. Bird and Mr. Matte will be with us for several days and they will still be available. Mr. Dinsdale, after your question we shall then hear the witness from the Interprovincial Farm Union.

By Mr. Dinsdale:

Q. Thank you, Mr. Chairman. There is one problem which is perhaps a question Mr. Bird could answer. As he knows there are certain areas in Manitoba which very rarely receive any assistance from the Prairie Farm Assistance Act. From the years since 1939 they have been paying their levy without any complaints, and they have continued to do so. However I find when some disaster strikes and they receive a payment for the first time, that is when they begin to protest. It would seem that during the years when they have been paying their levy they have been under the impression that the P.F.A.A. had a much broader coverage than it turns out to have. It is not necessarily the amount of the compensation which they get, but rather the inequity of the situation. I know every time farmers in a disaster area in my constituency have been paid there has been a great outcry of protest. I am wondering if this could be avoided if there were an explanatory letter or explanatory information sent out with the initial payment. They seem to be completely unaware as to the terms of the Prairie Farm Assistance Act. They are under the impression that it is not disaster insurance but that it is crop insurance.—A. What we have done, sir, in connection with shall we say educating people as to the regulations and the act is to go out and, in cooperation with the municipal people, hold public meetings and where we are able to we answer the questions of the individual. Your suggestion could be followed out and we could set up a brief explanation of the act, but I believe the other system has worked out well. We have always been willing to go any place or to send a representative to discuss the matter with groups of farmers. I think that is the best way, but I would be glad to keep in mind your suggestion that we send out an outline of the act to the farmers when they are paid for the first time.

Q. It would help to allay a lot of the difficulties.

Mr. Chairman, there is one further point. The minister continued to emphasize yesterday that this was for drought relief. In my area—

The CHAIRMAN: I do not want to interrupt but the minister was referring to the early stages of the act, and that it was a drought which brought the act into being. However, he did state that there is no qualification attached to it now and it does not matter what is the cause.

By Mr. Dinsdale:

Q. Is there any information available which can be readily given which would indicate the frequency of payments for drought in an area and the frequency of the payment for some other cause? For instance, in the area where there has been a payment almost every year what is the reason for the payment? Is it because of drought conditions, soil conditions, hail, or rust or what?—A. Over the long period since the act has been in force I think you could say the large majority of the townships paid have been paid because of drought; but I do not have any statistics which break it down by townships through the years as to what the cause has been. The administration simply pays any area which the board of review passes for payment.

Q. There is a complaint I receive from my farmers to the effect that good farming areas are subsidizing poor farming areas. They look at the frequency payment maps and find that one area receives it every year and that their area receives it very infrequently if ever. What would be the answer to that accusation?—A. As a matter of fact that is the way it works out. Some areas are paid frequently and some are not paid depending on the degree of crop failure.

The CHAIRMAN: The P.F.A.A. is a relief measure and as such the mere fact that some people receive it more than others does not take anything away from those who get it. In the final analysis it is the treasury which pays it out as a means for relief. As one Manitoban to another, I do not think it is a question of great significance in Manitoba. We have been short on payment anyway over the years.

Mr. DINSDALE: I think to Manitoba farmers it is a point of considerable significance judging from the complaints.

Mr. MATTE: That information would be very difficult to set up. You may have a district which will have a drought, hail, and grasshoppers all in the same year in the same area, and there may be frost in the fall; there may be a combination of factors. In some other district there may only be drought. There are so many factors. I do not know how you would set up comprehensible statistics for that. They overlap. That is why I think the act was designed to cover crop failure for whatever the cause.

Mr. DINSDALE: It might be that we have a fundamental problem here. The act was designed to relieve drought conditions and the conditions for which it was designed have never existed.

By Mr. Weselak:

Q. Has any consideration been given by the department to preparing a statement as to how the amount has been arrived at.

The CHAIRMAN: I am sorry, Mr. Weselak. We did not hear the question.

By Mr. Weselak:

Q. I was asking if any consideration had been given by the department to preparing a statement as to how the final amount had been arrived at. My reason for asking this question is if it did not involve too much work it would certainly cut down a lot of correspondence with the department if the people understood how the final figure was reached.

By Mr. Pommer:

Q. Mr. Chairman, I have a supplementary question. I wonder if the description of the land on which the farmer was paid could be included in his payment. He may have various blocks of land for which he has made application and is only paid on one block. He is in doubt when he receives his cheque as to what land his payment refers.—A. You have reference to

the man who may have land in two or three townships. Where he has land only in one township it is not a problem. We have considered this. The suggestion has been made to us and we considered it. It would involve a considerable increase in the cost of administration at our office in Regina.

Mr. MATTE: Tremendous.

The WITNESS: It is a matter of preparing a statement for each individual. If we had to do that, as we did in 1954, for 150,000 people it would involve quite a bit of work and additional expense. We do send out to every municipal secretary a list of all the areas approved by the board of review after each board meeting. The individual farmer can, through discussing it with the municipal secretary, obtain that information.

Mr. JOHNSON (*Kindersley*): I have a question which may involve some research. It relates to the question I asked yesterday as to the number of townships which have qualified and the yields of those townships. I would like the officials to supply this committee with information covering the last ten years as to the number of townships and what percentage of them have qualified with a yield of each of the three, four, five, six, seven and eight bushels per acre. I think that information would be valuable to the committee.

Mr. MATTE: We have it now in the annual reports, covering the number of townships in the zero to four category and the four to eight category, but we do not have it broken down for the two and three bushels per acre categories. That would take a lot of research work. All the districts with a yield below four are shown in the annual statement and also those in the 4 to 8. We could give you that information for the others, but we would have to go through each individual township.

Mr. JOHNSON (*Kindersley*): Yesterday you gave me three selected years, 1951, 1954 and 1955 where the yield was 0 to 3 bushels per acre.

Mr. MATTE: Those were some figures which we used when trying to estimate the cost of this new programme under the legislation. That required a great deal of research work. If we went back for ten years our staff would be busy for a great length of time I assure you.

Mr. JOHNSON (*Kindersley*): I appreciate that, but I think it is important to point out the years which might not have as good a result as the ones which you have shown. I am wondering if 1950 might show a different figure than 1951 or 1956. I am hesitant to ask the officials to do a tremendous amount of research but could you give us what information you have available without extensive research to provide us, on this same subject, with the number of townships which have fallen into a certain category. I think it would be very valuable to the committee.

Right Hon. Mr. GARDINER: Mr. Chairman, I doubt very much if it would make any difference. These figures which have been put out were not put out because the committee was meeting. Those were the figures given to me when we were deciding how much we would pay. We naturally took the average years. We did not pick out any particular years which would be especially helpful to meet the desires of anyone. I simply asked the staff to get me the figures which would show the different categories on which payments had been made and how much had been paid in each category to give a picture to reveal the change brought about by what we intend doing under this legislation. It would not do very much good to have the figures on the categories back as they were before. The first category was from zero to five bushels per acre. Later on that was changed from zero up to four bushels per acre and now it is changed from zero to three bushels per acre. One is not a very good check on the other in so far as those categories are concerned.

The top category was from six to eight inclusive and now from three to eight has been divided into two. They would not be a very good check on one another.

Mr. JOHNSON (*Kindersley*): I believe 1954 was a rust year and also 1955. Neither was a drought year. The minister in the zero to three bushel category was referring to drought and I wanted to have the effect that drought would have on this category.

Right Hon. Mr. GARDINER: Now it applies to flooding as well.

The CHAIRMAN: I now call on the Interprovincial Farm Union. I want to introduce Mr. James Patterson, the Chairman of the Interprovincial Farm Union Council. I think I will leave it to him to introduce the other two members, Mr. Young, and Mr. Perka.

Mr. James Patterson, Chairman, Interprovincial Farm Union Council, called.

The WITNESS: Thank you, Mr. Chairman.

I have with me this morning Mr. Henry Young, who is the vice-president of the Farmer's Union of Alberta, and Mr. Stanley Perka, who is a director, I believe, of the Farmer's Union of Alberta. I am pleased to have them with us this morning, under the Interprovincial Farm Union Council.

Mr. Chairman, I might suggest this morning that at the time when we were getting ready for this delegation, we were not just too clear as to whether, at the time we got here, there might be other matters dealt with by this committee, and in preparing our brief, have gone beyond the Prairie Farm Assistance Act. We have made some general recommendations in the first part of our brief. However, I shall not belabour you with this material this morning, Mr. Chairman. We will leave it with you, for your reference and consideration, in the hope that it will be useful to you in dealing with the various items that will be coming before you for your consideration at a future date.

So, I will now deal with the recommendations on page 5—the specific recommendations, pertaining to the matter under consideration at the present time. Following that and in view of the time factor in regard to our interprovincial council covering our five provinces, Mr. Young has brought with him a sheet of recommendations, which are pretty much in line with my own, as chairman, and some of them which combine both the P.F.A.A. and the crop insurance.

With the indulgence of the committee, Mr. Chairman, I will let Mr. Young present that, following my reading of these recommendations beginning at page 5.

Prairie Farm Assistance Act

We appreciate that the institution of the PFA Act was an extremely commendable step in an effort to bring a measure of relief to those engaged in farming who were deprived of practically the right to live during the depths of the depression in the 1930's. We feel that this legislation was an attempt to meet a serious situation, which at that time it did, to a substantial degree. That was a time when very little financial outlay was required in sowing a crop, and \$2.50 per acre was a fair sum of money.

Today—with changing conditions in farming, the heavy capital outlay, and the high cost of operations—there is a definite need for a revision of the PFA Act to give benefits even comparable to those of 20 years ago. And in view of the drastic reduction in the purchasing power of a bushel of grain, farmers are compelled to search every possible avenue of insurance against crippling losses.

We would request therefore that consideration be given to the following recommendations:

1. That, in view of the marked increase in operational costs and the fact that our dollar is reduced by approximately one-half its value, the maximum benefits under the PFA Act be increased to double the present rate per specified acre.

2. That the basic qualifying area be reduced, and revert back to the contiguous pattern. This would lessen difficulties, now experienced, where sections adjacent to the qualifying area are not eligible for benefits.

3. That farmers do not forfeit benefits by securing off-the-farm employment at other occupations for a period during the summer.

4. That reservation Indians participate on the same basis as other farmers.

5. That benefits apply to those who have purchased crown lands since the PFA Act was established.

6. That township lines be no barrier to qualification.

Those are our specific recommendations in this regard, and with your permission, Mr. Chairman, Mr. Young might cover the points that he has outlined in his statement.

I will say before I conclude, that these discussions to which we have been listening yesterday, and again today, with regard to the administration, and the various points of contention and problems, are all very real, and very practical. I must say, that we spend a tremendous amount of time in our office dealing with complaints, and so on. I will also say, in fairness, though, that we have enjoyed the cooperation of the administration, to a very marked extent.

I think possibly some of the points that have been brought up in discussion yesterday and today will come up following our presentation. With consideration of those points, and I think without much more work, and with very little more expense, the P.F.A.A. should be made to do a much better job, and to leave the farmers with a great deal more satisfaction, and a clear understanding of the ramifications of the administration, and the act itself. I think we can accomplish that much.

I would mention, particularly, a reference that was made just a few moments ago, that is not included in our recommendations. It was in regard to a statement accompanying the cheque that the farmer gets. So often a farmer comes to us at our country meetings, or writes in to our central office in Winnipeg, saying that he would like us to explain just why he got the money, what land it applied to, and on what basis. I think, Mr. Chairman, that without too much additional administration expense, and so on, this information could be sent with the cheque the farmer receives, as a stub attached to the cheque, somewhat similar to the one we have with the wheat board cheques at the present time. In that way, I think the thing would run along much more efficiently, and with a great deal of satisfaction, in so far as the individual farmer was concerned.

The CHAIRMAN: Thank you, Mr. Patterson.

Mr. Henry YOUNG (*Vice-President, Farmers Union of Alberta*): Mr. Chairman and gentlemen, I certainly appreciate, on behalf of our organization, the opportunity of appearing before you here. I have certainly enjoyed the very earnest attitude you folks bring to these problems.

Now, you might wonder why we have brought a separate submission here, but perhaps you will understand that the call to us to appear before this committee was made at such short notice we had no opportunity to get together

with Mr. Patterson. So, we prepared a short submission with regard to some points of particular interest to us in Alberta, and brought them along. I will read them to you.

The Farmers' Union of Alberta is interested in the proposals for amendment of the P.F.A.A. We welcome the idea of raising the rates of compensation and also the ceiling on total payment per farm.

However our policy envisages much more sweeping amendments than any contemplated in current legislation. We would like to see the P. F. A. A. expanded into a much more comprehensive system of crop insurance, with substantially larger benefits and more complete coverage.

What we are proposing may be summarized as follows:—

1. That a crop insurance plan based on the P.F.A.A. be set up by the federal government and made available to all provinces who wish to participate in it.

2. That this plan be on the basis of three way participation by the federal government, the provincial government and the farmer.

3. That a much higher scale of benefits be provided, and the eligible area be reduced to not over one section of land.

4. That this insurance plan be financed by the somewhat higher levy on grain with the provincial and federal governments making up the balance.

5. The rate of levy could be varied between districts according to natural hazards.

6. That crop loss from any natural cause be covered.

The embodiment of these principles in a system of crop insurance would impart a measure of stability to agriculture in the areas of Canada where natural crop hazards are somewhat high. We believe that such a measure would contribute greatly to Canada's overall prosperity and would be fully justified by results.

Now, just a word on this question.

As we will readily admit, this statement of ours goes considerably beyond what you are called together in this committee to consider. We realize that. We know it is customary to refer to the Prairie Farm Assistance Act as crop insurance, but we know that the Prairie Farm Assistance Act is not a crop insurance plan. We will admit that; but we do feel that the Prairie Farm Assistance Act could be made to operate on the basis of something much more along the lines of the crop insurance plan. That is why we have put these points down here.

Now, we are interested, not only in the amendments you have before you—we think that, in the main, they are good, and we like the idea, naturally, of raising the rate of benefit—but we think, perhaps, that these new categories being set up will work to good advantage. However, there is one thing I am rather uneasy about in regard to this new category of zero to three, and that is I think perhaps it will restrict the areas which come under the zero to four basis; in quite a lot of cases they will not be able to get the benefit of the higher rates. However, that is a thing you will no doubt be looking into very carefully.

To refer back for a moment to the brief Mr. Patterson has presented. In regard to Paragraph 5:

That benefits apply to those who have purchased crown lands since the P. F. A. Act was established.

We have felt for several years, since the amendment to which Mr. Gardiner referred a while ago was brought in—I forget what year it was. I think it was 1950, was it Mr. Gardiner?

Right Hon. Mr. GARDINER: About 1950 or 1951.

Mr. YOUNG: We feel there was an injustice there. Many people, who have settled on the land since that time have been deprived of the opportunity of getting benefit from the P.F.A.A., while, at the same time, they are compelled to pay into it, I think we can admit there may be cases where that is justified, but it certainly is not justified in the homestead areas of Albert. Even though the last amendments which were brought in two or three years ago largely remove that disability from the land north of township 60, it still does not remove the disability from our homestead areas along the foot-hills. We have land in areas west of Edmonton, and west of Wetaskiwin, and west of points further south, which still have that disability in regard to the homesteaders there—the people who have taken up crown land. Incidentally, that land cannot, by any stretch of the imagination, be described as marginal. It is good land, in the main. Otherwise, the provincial government would not allow them to go in and settle there.

I hope the minister will take these suggestions seriously. I think you can draw a distinction between land which has reverted to the crown, because it was sub-marginal, or because of drought conditions, and land which has been newly taken up—new land which was never farmed and reverted, or anything of that kind. I think there could be a distinction drawn there, if it is necessary to draw a distinction, because it certainly is a great injustice to people to be put into that position, at least it so appears to us.

I do not think I should say much more here. You may have some questions you would like to ask me in regard to our particular proposals. But we do feel that P.F.A.A. has been of great value, and right here I would like to say, we have no fault to find with the administering of that act in Alberta. We appreciate very much the attitude of the director or manager of that act. I do not know exactly what his title is.

THE CHAIRMAN: Director.

Mr. YOUNG: The director for Alberta, Mr. Rowbotham. I think he is an excellent man, and he has been most cooperative with us. But there is one difficulty there which perhaps you might be able to do something about, and that is on this question of who qualifies for prairie farm assistance payments on account of his occupation. I was in the office of the farm union in Edmonton for five years, and during some of those years a considerable number of cases were brought to us where a man was denied payment because it was stated that he was not a farmer. There seems to be a certain amount of discrepancy in some of these cases. In some instances a man has left his farm for a fairly temporary period, or so it appears, and he will be classified as not eligible under the Prairie Farm Assistance Act, and then in another case a man who has been absent from the farm for a considerable period is given such assistance. There seems to be a little bit of discrepancy there.

In many cases Mr. Rowbotham took these cases to the board and it seems to have given a ruling in one case which is quite different from what it has done in another case. I hope Mr. Gardiner can do something to iron out this situation, and we do believe that a man who has felt that he had to leave the farm to go out and take a job because he has become hailed out, for instance, or that his crop was going to be a failure should not lose his benefits. Sometimes all the money he can earn that way will be lost, or at least he will lose a great deal more than he could earn, having lost his prairie farm assistance for that particular year.

So this is another point upon which I think some consideration should be given. On the general principle we feel that this act should be expanded to something much wider than it is, and we have suggested that it could be put on a basis that any province which wishes to take advantage of it could take advantage of it. We think the provincial governments should be brought into this and that the provinces should make some contribution towards it if they want their farmers to take advantage of it. We know that in other types of agriculture this would require a different form of levy, and we can all admit there are some provinces probably that would not wish to take advantage of it. But certainly we should make allowances, and indeed we will have to make allowances. I say this in the light of Mr. Duplessis' feelings on such matters, and his attitude and so on; which we will have to consider. But this is a very very important question, and while at this time, and in these amendments, you are not going to go so far, still this is a question which is going to recur and recur until something more comprehensive is done to solve the problem. Thank you.

The CHAIRMAN: Are there any other questions?

By Mr. McCullough (Moose Mountain):

Q. I should like to ask Mr. Patterson if he would explain specifically what is meant by their sixth recommendation, that the township line be no barrier to qualifications?—A. Well, in the setting up for the administration of the act, as we understand it, the area is within the boundaries of the township and if you want to go beyond the township boundary, then you must have so many sections, to qualify to get in an area along with the township area. Our thinking on that is that if the township barriers were removed possibly it would not present any greater problem so far as the administration was concerned. In fact it perhaps might simplify it, and at the same time it would leave the situation open where you might have a couple of sections of land backed right on to the qualifying area, and which would still qualify. There are not so very many of them, (under six), which are disqualified. If you do away with the discrimination as far as the township barrier is concerned then, whether it was one, two, three, or four sections, they could qualify because they were within the qualifying brackets. Does that answer your question?—A. Yes, I think so.

Mr. JONES: I should like to ask one more question. I was interested in the comments of Mr. Young on the crop insurance proposals. Has he given any consideration to covering fruit and vegetables in such a group insurance plan?

Mr. YOUNG: Well, I cannot say that we have, Mr. Jones, because actually we have no such problem as that in Alberta but I do think it may be possible to cover such crops under a proper crop insurance plan. Of course you would require quite a different set-up to the Prairie Farm Assistance Act in its present form in order to do so. As you know it only provides for a levy on grain while naturally you would have to have a levy on whatever crop there was to be covered, if you were going to do that.

Mr. PATTERSON (*Fraser Valley*): Mr. Chairman, we appreciate, of course, the problems which confront the farmers in the prairies. We are also cognizant of the fact that the act is designed to deal with problems in that area. But I think the question Mr. Jones has raised is of vital concern to those of us who live in other sections and, in looking over the section dealing with group insurance in the brief of the Interprovincial Farm Union Council, and also the submission by Mr. Young, I find that there is reference to the fact it should cover all provinces. I was also interested in this matter as to whether or not consideration was being given to making it an all-crop insurance program

and I would like to have an answer from the Interprovincial Farm Union Council in this regard, and then possibly the minister could give us some information as to whether or not this matter is being considered by his department also.

The WITNESS: Mr. Chairman, in this regard I think Mr. Patterson will notice that I have refrained from going into crop insurance aspects. However, we are happy to deal with it at the pleasure of the committee. The Prairie Farm Assistance Act, as we said in our preamble, has done a job, on occasion, for the people concerned. However, there are other people, perhaps, that it could and it should equally serve.

This subject has been referred to by Mr. Young in his suggestion that it could apply to all provinces. This is one of our concerns with regard to the Prairie Farm Assistance Act and crop insurance, as I said before, the Prairie Farm Assistance Act has done a job up to a point since its inception. However, conditions have changed and farming has become a different set-up. Whereas at that time, if you did not have any grain in the bin and if you did not have any money in your pocket and only enough grain for seeding, you could put in your crop, you cannot do that any more. At the end of the year, in the thirties, if you did not harvest too much of a crop you could still stay in business, up to a point. That has also changed. At the end of the year now you face the expenses which have to be faced in present-day farming.

Therefore I think that answers the question with regard to the interest in an over-all group insurance plan coming out of the Prairie Farm Assistance Act administration set-up, whether it is in conjunction with it altogether or separate from it. People are looking for ways and means of protecting themselves and protecting their investments year by year in their operational expenses. We could, as has been pointed out before, insure against hail, but these other pests and plagues cannot be insured again. There is no way in which we can insure against them and are vulnerable to them. However, in answer to your question, we would say yes, that under a crop insurance program it could be adapted—it could be tailored to every aspect of agriculture whether it be in the fruit-growing areas or the potato crops or small fruits or anything else—that it could be made available, although some of the administration and so on would have to be different. But, if it was available, then people could guarantee their income by insuring against these various hazards.

Mr. PATTERSON (*Fraser Valley*): Just continuing this point a little further, I am of course greatly concerned about my own section, and back in the fall of 1955 a very severe frost practically wiped out a strawberry crop. As you know, the Fraser Valley is noted for its strawberries, and the crop was almost 100 per cent lost. Also the hay crops were damaged to the extent that I have been given to understand about 700 out of 3500 milk shippers have gone out of business because of the destruction of their fodder crops. I was wondering if the union would consider such a situation as that could be covered by this type of program?

The WITNESS: Under the crop insurance program, yes, it could be. It would require different regulations to that which apply at the present time, and a different system of deduction or payment. It could be a levy of so much an acre, similar to what we have in the United States, in the crop insurance program. However, it could be quite practical. Such a crop would perhaps be just as valuable as the fruit to your farmers, or as the grain crop is to me in my particular area.

Mr. JONES: I should like to go on with the subject about which Mr. Patterson has been speaking—that the situation is very serious in the small fruit area. I am particularly thinking of the British Columbia area, particularly the

Okanagan Valley, where we would normally have had ten to eleven million boxes as this year's crop but, owing to two very severe frosts, we are down to less than four million. It will be even less for the next crop and this will continue until those trees are replanted.

They are a lot harder on the fruit grower or the small berry grower than on the wheat grower because he can usually recoup in the following year his loss of one year, while these people cannot. They have to wait seven or eight years for their trees to grow. I think it is a very important matter that your union should give consideration to the fruit growers and vegetable growers and bring your proposition before the minister. I know that when it is something sound and reasonable he will entertain the idea but someone must work on the problem and present to him something tangible. I hope you will be among that number.

By Mr. Pommer:

Q. Does that not come under the jurisdiction of the provincial government of British Columbia? Would they not have to initiate a program such as that? I was under that impression.—A. That is a question that could better be answered by the minister. But we, in the prairies, are working with the provinces on that particular aspect in an effort to bring about a crop insurance program. The provinces have made a considerable study of it. We had a royal commission in Manitoba and their report is available to any other province interested in studying their findings.

The CHAIRMAN: Are there any other questions?

By Mr. Robinson (Bruce):

Q. I have one question to ask the witness. Has his association given any thought toward a scheme for financing itself? Has any study gone into it?—A. We can say as far as the P.F.A.A. is concerned that it does finance itself in Manitoba, and the same thing would apply in the case of a crop insurance program, at least, up to a point. It is a matter of areas. There would be different areas, and crop risk factors would be taken into consideration to a substantial degree. It would be financed to a large extent by the farmers and on a contributory basis.

The CHAIRMAN: Now, Mr. Dinsdale.

By Mr. Dinsdale:

Q. I would like to ask Mr. Patterson about point three in the presentation of the Interprovincial Farm Union Council which reads as follows:

3. That farmers do not forfeit benefits by securing off-the-farm employment at other occupations for a period during the summer.

We have already had some discussion on that particular point. I think the period from November to May was mentioned as the permissible period for a farmer to be a temporary employee. Is there some particular reason why you include the word "summer"?—A. Yes, Mr. Chairman and Mr. Dinsdale. I was happy to hear some reference made yesterday to the fact that an individual who had secured off-the-farm work on a temporary basis during the summer would also qualify. I understand that was the statement generally. However we have cases—"and I have already mentioned some of them to the gentlemen responsible for the administration". We have some cases about which I think we will have to ask for a further review on that basis, where, because of the fact that the individual concerned was unable, because of weather conditions, to sow any appreciable amount of crop at all—and also in view of

the fact that the summer fallowing operations were at a standstill up until perhaps the harvest period—he went out to get other means of income in various ways.

According to our understanding it is because of the fact that they derived income from these various other jobs that they have been disqualified. But we will be taking up these cases with the administration.

Mr. NICHOLSON: I would like to ask Mr. Young to say a word or two concerning paragraph 4 which reads:

4. That this insurance plan be financed by a somewhat higher levy on grain with the provincial and federal governments making up the balance.

I wonder if Mr. Young would care to comment on how high a levy the farmers would stand for in connection with financing a program of this sort?

Mr. YOUNG: In the Interprovincial Farm Union we have not set any definite scale. But speaking as an individual farmer I would say that I think the farmers would stand a levy up to three per cent, provided it was a plan which could be applied, and which would go down much closer to the individual. In other words, you could not ask for a much higher levy as long as you must have as large an area as you have at the present time in order to qualify. I think the farmers would be quite willing to pay a higher levy provided that if they do have a crop failure they are going to participate. But we have large areas at the present time. I think that is one of the weaknesses of the act. We have too large an area required to make an eligible block. We have farmers who have had a crop totally destroyed and who have paid all their lives, but they were not able to get a dollar out of it. They may stand for a one per cent levy on that basis, but not for one much higher. I think that is your trouble in Manitoba very largely. There are not enough people who participate in the benefits. There is too much of that sort of thing there.

In the part of Alberta I come from, our crop record is probably quite as high as any place in Manitoba. I am referring to the Edmonton area. But while we have that situation there I think we are quite agreeable to pay up to three per cent, providing we get a crop plan which will come down closer to the individual farmer. In our submission we suggest a block not over one section. There is a question there as to whether it should be maintained on that basis or whether it should go right down to the individual farmer. That would be most desirable, although we know there are objections to it of various kinds. That is my opinion on the matter.

By Mr. McCullough (Moose Mountain):

Q. I would like to ask the witness if the Interprovincial Farm Union Council would seriously advocate a crop insurance program which would be actuarially sound, and which would be a program paid for by the farmers themselves. I am thinking in terms of the investigations which have been made in reference to an all comprehensive insurance program, and the high rate which would be necessary to carry such a program on an actuarial basis. I think Mr. Young indicated that he thinks the farmers would be prepared to pay a premium of three per cent on their own. But we would still have to furnish seven or more per cent which would have to be paid in some other way. Can you explain how you think it might work out on a provincial and federal basis, and whether you would expect the various governments to come into the picture.—A. I am not prepared at this time, Mr. Chairman, to go into all the details and the ramifications of it, not having brought too much of the material with me. But we can say that in so far as a scheme of this kind is concerned, we have a close parallel with regard to labour today, namely, unemployment

insurance, where the government assumes a substantial share of the responsibility in respect to its operation. We feel that it could very well apply in so far as agriculture is concerned and to a substantial degree.

As you have intimated, Mr. Young suggests a levy up to three per cent. In the hearings conducted by the crop insurance commission in Manitoba we did have it three per cent. Even higher than three per cent recommended in some districts. I might say that the Commission covered the province very thoroughly.

Experience in the United States points out that the rates do not have to go beyond reason in order to cover the program. According to the information we have at the present time we feel that the farmer could absorb a substantial proportion of it.

There are times of course in the initial stages of such a program when it would be positively necessary to have some participants other than the farmers themselves and the provincial government, to come into it because of the fact that we could run into a situation similar to what we had in 1954 when one year could wreck any program which was only maintained by farmers, or by the provinces themselves in conjunction with the farmers. So it would call for the support and the participation of the federal government, the provincial government, as well as that of the farmer in any comprehensive system of crop insurance.

By Mr. Charlton:

Q. In that regard, I wonder if the individual farm unions through Mr. Patterson would count the amount of losses paid out in that case? I assume you are working under the benefit of \$2.50 per acre which you say is the total present P. F. A. A. payment. But if you work on that basis, the percentage would not be nearly as high as if you worked in full on the loss-payment basis, would it?—A. I do not think I grasp your question, Mr. Charlton.

Q. At the present time you are not paying for the complete loss through the P. F. A. A. in the crop insurance policy in which you put up 100 per cent of the losses sustained by the farmer.—A. No. We are looking at it in terms of experience gained in the United States where they can insure up to a certain percentage of the crop value. In the other method, as I have said, they use the actual cost of operation as their basis of insurance. One of those two would no doubt be the basis of the crop insurance program.

By Mr. Johnson (Kindersley):

Q. I would like to ask if the Interprovincial Farm Union council favours the adoption of a crop insurance plan by the federal government along with the adoption of a farm price program.—A. Yes. I would say that the two of them while they are associated to some extent are two different matters. Regardless of whether or not we had a crop insurance program as far as agriculture is concerned, whether we like it or not, sooner or later we will have, out of sheer compulsion, to look at the price factor in so far as farm products are concerned. A manufacturer can sell a wheelbarrow for \$9.50 which cost him \$10 to produce, but he will not stay at it very long. By the same token the same would apply to a farmer who produces apples which cost \$1 to produce if he sold them for 75 cents. They would only be able to stay at it so long. While crop insurance can be a factor in adding to the stability and guaranteeing the investment on the farm it by no means suggests as a crop insurance program that it will solve our price problems.

Q. Do you think this would be a nucleus for a crop insurance program?—A. Yes. Certainly the experience gained in the P. F. A. A. would be of tremendous value in the crop insurance program and possibly we can evolve a crop insurance program out of adjusting the P. F. A. A.

Q. One of the aims of your farm organization is a request for the introduction of a crop insurance program.—A. Yes. But we do not suggest today that we cut off the P. F. A. A. and establish a crop insurance program.

Q. In your brief you outlined your request for a doubling of the rate for specified acreage. Would it be better for your organization if the government had left the two existing categories and had doubled the benefits to \$5 and \$3 an acre rather than to have broken it down into three categories which this bill proposes to do?—A. In that respect we are something like the administrators of the act. We do not have it broken down yet. We have not had time to assess it in order to determine the impact which will be brought about by adding the additional category in the middle.

There is one other point which I would like to add, and in this I am only speaking off the cuff. In the administration of this proposal there is a couple of bushels in there in the 3 to 5 category which will complicate to some extent the analysis of the crop returns. I am not, at this moment, prepared to say that we would say leave it as it is, or one way or another. But we do believe on the basis of the change in the overall economy and the buying power of our products today as compared to the period of the 30's that we have a logical argument for suggesting that the benefits be increased by 100 per cent under the act.

Q. Mr. Young expressed the concern that by breaking it down into smaller categories the incidence of qualification under the zero to three bushel category might be quite small. He was taking into account the technological advances, wire worm control and other factors which have been developed since the inception of the act which will make it quite improbable that certain areas will qualify under this. Had the government left it in the zero to four bushel category it would have been more realistic in providing the maximum amount of benefit in the area that would qualify. Do you feel that the zero to three bushel category is as real a category in terms of drought as it would have been had it been left in the zero to four bushel per acre category.—A. I think it is obvious there would be a larger number of districts which would come under the four bushels than under the three bushels. That is quite obvious but we have no way of estimating how great a difference there would be. Naturally it would take considerable research to do that. We do not have the opportunity. Mr. Gardiner and his staff no doubt have done some research on that as they indicated to us yesterday, and they would be in a much better position to answer that question than I. We do feel some concern in that while there is offered now under the amendments to the act a higher rate of return, that is, of benefit, in the 0 to 3 bushel category, yet that category may be so restricted in an average year that there will be very little of the higher benefit paid. Therefore the increase in the benefits would perhaps be more apparent than real in many cases. I cannot think of any time in our district when we would have qualified under the 0 to 3 category, but we have on occasion qualified under the 0 to 4.

I see one thing there in the amendments to the act, and that is that the pre-minimum payment is going to apply in this case on two categories whereas previously it only applied to one. The minimum payment has been a great help to some of the smaller farmers. It will now apply on the two lower categories.

By Mr. Quelch:

Q. Are you not thinking in terms of the last five years when you say we are not likely to have crops below three bushels. In my own area up to five years ago there were many crops which were not harvested at all. They started to head out when two or three inches high and could not be harvested.

I am afraid in my area in the dry years we will have the same situation again.—A. You are giving the committee information and you know a good deal more about this than I do.

Q. Mr. Johnson thought that we would be limiting it to the point where there would be very few persons paid in that category. I am afraid that in some areas when the dry periods come back there will be many districts which will yield less than three bushels. It is a question of moisture. If you do not get the moisture the crops will not grow.

Mr. NICHOLSON: Would the minister care to comment on the question of crop insurance.

Right Hon. Mr. GARDINER: Mr. Chairman, first of all I want to thank the Interprovincial Farm Union Council for coming here and also the representative from Alberta. The objective of a meeting of this kind is to hear any criticism of legislation which is presented. We also want those who come to the committee to gather all information they can with respect to the problems with which they are confronted when they go about their work in the country. I think their coming here has given us an opportunity to receive their point of view and also has given them an opportunity to give some of the answers at least to the criticisms with which they are confronted.

The suggestion which came from Mr. Patterson to the effect that statements should go out with the payments is a good one. It may surprise some people who wonder just why we do not do different things. We rather hesitate to do things which some people might call propaganda. We do that quite freely from the public platform, but sometimes in sending out statements when the government is paying out money we receive criticism and we are just a little concerned about it. Nevertheless I think it is something which is worth taking into consideration.

I want for the moment to mention one other thing which has been called to my attention. This is a statement which was handed to me by the Director. A farmer is not disqualified through having some other occupation as long as farming is his primary occupation. It does not matter whether he goes away for a long or short time if farming is his primary occupation. It is only when we consider that farming is not his prime occupation that there is difficulty with some people. Naturally those are the people from whom we hear. The others have had their payment and we do not hear from them.

There was some discussion about the categories. The 0.3 bushel category, in 1951 I think it was 8.5 per cent. That is the percentage of townships in the category. In the 0 to 3 category it was 8.5 per cent in 1951; in 1954, 18 per cent; in 1955, 26 per cent. One of the reasons why I took those years is that the first one is a year in which there were no flood payments. The second two years are years in which there were flood payments. The percentage is very much higher under the three in the last two years than it was before. Then in the 3 to 5 it was 12.5 per cent in 1951 and under the new payments 30 per cent, and under 1955, it was 23 per cent. Then in the 5 to 8 under the old payments it was 79 per cent; in 1954, 52 per cent; and in 1955 it was 51 per cent. I thought of emphasizing that yesterday and if I had probably it would have saved me having to say anything now. You will note that under the system which we are following now with the payments as they are it is 52 per cent above 5 in one year and 51 per cent in the other year. In other words, it is about a fifty-fifty proposition, as between that category from five down, and that from six up, inclusive. So, I think that answers some of the suggestions.

Mr. NICHOLSON: I wonder if you have the figures, in dollars, that it would cost under the two plans, in these two years?

Right Hon. Mr. GARDINER: I think they are all here in a paper which I have had prepared in answer to a question asked in the house by the member for Acadia. This covers the last seven years, but the last year is really only a partial year.

You will find in there that, even in Saskatchewan, there are only two years in which they did not collect more than was paid out during the seven years. It is true that those two big years pushed the thing up so that there was about \$2 million up on the total payments, over the total collections.

Mr. NICHOLSON: The point that I wanted to get at was: I wanted to get the figures that would have been paid out for the past three years under the old plan, and what would have been paid out for the same period under the new plan.

Right Hon. Mr. GARDINER: It would be rather difficult to do that. The 1954 year, of course, was the big year.

Mr. NICHOLSON: Could that information be placed on the record at the next meeting?

Right Hon. Mr. GARDINER: We could probably put that on the record, but I am not too sure. These are the totals here.

Mr. BIRD: Perhaps I can give you that information.

Right Hon. Mr. GARDINER: This is hardly correct, because that is what we were talking about first.

Mr. BIRD: No, those are the ones you are talking about at the present time, and the other is the first one, sir. This is the three to six plan.

Right Hon. Mr. GARDINER: But, we have got the three to five plan there.

Mr. NICHOLSON: Those figures can be brought in for the next time we meet—that is, an estimate for these three years in regard to what was paid out under the old plan, and what would have been paid out on the new plan.

Right Hon. Mr. GARDINER: These figures are here, and I think I am right in saying that these were prepared for the drafting of the bill that we did have, which was discussed at one stage, and which shows the three to six as being included. It picks up the six instead of the three to five. This is only four to five in the one, and this is from six up. These figures would not be just exactly what you want, so we will get those other figures for you at another sitting.

What I did want to point out was, that in the presentation that was made, and I think it was emphasized by both submissions, in regard to crop insurance, which, of course, is not before us at the moment, that this plan is, as nearly as I can make out, the American plan—that is, the plan that was presented from Alberta is the American plan. Under the American plan, the American government put up \$100 million, which has to be paid back over the years. They put into the fund \$100 million, that could be drawn on until they got the plan established, and then it is presumed that they will pay this back to the federal authority through an insurance plan. But, the thing that I wanted to call attention to in connection with it, was the item that you discussed most—number four:

That this insurance be financed by a somewhat higher levy on grain with the provincial and federal governments making up the balance.

I just want to read you one paragraph from the province of Saskatchewan's Commission on Agriculture and Rural Life. Publication number nine, on crop insurance, in summing up on the American plan has this to say:

Of the ten high-risk counties in North Dakota (those with premiums over 12 per cent of coverage), nearly all shows less than one third participation.

These areas are the most nearly akin to what we have in Saskatchewan, southern Manitoba, and in part of Alberta.

Of the eight high participation counties (50 to 75 per cent participation), nearly all were associated with a premium rate of four to eight per cent of coverage. Over half of the 44 counties in the wheat program showed less than one third of the eligible farmers participating;

There is a lot of information in the volumes of these commissions, both the one that was got out in Saskatchewan, and the one of Manitoba, a copy of which I have here.

The one thing that I think is clearly shown is, this is not an insurance plan we are dealing with. I might say to you, that if there ever had been any insurance plan back in the early days, you would never have had this plan. It was because nobody had any idea how they could bring in crop insurance, and were saying so, and indicating that they could not get it any other way, unless the federal government would work out some way of getting it. That was before my day. The federal government said, this is a provincial matter, and the provinces should at least start it. Now, no province did start it, and the obvious reason is there, so far as the western provinces are concerned. With one crop year like 1937, it would wipe all the premiums that anybody could ever think of putting in—three or four times as much. So, the provincial governments were not providing insurance. We did not attempt to even lay a basis for insurance. All we attempted to do was to see that these people, whose crops were wiped out, got some assistance to carry them over to the next crop year, when they could get something out of their crops. We had nothing else in mind. We did not try to pay any percentage of the crop—75 per cent of the average crop, or anything of that kind, as insurance men do. We simply said we will help them as much as we can.

On the other question, as to whether you can get the provinces into it or not, I am not talking about governments formed by other political parties. The government that was in Saskatchewan at the time was a liberal government. As a matter of fact, I set it up myself before I came here. I could not persuade them to go into partial payments under this plan. I tried the best I could to get it done. I sat in with the council and discussed it with them, but I was not able to get it done. The same thing was the experience right through. We did not think that the farmers in the drought areas could wait for the insurance plan, so we went ahead with this. That does not mean that we are not prepared to discuss an insurance plan, if some of the provinces do get interested in it, and want to promote it with some support from here. Any government that we may have here would certainly be interested in it, and prepared to talk about it with the provinces. But, they do hesitate to go into the provinces and say that we should induce the people to carry on any kind of agriculture, within the province, by making it more secure to get into that kind of production, than it is in some others. We say, that if they are going to talk about that, we think the provincial government should be in on it right from the start, and should indicate just what they do want, so that they will not be looking back and saying: you induced our people to get into this. Now, finance them, because they cannot get along. We think their action has to start pretty early. We cannot be pushing them into it, and we have not attempted to.

All I wish to say further is that no one of the provinces, and no municipality has asked to be allowed to come in under this set-up and pay a part of the cost, in order to eliminate part of their responsibility. We have taken on what we thought was ours and we have paid it right through the years, and we still pay it. But no province has come along, to offer any help in connection with it.

We have had these investigations as to whether you can get crop insurance. We are very sympathetic toward that kind of investigation, and we hope something will come out of it. But, again, I repeat, that we feel we must not take the position that we are trying to force a particular province into the insurance of any particular line of production. It will not apply the same all across the country.

The American plan is one where they put this money up and say to the states, you go ahead and organize. My understanding is, and of course, this report says so, that only 26 per cent of the eligible farmers, under this scheme in the United States, have taken out crop insurance. All of which means, that there is a very large percentage of them—some 74 per cent of the eligible farmers—who were not covered by crop insurance at all, and a very large percentage of the others are eliminated from the scheme altogether in the United States. They shut out the lower production areas, such as my friend from Acadia was just referring to a few moments ago—like those special areas in Alberta—they are not permitted in under this plan of crop insurance at all, in the United States. Neither would the greater part of the townships, or municipalities, that are covered by this act, be permitted under the type of insurance which they have in the United States. So we simply say, this is doing the job intended at the present anyway, and has helped a lot of people out of difficulties which, if they had to wait until we got crop insurance, they would have been driven off the land altogether long ago.

Mr. QUELCH: Does that not demonstrate the fact that you would have to have P.F.A.A. in addition to crop insurance?

Right Hon. Mr. GARDINER: Yes. If you are going to take care of the people who have the greatest need, you will need P.F.A.A.

Mr. YOUNG: Mr. Chairman, may I just say a word to clear the record, before you adjourn? I do not want anyone here to get the impression that the Farmer's Union of Alberta is advocating the American system of crop insurance. They are very definitely not advocating that. We do not mention it here but, the American system of crop insurance is a voluntary system, and it is based upon actuarial soundness, and so forth. We do not think it is feasible in this country at all. What we are advocating is an expansion of the Prairie Farm Assistance Act, into something more of a crop insurance plan. That is the way in which we think it should be done.

The CHAIRMAN: Before you go, gentlemen, on behalf of the committee I would like to thank the Interprovincial Farm Union Council for coming down here and appearing before us, and for giving us their very cooperative assistance.

We will adjourn until Thursday at 11.00 a.m.

The committee adjourned.

HOUSE OF COMMONS

Fifth Session—Twenty-second Parliament

1957

STANDING COMMITTEE

ON

Agriculture and Colonization

Chairman: RENÉ N. JUTRAS, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

BILL No. 157

An Act to amend the Prairie Farm Assistance Act

THURSDAY, MARCH 14, 1957

WITNESSES:

Dr. E. C. Hope, the Canadian Federation of Agriculture; Mr. G. J. Matte,
Associate Director of Rehabilitation, Department of Agriculture; Mr.
W. R. Bird, Director, Prairie Farm Assistance Act, Regina, Sask.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1957.

REPORT TO THE HOUSE

The Standing Committee on Agriculture and Colonization begs leave to present the following as its

SECOND REPORT

Your Committee has considered Bill 157, An Act to amend the Prairie Farm Assistance Act, and has agreed to report same without amendment.

A copy of the Minutes of Proceedings and Evidence relating to the said Bill is tabled herewith.

Respectfully submitted,

RENE N. JUTRAS,
Chairman.

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 118,
Thursday, March 14, 1957.

The Standing Committee on Agriculture and Colonization met at 11.00 a.m. this day. The Chairman, Mr. Rene Jutras, presided.

Members present: Messrs. Anderson, Blackmore, Bryce, Cardiff, Deslières, Forgie, Gingras, Gour (*Russell*), Harkness, Huffman, James, Johnson (*Kindersley*), Jones, Jutras, Kickham, Kirk (*Antigonish-Guysborough*), Lusby, MacKenzie, MacLean, Mang, Massé, Matheson, McCullough (*Moose Mountain*), Ménard, Michaud, Montgomery, Nicholson, Patterson, Pommer, Purdy, Quelch, Roberge, Schneider, Smith (*Battle River-Camrose*), Stanton, Thatcher, Weaver, White (*Waterloo South*). (39).

In attendance: The Right Honourable James G. Gardiner, Minister of Agriculture; Mr. Stanley Perka, Farmers Union of Alberta; Dr. E. C. Hope, Canadian Federation of Agriculture; Mr. G. J. Matte, Associate Director of Rehabilitation, Department of Agriculture; Mr. W. R. Bird, Director, Prairie Farm Assistance Act, Regina, Saskatchewan.

The Committee resumed from Tuesday, March 12, the adjourned study of Bill 157, An Act to amend the Prairie Farm Assistance Act.

Dr. E. C. Hope was called. He addressed the Committee briefly and was asked a few questions. At the completion of his address Dr. Hope was thanked by the Chairman for his attendance and cooperation.

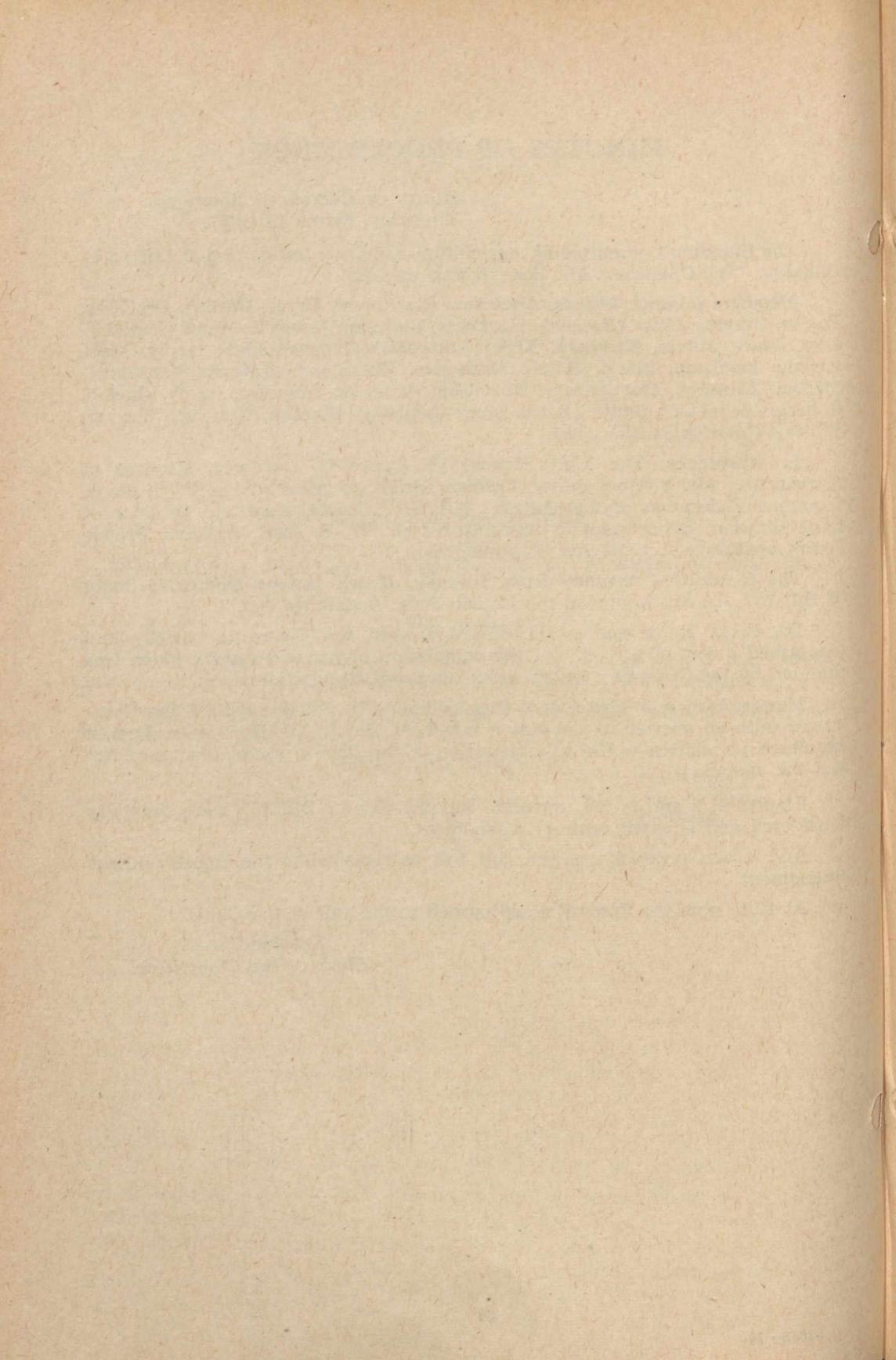
Messrs. Bird and Matte were then called. The latter supplied the Committee with an answer to a question asked on March 12. Both were further examined in relation to the administration of the Prairie Farm Assistance Act and the amending Bill.

Clauses 1, 2 and 3, the preamble and the title of Bill 157 were severally considered and adopted without amendment.

And it was ordered that the said Bill be reported to the House without amendment.

At 12.15 p.m. the Committee adjourned to the call of the Chair.

Antoine Chassé,
Clerk of the Committee.



EVIDENCE

THURSDAY,
March 14, 1957
11 a.m.

THE CHAIRMAN: Order, gentlemen, we ave a quorum so we shall proceed. We have with us this morning, Dr. E. C. Hope of the Canadian Federation of Agriculture who is ready to speak on behalf of his federation. Is it agreed that we now hear from Dr. Hope?

Agreed.

I now call on Dr. Hope to come up to my right.

Dr. E. C. Hope, Economist, Canadian Federation of Agriculture called:

THE WITNESS: Mr. Chairman and gentlemen: the Canadian Federation of Agriculture is very happy to be asked to appear before this committee in your discussion and deliberations with respect to the amendments in this bill which is before you.

I might say there are three amendments in the bill. Generally speaking the Canadian Federation of Agriculture is happy about these amendments because they are in line with what we have recommended from time to time over the past few years. Now with respect to the three amendments, one of them deals with an increase in the number of categories. Where there used to be two, there are now to be three. We would be in favour of the breaking down into three categories.

The second point of course is the raising of the amount of payments which our farmers can get under this act. According to our calculations, we came to the same conclusion that the minister did, that, other things being equal, it would likely result in about 50 per cent more money, to be paid out to the farmers. That is quite in line with the recommendations of the Canadian Federation of Agriculture over the past few years, that there should be some increase in the payments under this act.

With respect to the third amendment, the one dealing with the irregular block of six sections to be contiguous or adjacent to a township in order to be eligible, we would also be in favour of it rather than of a rectangular block of six sections because we have felt that the payments should be more in line with individuals rather than with blocks.

The fact that the amendment now provides for irregular areas—six or more sections—allows payments to follow a little more closely to the said types, and perhaps freak rain storms, and so on. Therefor it is important. So we would be in favour of these three amendments.

There is one other item though which is not in the act. I refer to the maximum payment.

Our western conference is comprised of the three prairie sections or the three federations in the west. At their western conference last fall, or their annual meeting in December, they did recommend that under prairie farm assistance the maximum payment should be \$1,000.

Under the present act—and the amendment does not change it—the maximum payment would be \$800; \$4 an acre of a half cultivated crop, or 200 acres. If you saw fit to raise the maximum to \$1,000 then of course that section would have to be amended to increase the 200 to 250 acres in your classification. In other words \$4 an acre and a half cultivated acreage up to the maximum of 250 acres would make \$1,000 a maximum. I presume that at the western conference they recommended that the maximum be raised in view of the fact that since the act came into operation in 1939 there has been a tendency to increase the size of farms throughout the west. I think that is all they had in mind probably, that the maximum for that reason should be raised.

Those are all the remarks I have to make with respect to the bill before you but I would be pleased to elaborate on any questions with respect to this act. I hope the questions will not be too long because I think I told you there is another rather important meeting of the federation in the Chateau and I must be there by eleven o'clock, but I told them that I would hope to be there a little bit late.

THE CHAIRMAN: Are there any questions?

By Mr. Johnson (Kindersley):

Q. I would appreciate it if Dr. Hope would give us a detailed analysis of the calculations the federation was able to make to come to the conclusion that there would be a 50 per cent increase.—A. I think if I remember correctly that what I said was this: We took the 0 to 4 category and the 4 to 8 under the old plan and we took \$2 or \$2½—what was it before? \$2.50 an acre on the 4 to 8; and we took that to be \$1.50 per acre.

Then we took 0 to 3, 35, and we broke it down into one bushel intervals in theory; 0-1-2-3; and 3-4-5; and 6-7-8, and we took a simple average and assumed an equal distribution of farmers falling into each one of the categories all the way down, and it came out to 50 per cent more. That is all we could do because we have no other data to show what proportion would be in it. We do not know the categories. That is how we arrived at the conclusion that it would be, roughly, 50 per cent more.

Q. You arrived at it by a sheer hypothesis?—A. That is right. We had no other factual data to go on.

Q. You gave consideration to the fact that if there is a four bushel average, then the increase would be 50 per cent more. But if there happens to be a seven bushel average, there is an increase of 50 cents from \$1.50 to \$2. That does not appear to work out to 50 per cent according to my calculation.—A. 0-1-2-3-4; under this plan you would include \$2.50 an acre for each of these people, you see. And then 4-5, 5-6, 7-8, would include \$1.50 for each of these people. But under the new plan 0-1 gives \$4; 0-2, gives \$4; 0-3 gives \$4; and then there is a change; 3-4, it steps you up into another category. That is the way we did it.

Q. It was just an assertion.—A. That is right, it was just an assertion. We have no proof. Only a detailed analysis of the records of the department over a period of time would give a really true picture. But roughly speaking we think it would be about one half more.

Q. Did you not think that it would be less than one half in view of the increase in farm techniques causing more to fall into this category of 0-3 bushels to the acre?—A. No, I do not think we have any basis for saying that. The theory is that such people would tend to fall into the low classes. We have not had just seven or more acres. When you get a real drought however I do not know whether the new techniques will help a great deal. I do not know, I am really a little doubtful.

Mr. POMMER: They have not done so in the United States.

The WITNESS: With a real drought, when you get it, that is a thing which the future will unfold.

By Mr. Johnson (Kindersley):

Q. Has the federation considered the advisability of recommending that payments be increased in the 0-4 bushel category, and in the 4-8 category, which might "maximize" the benefits and give them to more people? Has the federation considered that as opposed to the amendment which the government has made, and if so, what would be your views on it?—A. The federation has always been in favour of an increased amount of payment. But as to breaking it down into smaller categories, speaking not for the federation but only as an individual, I have always favoured smaller categories and smaller steps even though it requires more administration. I know that. But I feel that the smaller the categories, the more dollars which the taxpayers might contribute, or the levy which you people contribute as farmers. They would probably go a little more where they are most needed in respect to smaller steps. That is why I rather favour it. The other way is to have bigger categories, which rather allows too much rough justice sometimes. That is the reason.

By Mr. Quelch:

Q. Have you taken any stand on the unit? I know that you have said that you were in favour of the amendments, but have you taken any stand to have the blocks in an irregular shape rather than rectangular? What has been the attitude of the federation regarding the size? The minimum size is six sections having one side alongside a township which really means that the township has six sections. But there is provision where it could be half a township. Has the federation recommended that it be brought down to six sections?—A. No, I am afraid we have not. But I can say this: that some years ago, as I recall it, the federation used to bring up resolutions dealing with it, and asking for it on an individual basis. But as I recall it now resolutions no longer come up in that form. At the present time I think they bring them up on an individual basis. I cannot recall that they have specifically mentioned in their resolutions any specific size of blocks to be attached to the eligible township.

The CHAIRMAN: Does that complete the questioning? If so, on behalf of the committee I am very pleased to thank you, Dr. Hope, and to express our appreciation for your appearing here this morning and speaking on behalf of your federation. We thank you for your co-operation.

(The witness retired.)

Now, shall we go on with the bill? I presume you all have copies of Bill 157 before you. Shall we consider clause 1?

Mr. JOHNSON (*Kindersley*): I do not think we are quite finished with the departmental witnesses. As I recall it, they stepped down in order to allow the Interprovincial Farm Union Council delegation to give their evidence. I still have a few questions.

The CHAIRMAN: May I suggest that since all this is by nature very closely related to the bill, and since these witnesses will be here all through our hearings, why not ask your questions on the clauses as we come to them rather than to cover the whole bill first and go back over it again with the questions?

Mr. JOHNSON (*Kindersley*): Some of my questions do not relate to the clauses, Mr. Chairman.

The CHAIRMAN: Fair enough. I suppose any questions might be asked under clause 1.

Mr. JOHNSON (*Kindersley*): I think our general procedure has been to have a general discussion first and then take up the bill clause by clause. I see no reason to change that procedure.

The CHAIRMAN: It is just a question of procedure. There is no use in repeating the same background over and over again. It is obvious that all the questions will be related to the bill because if they are not, then they are out of order. Therefore if they must be related to some part of the bill, why not follow our usual procedure and call the clauses of the bill which is before us. I would call clause 1 and then we would have a general discussion. We always allow a general discussion relating to the bill as such on the first clause. It is true that this is more specifically an amending bill. Still I shall allow a general discussion on clause 1. Let us get along with clause 1.

Mr. JOHNSON (*Kindersley*): Mr. Chairman, I do not care which clause you want to apply my questions to. If you want to apply them to clause 1, all right, but I want to ask questions of a general nature. Moreover, I do not like your insinuation that I am going to duplicate my questions at a later date. I just want to ask questions and get answers because they relate to the bill. I think it is important that we get that information relating to the bill.

Mr. CHAIRMAN: I must assure you that I was not making any insinuations. I was stating a question of fact. Why have questions now and then have the same type of questions directly relating to the bill asked again when they might very well have been related to a particular section? Now we are coming to the bill, and when we do come to such and such a clause, then the same questions will be repeated again. It is just an expeditious procedure that I suggest.

Mr. JOHNSON (*Kindersley*): My questions are directly related to questions which were allowed at a previous time. I do not see how you can rule them out of order at this time.

The CHAIRMAN: That is not the point. I am not referring especially to you, but rather to any questions which may be asked from now on. You are only one. I have no particular desire to proceed in any particular way, but it seems to me that this is the most logical way of doing it. If the committee wishes to proceed otherwise it is all right with me.

Mr. PURDY: I move that we proceed with the bill.

Mr. JOHNSON (*Kindersley*): The procedure at every other meeting of this committee has been to ask general questions and then deal with the various clauses. It is the same procedure which is followed when we deal with the report of the Canadian Wheat Board.

Mr. PURDY: Mr. Chairman, I move that we proceed with the bill.

The CHAIRMAN: With all due respect, Mr. Johnson, it is not the same thing as an annual report. When we have an annual report before us there is nothing to pass; we only consider the report and there is nothing specific. On the other hand when we have a specific bill before us with specific clauses and recommendations we have to deal with those individually whether we like it or not; it is not a matter of choice.

Mr. McCULLOUGH (*Moose Mountain*): At the last meeting there were certain questions which were asked by members of the committee and the answers were to be brought down at the next meeting. I suggest that we keep it on exactly the same basis as previously and that we should have that information now. I suggest that you continue the same way as we were proceeding the other day.

Mr. NICHOLSON: Mr. Chairman, we have been making very good time and you have had very good cooperation in this committee. I think in view of the

fact that some of the members may have points to raise which might be ruled out of order if we were considering the clauses that we should proceed in the usual way.

The CHAIRMAN: It is all right with me. You must realize what you are doing. We will carry on first with general questions and then we will go on with the bill. Is that your wish?

Mr. JOHNSON (*Kindersley*): Yes.

The CHAIRMAN: Is that agreeable to you, Mr. Purdy?

Mr. PURDY: No. Take the bill clause by clause.

The CHAIRMAN: We have to allow a certain amount of general discussion on clause 1 in any event so we might as well have a general discussion now.

Mr. JOHNSON (*Kindersley*): At the last sitting I asked a question as to the number of field inspectors for each year. It was indicated that the witnesses would provide us with this information. I think that information would be very valuable and I would appreciate if we could have it now.

Mr. MATTE: I have the figures beginning in the year 1939, the year when the act was first passed. These are the figures: 1939, 284; 1940, 258; 1941, 688. I would like to interject here that the figure for 1941 may seem high, but at that time it was very difficult to separate the inspectors as between the P.F.A.A., the P.F.I. and the acreage deduction scheme. In 1942 there were none at all; 1943, 306; 1944, 241; 1945, 356; 1946, 291; 1947, 412; 1948, 379; 1949, 473; 1950, 419; 1951, 282; 1952, 228; 1953, 283; 1954, 710; 1955, 457; 1956, 298.

Mr. W. R. Bird, Director, Prairie Farm Assistance, Department of Agriculture, Regina, Saskatchewan, called.

By Mr. Johnson (Kindersley):

Q. Thank you very much for bringing this information to the committee. I think it is very important because it gives us some indication, or rather makes us question why the administrative costs in the last number of years have been high. I point out in the year 1952 when the administrative cost rose to 18.8 per cent the number employed as field inspectors were not significantly below the number employed in previous years when similar amounts were paid out. In 1953 we had very high administrative expenses with 283 inspectors and around \$2 million being paid out. I think that was because those were very good crop years with a very limited amount of P.F.A.A. work and I would assume that you would not require the same number of inspectors in those good years as in the years 1954-5 when there was generally a poor crop. Could you give me an indication as to why you required the numbers which you gave us for those years and why did you require 228 inspectors in 1952 when according to this report it says: "The higher awards in Saskatchewan were paid only in the hailed area near Swift Current with the exception of half a dozen townships along the international boundary." Would you give me an explanation of that, please.—A. Mr. Johnston, while there is certainly some relationship between amount of money paid out and the cost of administration, I tried to point out the other day that you cannot tie this too closely together because of the fact that in some years, such as 1954 when the costs of the administration I think ran about 3 per cent of the amount paid out, we paid in the great percentage of the townships we inspected. I pointed out also in this present year we will possibly inspect three times as many townships as we pay in because of the fact that there is not a general crop failure and there are a lot of townships which may run 10 bushels per acre or in that neighbourhood. The municipalities want inspectors but we find

a large number do not come into pay. You have to do the work and you have the men out on the job but yet you are not paying out the money to the public.

Q. How many applications would you have from municipalities for inspections? Take 1953 which produced the largest crop on record. I cannot imagine too many municipalities asking that inspections be made of their areas.—A. I do not know whether I gave you this figure the other day but off-hand I can tell you the number of townships which applied this year. We paid in approximately 600 townships this year and have had applications for almost three times that many. You see what I mean there. We still had to go and do the work but there is a greater number of applications than townships qualifying. In former years you would find that the relationship between the number of townships applying for assistance and the number which received it would be greater or lesser than at the present time. I will say this, I think the municipalities are now more prone to make blanket coverage rather than pick out individual townships. Very often a municipality will simply indicate to us that their whole municipality is perhaps at 6 bushels per acre rather than give us the individual township estimates.

Q. I think that is a very important point. It to a large degree explains this.

Mr. MATTE: I think Mr. Bird omitted to mention the administrative costs are on the basis of the fiscal year from the first of April to the end of the following March. These inspectors are shown by crop year. The crop year is from the 1st of August until the 31st of July. For example in 1955 we show 457 inspectors. We did not require 457 inspectors in 1955 to inspect the 1955 crop. A large number of these inspectors were employed up until the end of July, 1955, to make returns on the 1954 crop. You will remember with respect to the 1954 crop the snow came so early we were unable to complete inspection that fall. There is a spill-over from one year to another.

The WITNESS: In 1952 a lot of the crop lay out over the winter, particularly in the northern part of Saskatchewan. Those men were naturally doing work into next spring. It will possibly not give you a true picture.

By Mr. Johnson (Kindersley):

Q. That would mean it would increase the amount of men shown for the fiscal year 1953-54.—A. It may, yes.

Q. You indicate in 1954 there were 710 field inspectors. That is the information you gave us. I am rather interested in a return which was brought down in the house, sessional paper numbered 10E which asked for the names of all the personnel and so on in the P.F.A.A. In going through that list of names I see that the total number is 728 and since this return also indicates whether or not they were officials or field inspectors I find that there were 21 who were other than field officers, in other words 21 salaried officials, leaving 707 field inspectors. Would the witness explain the reason for this discrepancy in the figures.—A. I think you may find there are two or three people there who are not actually employed in field work. They may be doing clerical work in field offices. For instance, we might hire a checker; he may appear there as a field inspector but actually he would not be calling on the farmers or doing the actual work. In the fall of the year in each of the districts, for instance at Prince Albert, our supervisor there will have one, two or three people in his office who just do clerical work on the material, and check the claims as they come in. That might account for the difference there.

Q. In other words the occupation of these individuals may not be accurately defined.—A. That would be the only explanation I can see.

Q. I notice that you gave us further information as to the number of field officers in 1955 indicating that there were 457. We have a sessional paper, No. 9C covering this same year. Although the discrepancy of two or three that was experienced in the previous year might be explained, I think that we will have considerable difficulty in explaining the discrepancy here. You gave us the figure of 457 but in this sessional return I find not 457 but rather 959. It indicates there were 498 in Saskatchewan, 280 in Manitoba and 181 in Alberta, that is field officers and inspectors.—A. What year was that?

Q. This is sessional paper 9C, a pay list of all P.F.A.A. officials with addresses, salaries, and expenses paid to each during the year 1955.

Mr. MATTE: How does the question itself read?

Mr. JOHNSON (*Kindersley*): There is the return—

The CHAIRMAN: But how does the question that asked for the return read?

Mr. MATTE: How did the question itself read?

The CHAIRMAN: In what form is it?

Mr. JOHNSON (*Kindersley*): I have not got it here.

The CHAIRMAN: You must have.

Mr. JOHNSON (*Kindersley*): Oh, yes.

“List of all the P.F.R.A. and P.F.A.A., officials or field officers, address, salaries paid to them during 1955.”

Mr. THATCHER: The P.F.R.A. is included. Would that not be the difference?

Mr. MATTE: It may be a calendar year. That is the difficulty with some of these questions.

Mr. THATCHER: But the P.F.R.A. is also included in them.

By Mr. Johnson (Kindersley):

A. I think my hon. friend should credit me with some intelligence. I have a copy of the P.F.R.A. here, and there are even more pages in respect to that for the P.F.A.A. I have got the two broken down, and I was amazed when I read there that the previous sessional paper indicated the same thing. I do not see why there should be a conflict in these two sessional papers, and that the same individual should be included in the two years.

The WITNESS: I cannot give you an explanation just at the moment, Mr. Johnson. We got this information by telephone from our office in Regina. I will certainly be glad to check on it for you, and give you an explanation.

Mr. MATTE: That may very well be for a calendar year.

Mr. JOHNSON (*Kindersley*): With all due deference to what Mr. Matte has said, I think the two returns were brought down essentially in the same form, and in the two succeeding years they should not overlap and duplicate the information. I am concerned about this, because I am afraid that it might indicate, to a lot of farmers in the country, that the minister responsible has got a few more members there, or is making some attempt to cover up something that is not just as it should be. I am not reflecting on the witnesses from the P.F.A.A., because after all, they are paid employees that do what they are told. I think we should expect to get some explanation of this discrepancy. To me, it is a very serious one, which indicates that there is certainly something basically wrong in either the administration, or the administrative direction in regard to this act.

I have another bit of homework which I did.

The CHAIRMAN: On that point, you quoted the two sessional papers, did you not?

Mr. JOHNSON (*Kindersley*): Yes.

The CHAIRMAN: One is 9C, and the other is 10E. There is no question that the paper must be on a calendar year basis. You gave your figures on what basis?

The WITNESS: These are fiscal years.

The CHAIRMAN: The other figures are on a fiscal year basis. The question was asked as to 1956, and that is a calendar year question.

At any rate, we will look into this matter.

Mr. JOHNSON (*Kindersley*): I do not think that is the explanation for it, because I checked very carefully with those people who make up these sessional papers, and they referred me to the act, which indicated it was on a fiscal year, and they stated that their sessional paper would be brought out on the same basis. Before this committee adjourns, I think we should—

The CHAIRMAN: It is definitely a technical misunderstanding, because these same people answered both questions.

Mr. MATTE: May I say this, please: We did not have this information all gathered before this committee was called. When the question was asked here in the first stages, we got on the telephone and called our office in Regina. They made a rapid calculation, and these are the figures they gave us over the telephone. The minister himself was not given a copy of this. It was a very rapid calculation. We called again yesterday afternoon, and we obtained these figures from 1939 to 1950, and I would not say that they are absolutely correct. It was a very hurried calculation.

Mr. JOHNSON (*Kindersley*): I think the minister has already seen the papers. On page C9 of the evidence he said:

"I think you have had nearly all of them through returns brought down in the house."

It seems to me that it would have been a very simple thing for the minister to have checked through to make sure that his information was accurate.

The CHAIRMAN: In all fairness to the minister, you know very well that ministers do not check through all questions that are sent for returns, and that come through the department. I mean, you just made a statement, a moment ago, that you were not making an inference in respect to the two witnesses here, but you almost made the statement that you were leaving an inference in respect to the minister. I do not think that you should have done so in respect to the minister, or the witnesses, because this is just a technical question. You asked two questions of the same people, although there are many people in that one department, and I think the form of the question misled them in respect to that information. However, neither the minister, or the witnesses are involved, as far as that information is concerned.

Mr. JOHNSON (*Kindersley*): In your mind it might be a technical question, Mr. Chairman, but I consider in view of the fact that there are 500 different field officers listed here, that it is not a technical question. I would like that cleared up before this committee finishes its deliberations.

I want to come back to this other point that Doctor Hope mentioned. I do not know whether the witnesses are able to provide this committee with any further information on the breakdown of the categories. What I would like to know is, in deciding to make amendments to the act, has consideration been given to other amendments, which could be made, rather than the ones that you did make?

The CHAIRMAN: I am sorry to interrupt, but you are getting to questions specifically related to Clause 1.

Mr. JOHNSON (*Kindersley*): Yes.

The CHAIRMAN: Let us have the general questions first, and then go on with the bill.

Are there any other general questions?

Mr. NICHOLSON: Mr. Chairman, before we go to clause 1, I have a question which Mr. Matte can probably answer. Prior to taking over his present work, Mr. Matte had a good deal of experience in moving people from sub-marginal lands, in southern Saskatchewan, to the north. I wonder if you could give some information as to the number of farmers who were moved, during that migration, and also any information that you might have regarding the areas in Saskatchewan—I am particularly interested in Saskatchewan—which, over the years since the act was established, have been qualifying for benefits year after year. Is it possible to determine what areas are considered to be sub-marginal, where people have been qualifying for benefits for a great many years?

This other question is probably not quite connected with the bill, but Mr. Matte was in charge of the P.F.R.A., in another capacity, when this re-settling was done. As I indicated the other day, 5,000 people have moved out of these areas in the last five years—that is, some of this land which was settled has been vacated because of flooding, and other reasons. I wonder if Mr. Matte has any information regarding the areas in Saskatchewan which should be considered as sub-marginal, both in the south and the north.

Mr. MATTE: Of course, you are going back quite a number of years. I can only rely on my memory. It was estimated, at the time, that about 10,000 farmers moved from southern Saskatchewan to the north as a result of the drought on the prairies. This has possibly nothing to do with this committee, and I am just speaking from memory, but we settled about 6,600 families under the loan scheme, which I was in charge of at that time.

By Mr. Nicholson:

Q. 6,600?

Mr. MATTE: About 6,600 families benefited under that loan scheme.

I will say this, however: when this question of crown lands, and this amendment in regard to crown lands was considered in the first place, these areas, where these settlers were placed, were not excluded from the act. The minister took care to see that the line drawn across was north of that land, and that these settlers were included under the provision of the act. That was all taken into account when the amendment was passed.

Mr. NICHOLSON: Mr. Chairman, what about the 10,000 families that moved from the south? Are those areas coming under this act year after year?

Mr. MATTE: Yes, definitely.

Mr. NICHOLSON: What negotiations have there been, if any, with the provincial government, in an attempt to reach decisions as to whether or not these areas should be included as pasture land, or something else, in view of the fact that back in the '30s it was considered to be impractical to keep farmers there? It appears to me that some authority should have a look at this if, for 20 years, benefits are going to be paid. If there were 10,000 people moved off that area, somebody should look at it, and decide whether benefits should be paid in that area year after year. What consideration has been given to that problem?

Mr. MATTE: You are going back in history, to some extent, but I will say this: these 6,600 some odd families, that were assisted on this land, were put on suitable land. Those lands were inspected before we put them on. Then, when the act was amended, excluding crown lands, these settlers were not excluded under that amendment.

As far as the other question you asked is concerned, in respect to whether anything is being done to re-settle these families elsewhere, these negotiations are continuously going on with the provincial government. If the province takes these people off this land, the province comes to the P.F.R.A. and ask them to include these lands in community pastures. That is the standard policy that is in effect. We have set up that policy in respect to the pasture at Ituna. There are other applications, that I cannot mention off hand, but there is some attempt being made to include these lands as pasture, and these families have not been excluded.

Mr. NICHOLSON: These 6,500 families were settled by Mr. Matte on what was considered good land at that time. But now, for a variety of reasons, a great many have moved off. I wondered if Mr. Matte would consider making some of this land come under the P.F.R.A. benefits. I realize that this is not in order, but Mr. Matte is in charge, and it seems to me that, since he was active in settling these areas some years ago, the boundaries for the P.F.R.A. should also be extended north, so that all the people who are farming could come within the benefits of the P.F.R.A.

The CHAIRMAN: I am sure Mr. Matte will give consideration to any suggestion made by the committee.

Are there any more questions?

Mr. BRYCE: I would like to raise the question again, that I raised in regard to the crown land problem of Manitoba.

I have a map here which was set up by the department, and the line is shown. South of that line you could take a section of land, and you could have a veteran settled on there, who comes under the act, because he is a veteran. You could have another fellow in another corner, who comes under the act because he had his land paid for before December 31, 1940. Then, you could have another fellow, who bought his land in 1941, but who does not come under the act. Has there been any consideration given to straightening that out?

Mr. MATTE: That is a question of policy, of course, Mr. Bryce. My understanding is, that the minister has that consideration under review. I think he made that statement in the house, did he not? However, consideration is being given to the possibility of amending that section of the act.

Mr. BRYCE: I am hopeful that something will be done.

Mr. MATTE: However, I am not competent to answer that, in view of the fact that it is a policy matter.

Mr. BRYCE: If somebody is paying for something which he in no way can receive benefit from, I do not think it is quite right.

Mr. JOHNSON (*Kindersley*): Just one final question in respect to these returns. I have just been checking to see if there was a possibility that one set of figures applied to a calendar year, and the other set applied to a fiscal year. Since the returns asked for the names of the employees, and the sums of money, I find that that is an impossible explanation. I can take, as an example, the directors. Listed here, for the year 1954, is the amount of salary, the amount of travel expenses, and then listed for the year 1955 is the amount of travelling expenses, and the amount of salary. So, it is impossible that one would be on a different basis from the other. In view of the fact that that explanation is not feasible, I wonder if an explanation—

Mr. CHAIRMAN: Mr. Johnson, we agreed to look into this matter. We have not got the sessional paper before us, and we have not got the form of the questions, nor the answers, so we cannot judge the matter now. However, it will be looked into, and you will have an answer, I am sure. So you need not worry too much about it.

Are there any other general questions? We will go on then to clause 1—this is section 3 of the act. Are there any questions on clause 1?

On clause 1.

Mr. JOHNSON (*Kindersley*): On clause 1, I would like to deal with the same point I raised on a previous occasion, and that is the possibility that the breaking down into categories of the payments has indicated that this legislation may not in fact give a 50 per cent increase. I took the figures in the annual reports on the percentage of townships which fell into the zero to four category in the last five years and I found that in 1951 16.4 per cent of the qualifying townships were in the zero to four category. The witness has previously given information that 8.5 per cent of these, according to their calculations, fell into the zero to 3 bushel category and I was interested to know what had happened in other years. I found in 1952 that there were 9.7 per cent of the townships in the zero to four bushel category and, allowing for the same variation, it would only be fair to assume that about 4 per cent would fall into the zero to four bushel category, because in the previous year there were 8.5 per cent in the zero to three category and 16.4 in the zero to four bushels category. In 1953 we had a similar case with 13.7 per cent falling into the zero to four category, which would be about six to seven per cent. In 1954 I found that 27.3 per cent was the figure and you indicated in your calculations that 18 per cent fell into the zero to three category. In 1955 I find that there are 22.3 per cent falling into the zero to four bushel category. You gave the information, I believe, that there was 26 per cent in the zero to three bushels category and I assume that you were including the flooded land in that, as zero to three bushels is the only way that the calculations could be made.

I think that this is a pretty important point. It indicates that there may not be as many people in this group of main categories to benefit from the increase in rate as we may first suspect on an examination of it. I do not want to be taken as being critical of breaking it down into three categories—I agree with Dr. Hope in what he has said, that it allows them to have the opportunity of getting into this in proportion to their crop; but I am saying that the amount of the increase is not sufficient for the category on the basis of the incidence of qualification which I have outlined. I think if you are going to break it down into categories and if people are going to benefit from it, the rate of payment should have been increased above that which is outlined in the act, of \$5 per acre—as is outlined in the clause of this bill.

I wonder if you could give us any information on what other categories you explored in determining what amendments should be made.

It was evident the other day, when we were requesting this information, that there had been another investigation made as to how these calculations could be made. What I am getting at is, what investigations did you make which made you think that breaking it down into these categories with those payments would be the best for the farmer.

Right Hon. Mr. GARDINER: Well, of course, we went into that the other day and decided that the first one should be nothing to three, including three, and then the second one was to be four to six, inclusive at both ends, four, five and six, thus leaving seven and eight for the top category—we examined that.

Mr. JOHNSON (*Kindersley*): You must mean three to six, do you not, Mr. Minister?

Right Hon. Mr. GARDINER: No, I mean inclusive in both cases, as three is included in the lower one and four to six was included in the center one.

Mr. JOHNSON (*Kindersley*): Well what happens to the three and a half?

Right Hon. Mr. GARDINER: Well that is all taken care of in the regulations—that is 3.1, as a matter of fact. Then we decided, after examining the statistics in connection with it, that it was more favourable to put six in with the top level and to have the centre category including four and five only. That all had to do with the amount we were going to increase for them and we thought it was better to add 0-3 in the first category, 4 and 5 in the second, and 6, 7 and 8 bushel in the third category. In this way about half the townships would be in the first two categories and about half in the third.

Mr. JOHNSON (*Kindersley*): I presume the statistics that you mention would be a consideration or a detailed analysis of the townships which have fallen into it, and the yield over the number of year—two, three, four, five, six, seven, and eight.

Right Hon. Mr. GARDINER: Yes, the final conclusion at which we arrived was that to do it the way we were doing it would mean an increase of approximately 50 per cent. That was our figuring of it. But of course, anyone knows how very difficult it would be to prove that one way or the other, because the years vary so much and you may require to have a ten-year period before you can be absolutely certain whether it works out at 50 per cent, 60 per cent, or 40 per cent.

Mr. JOHNSON (*Kindersley*): I wonder if the minister could provide this committee with the average yields in the number of years to which he has given consideration in arriving at this conclusion.

Right Hon. Mr. GARDINER: Well I gave those yesterday. I indicated that they were the years which we had already provided to the committee. We selected those years—I should not say we selected because the officials selected them after consideration, to get the relationship of what would happen as compared with what did happen before we had this.

Mr. JOHNSON (*Kindersley*): Surely you did not base your evidence on those three years that you gave us.

Right Hon. Mr. GARDINER: Those are the years which we thought gave us just about the average position.

Mr. JOHNSON (*Kindersley*): Oh no, Mr. Chairman, I have the evidence here—

Right Hon. Mr. GARDINER: Well that is all right if you want to express your opinion, but do not say it is wrong, because the officials figured it out that way.

Mr. JOHNSON (*Kindersley*): This is based on evidence. I do not say it is an opinion—it shows in the year 1952, a year which the minister did not give, it was only 9.7 per cent which fell into the zero to four bushel category and that would mean maybe four or five per cent fell into the three bushel category.

Right Hon. Mr. GARDINER: Well my hon. friend has to keep in mind that the act has been entirely changed since 1952—it is not the same act now at all. There was no flooding involved at all in the payments under the act as it was in 1952 and of course we have only had two years' experience with the act as it is—this is the third we are now in. I am suggesting that to go back further, for instance away back to 1939, when the act has been changed three times since 1939, would not be helpful at all in settling this question.

Mr. NICHOLSON: Mr. Chairman, the minister undertook to get us an estimate in terms of dollars and cents as to what would have been paid out in

the three years on which he made his calculations, under the terms of the new act. I wonder if he could now give us an estimate in dollars and cents as to what was paid in those years and what would have been paid out if the act had been as it is now, or will be after it is revised.

Right Hon. Mr. GARDINER: Well it would be very difficult to get the record of what it would be, because of what I have just stated—that up until 1954 the act was altogether different. To go back and check how much land was flooded back in those years, or was not flooded, is an impossibility.

Mr. NICHOLSON: I understood you did have an estimate based on some preliminary plans you had and, in connection with amendments which have not come to the committee, and that these had been revised to take into account what the payments to the farmers would have been for those particular years. I did understand that you undertook to get that since we met the other day.

Right Hon. Mr. GARDINER: Well I understand that is not so. I think the other day it was mentioned you would like to have that information; but then we took it for granted that when we made the explanation that this change in the act had been taken we had only gone back to the one year before that time, in order to get what the picture would look like at a time when we could pretty well estimate what the flooding would have been. The figure that we presented to you was the only one that we had and the only one that we used in connection with considering the present conditions for the amendment to the act.

Mr. JOHNSON (*Kindersley*): The year that would apply then would be 1955—that would be the year for all your calculations and the only one that would apply?

Right Hon. Mr. GARDINER: Not just to improve our case. We took the year closest to that where it was the approximate average of the preceding years, and we did try to get some picture on account of the flooding was at that time and, what the payment would have been if we had had these rates proposed in the bill at that time. And then we just took the years since the flooding as if they, the proposed amendments, had been in the act and reckoned from this what the increase would be under this proposal.

Mr. JOHNSON (*Kindersley*): Well I noticed you use the years 1951 and 1954 when this floodings act amendment was in—

Right Hon. Mr. GARDINER: 1954 it was the first year when rust resulting from rain was responsible for payment.

Mr. JOHNSON (*Kindersley*): Well, that means that 1952 and 1953 would not apply at all, and you have given yourself the privilege of using 1951 and 1954; how did that come about?

Right Hon. Mr. GARDINER: 1954 was the biggest payment year we had. This was caused by rain and rust.

Mr. JOHNSON (*Kindersley*): According to your annual report there is no payment for flooding in special category in 1954.

Right Hon. Mr. GARDINER: It depends upon whether you are taking the last half or the first half of the year, when you use those dates. My hon. friend knows that the first big precipitation year was 1954 and that was the rust year and also the year we paid out the \$32 million under the Act. Some of it, or most of it, was paid out in 1955. That is true, because we amended the act in that year partly to justify payments on account of rust which was in 1954.

The CHAIRMAN: Any other questions on clause 1?

Clause 1 agreed to.

On clause 2—*Blocks ineligible for award.*

Mr. QUELCH: In so far as section 6 (a) is concerned, the farmers would be far better off if they were left with the rectangular shape. I have had a lot of complaints from farmers who have suffered a total crop failure by residing within a township which had been declared eligible under the act and then they were taken out under section 6 (a). What has happened in this case was that the township had been declared eligible and it was found that there were perhaps four sections of land with a yield of around 15 or 16 bushels per acre, but they could not find six sections with a yield over 10. However, by taking the four with a yield of 16 they were able to include two sections of land with a total crop failure and still keep the yield above 10; and those two sections were taken out.

Now it is pretty hard to explain to farmers who reside within a township that is eligible why they should be deprived of the bonus, and when you make the area into an irregular shape, of course, it is far easier to take the farmers out on that basis than it is on a rectangular block. Last time this question was brought up, I moved this amendment, which I still think should be moved that, "notwithstanding anything contained in this section no section of land with an average yield of 5 bushels per acre or less shall be deprived of the bonus under section 6 (a)". That would at least ensure the farmers that they would not be deprived of a bonus once their township had been declared eligible, if they had a total crop failure. I think there is some justification for that amendment—maybe not five bushels, maybe it should be four bushels; but I think it is a wrong principle, once you have declared a township eligible, to deprive the farmer of a bonus when he has had a total crop failure.

Right Hon. Mr. GARDINER: The way the act is now of course, the failure is three bushels.

Mr. QUELCH: Well then, even if you make it three, no farmer with a yield of less than three bushels shall be deprived of a bonus.

Right Hon. Mr. GARDINER: It has just been called to my attention that it is a little difficult to say "any farmer". Sometimes the amount of land that is farmed by a farmer may be only 25 acres, and there is some objection taken to the fact that any farmer could do that. It might be preferable to say any section of land.

Mr. QUELCH: Well in the amendment I state no section of land with an average yield of three bushels an acre or less shall be deprived of a bonus under section 6 (a).

Right Hon. Mr. GARDINER: Of course, there are some people who would insist on doing the same in the other subsection. You see, the only way that we were successful in getting this in the first place—and we naturally have to deal with the treasury which makes the payments—that if you have the same provision made for taking out as you have for putting in, then it will be pretty well averaged.

If what you are suggesting was applied only to subsection (a) and not to subsection (b), you would break in on that balance. Would you have any objection to it being made applicable to both of them?

Mr. QUELCH: What would the limit be in the other one? It depends on how you put it; would a section of land with an average yield of over 20 be included?

Right Hon. Mr. GARDINER: I do not think it would be that high.

Mr. QUELCH: At the present time you pay a bonus on land which sometimes has a yield of 20.

Right Hon. Mr. GARDINER: We do not pay on land that has got anything on it. We pay on the condition of the whole area. A man may quite properly

have 20 bushels per acre. It all depends on how he farms and how much land he has under wheat. But I say that has not anything to do with payments. A man does not need to have any wheat, as a matter of fact.

By Mr. Nicholson:

Q. Could the officers indicate what percentage of complaints result from cases such as Mr. Quelch mentioned—where one farmer has been with practically no crop, and where a farmer who has been qualified with 15 bushels does qualify because he is in the area. Can the officers indicate what percentage of their complaints deal with cases of that sort?—A. I could not say what percentage; I would say that prior to the change made in the act a year ago—there was considerable complaint. The Act now says that a 6-A block must be contiguous to an ineligible area, not just an ineligible township; I think that has cut complaints almost in half or even more so. We do not get too many complaints now about the 6-A block. Previously a 6-A block could be surrounded by eligible sections both in the township in which it was located and in a 6-B block established in an ineligible township adjoining.

According to this change, the Act in order to take out a 6A block it must lie alongside sections which were not "in pay". Do I make myself clear? And that has reduced the number of complaints tremendously.

Mr. JOHNSON (*Kindersley*): Would this contiguous block procedure assist flooded areas being able to qualify?

Right Hon. Mr. GARDINER: They do not come into it at all. They are not affected by it.

Mr. JOHNSON (*Kindersley*): You say they do not qualify even if their yield is less than average?

Right Hon. Mr. GARDINER: When you are considering a flooded area—the Act says 3,840 acres or more; it does not make any difference what shape it is, or what the crop round about it is.

Mr. JOHNSON (*Kindersley*): In determining the eligibility of a flooded area, do you take the average yield of wheat in that area?

Right Hon. Mr. GARDINER: No; it provides that if there are 3,840 acres which were seeded or summerfallowed in three out of the last five years, then payment is made. But it has got to be land which actually was in crop three years out of five to qualify it to be considered at all; and if it is flooded for only two years, out of the previous five it is paid.

Mr. JOHNSON (*Kindersley*): It would not be excluded by a case of where a farmer had a little plot of five acres with a yield of 40?

Right Hon. Mr. GARDINER: No.

By Mr. McCullough (Moose Mountain):

Q. I would like to support Mr. Quelch's idea because I think there is a great deal of merit in it. The fact that we have farmers being ineligible in areas where they have been taken out under section 6A—I would like to support his contention that there is a situation here which would result in unfairness and discrimination to some extent. I hope the minister will see fit to give consideration to the suggestion that where there is a farm lying in an ineligible township and there has been a 6A section taken out of it for eligibility, and you find where they include the farmer's returns having been less than 5 bushels to the acre of yield in that area, of bringing it up so that the section is not eligible. I do feel that it does place rather an injustice on that particular farmer or group of farmers. I think it might meet the minister's criticism to that suggestion if, rather than saying "farmer", the wording said "complete section of 640 acres".

One other thing I would like to ask the officials is this: where there is no eligible township, where you have under 6A a contiguous block being eligible and then you have another contiguous block, which would be eligible as a contiguous block to the township—to the eligible township, would you have to qualify presently under the act? Do I make myself clear?

First you have your eligible township and then you have your contiguous block, your rectangular block, next to the eligible township. Now you have another contiguous area in a non-eligible township contiguous to that eligible 6A section. Would it be eligible?—A. No. I think what you are getting at is this: that if a 6B block joins an eligible township, along the boundary of a 6A block, does this make the 6B block ineligible.

Q. No. I mean contiguous to a 6A block taken out of an ineligible township.—A. Yes.

Q. In that case the yield would be otherwise eligible simply because it is not contiguous to an eligible township, but only contiguous to an eligible block under 6A. Would it then be eligible in itself?—A. The eligible township is what governs eligibility there. The 6A block has nothing to do with it.

Q. I see the situation, but I do think in all fairness that it would be similarly correct to say that it would be fair to pay it to farmers who are contiguous to eligible 6A blocks even though they are not in an eligible township. I wonder if consideration has been given to that?

Mr. MATTE: They are eligible.

Mr. McCULLOUGH (*Moose Mountain*): That is the question I am trying to get elucidated.

Right Hon. Mr. GARDINER: It says that right in your "B" section in the last line, "as though it were a complete township; . . ."

Once it is let in as a group it is in. But as to the other suggestion made by the member for Moose Mountain that consideration be given to the suggested amendment, I think I would have to say that we will give consideration to it—at least, I shall give consideration to it and see that it is considered by the government. But I do not think I can undertake here in view of the fact that the bill has been considered in its present form to make provision for further payment. I would like to point out too, that what may result from what you are suggesting is that even the four sections would not get out or in if the idea were introduced into both (a) and (b).

Mr. McCULLOUGH (*Moose Mountain*): What is that again, please?

Right Hon. Mr. GARDINER: The illustration used by Mr. Quelch was that you have four sections, and you may have 15, 18, and 20 bushels to the acre within the 4 sections; and then in order to get it down below the number that is set in the bill you have got to take in two that are very low. Well I think that result would be, if you make it impossible to take them in, that the four would not be in a position to be dealt with at all. No matter whether you were attempting to put them out of (a) or in (b), it would appear that possibly such an amendment would not get the results desired in either subsection.

If you were to make it apply in (a) I think it will be argued that you must apply it in (b). If you applied it in both cases you would probably put more farmers out than you would put farmers in under it. So I think it should be carefully looked at before we decide.

I can give the committee an undertaking to discuss the matter with the government itself and see if it would be possible. And I say to the committee as I have during the past discussion that the only way I would be able to get the thing in is to apply the same principle to (a) as I would to (b).

Clause 2, 3, the preamble and title agreed to.

The CHAIRMAN: Shall I report the bill?

Bill agreed to.

Mr. JOHNSON (*Kindersley*): Mr. Chairman, when are we to have an opportunity to get the explanation which you said would be given on the discrepancy in these figures?

The CHAIRMAN: Oh yes. Can we not do that when the bill comes up in the house in the committee stage?

Mr. JOHNSTON (*Bow River*): I think it would be in order there, provided we have the same opportunity to ask questions as we have here.

The CHAIRMAN: Oh yes, in committee of the whole.

Mr. JOHNSON (*Kindersley*): The minister is aware of what I am saying. I wonder if he could give any explanation to the members of this committee on that same point.

Right Hon. Mr. GARDINER: What is the point, please?

Mr. JOHNSON (*Kindersley*): My point is that when the minister provided us with information on the number of field inspectors employed under the act the information he gave us showed 457, yet according to sessional paper 9-C brought down in the house there were 959. I notice the discrepancy there and it certainly does not seem to coincide with any information we have. I went through the list of names and I did not see any such names as "Daisy" or "Dobbin" or anything like that. In short, I do not see any horses names there so I assume they are all individuals who did work as P.F.A.A. field inspectors. If those figures are true—and I see no reason why they are not true—then I would comment that having a cost of \$483.64 it would appear to be low in that year, when it was \$710 in the previous year.

Right Hon. Mr. GARDINER: It would be proper to bring that up in the committee of the whole in the house, and I will get whatever information there is, I think there must be some confusion in the dates from which officials started to count it.

The WITNESS: What was the year again?

Mr. JOHNSON (*Kindersley*): 1954-55, and 1955-56.

The committee adjourned.

HOUSE OF COMMONS

Fifth Session—Twenty-second Parliament

1957

STANDING COMMITTEE

ON

Agriculture and Colonization

Chairman: RENÉ N. JUTRAS, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

Circumstances surrounding the destruction of the P. J. Rock and Son Flock

WEDNESDAY, APRIL 3, 1957

WITNESSES:

Dr. K. F. Wells, Veterinary Director General; Mr. J. W. Graham, Chief of Live Stock Division; Mr. Phillip J. G. Rock, Drumheller, Alberta.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1957.

ORDERS OF REFERENCE

TUESDAY, April 2, 1957.

Ordered.—That the said Committee be convened to meet tomorrow Wednesday, April 3, at 11.00 o'clock a.m., and that the charges contained in the speech of the honourable Member for Moose Mountain made in the House on April 1, 1957 (*Hansard*, pages 2923-26), be submitted to the said Committee for immediate investigation, and that the Committee report thereon during the present session.

TUESDAY, April 2, 1957.

Ordered.—That the name of Mr. Argue be substituted for that of Mr. Johnson (*Kindersley*);

That the name of Mr. Shaw be substituted for that of Mr. Patterson;

That the name of Mr. Robichaud be substituted for that of Mr. Michaud;

That the name of Mr. Tucker be substituted for that of Mr. Studer;

That the name of Mr. Gardiner be substituted for that of Mr. Weselak;

That the name of Mr. Richardson be substituted for that of Mr. Demers;

That the name of Mr. Lafontaine be substituted for that of Mr. Fontaine;

That the name of Mr. Bennett be substituted for that of Mr. Weaver;

That the name of Mr. Hanna be substituted for that of Mr. Decore;

That the name of Mr. Goode be substituted for that of Mr. Harrison; and

That the name of Mr. Bryson be substituted for that of Mr. Jones, on the said Committee.

Attest

LEON J. RAYMOND,
Clerk of the House

MINUTES OF PROCEEDINGS

House of Commons, Room 277,

WEDNESDAY, April 3, 1957.

The Standing Committee on Agriculture and Colonization met at 11:00 o'clock a.m. this day. The Chairman, Mr. René N. Jutras, presided.

Members present: Messrs. Anderson, Argue, Batten, Bennett, Bruneau, Bryce, Bryson, Cardiff, Charlton, Deslières, Dinsdale, Forgie, Gardiner, Gingras, Goode, Hanna, Harkness, Huffman, James, Jutras, Kickham, Kirk (*Antigonish-Guysborough*), Laflamme, Lafontaine, Légaré, Mang, Masse, Matheson, McBain, McCubbin, McCullough (*Moose Mountain*), Montgomery, Nicholson, Proudfoot, Purdy, Quelch, Richardson, Roberge, Robichaud, Robinson (*Bruce*), Schneider, Shaw, Smith (*Battle River-Camrose*), Stanton, Tucker, Villeneuve, White (*Waterloo South*). (47).

In attendance: From the Department of Agriculture: Dr. J. G. Taggart, Deputy-Minister; Dr. K. F. Wells, Veterinary Director General; Dr. R. B. Catt, Edmonton Sub-District; Dr. R. Connell, Lethbridge Veterinary Research Station; Mr. J. W. Graham, Chief, Live Stock Division, Production Branch; Mr. E. G. Brimacombe.

Also, Mr. Phillip J. G. Rock, of Drumheller, Alberta.

The Committee considered the charges contained in a speech of Mr. McCullough (*Moose Mountain*), in the House, on April 1, 1957 (*Hansard*, pages 2923-26).

On motion of Mr. McCullough (*Moose Mountain*), it was unanimously agreed that Mr. P. G. Clark, Assistant Director, Canadian National Live Stock Records, be called sometime during the Committee's investigation.

Dr. Wells was called, heard and questioned. And the examination of Dr. Wells still continuing, it was postponed to the next sitting of the Committee.

At 1.00 o'clock p.m. the Committee took recess.

AFTERNOON SITTING

The Committee resumed at 4:45 o'clock p.m. The Chairman, Mr. René N. Jutras, presided.

Members present: Messrs. Anderson, Argue, Batten, Bennett, Bruneau, Bryce, Bryson, Cardiff, Charlton, Deslières, Forgie, Gardiner, Gingras, Goode, Gour (*Russell*), Hanna, Harkness, Jutras, Kickham, Laflamme, Lafontaine, Légaré, Mang, Massé, Matheson, McBain, McCubbin, McCullough (*Moose Mountain*), Montgomery, Nicholson, Proudfoot, Purdy, Quelch, Richardson, Robichaud, Robinson (*Bruce*), Schneider, Shaw, Smith (*Battle River-Camrose*), Stanton, White (*Waterloo South*). (41).

In attendance: The same officials as are listed in attendance at the morning sitting.

The Committee resumed consideration of the charges contained in the speech of Mr. McCullough (*Moose Mountain*).

The examination of Dr. Wells was continued.

And the examination of Dr. Wells still continuing, it was postponed until the following sitting.

At 6:00 o'clock p.m. the Committee took recess.

EVENING SITTING

The Committee resumed at 8:30 o'clock p.m. The Chairman, Mr. Rene N. Jutras, presided.

Members present: Messrs. Anderson, Argue, Batten, Bennett, Bryce, Bryson, Cardiff, Charlton, Deslières, Forgie, Gardiner, Gingras, Hanna, Harkness, Jutras, Kickham, Kirk (*Antigonish-Guysborough*), Laflamme, Légaré, Mang, Massé, Matheson, McBain, McCubbin, McCullough, (*Moose Mountain*), Montgomery, Nicholson, Proudfoot, Purdy, Quelch, Richardson, Roberge, Robichaud, Schneider, Shaw, Smith (*Battle River-Camrose*), Stanton, Tucker, White (*Waterloo South*). (39)

In attendance: The same officials as are listed in attendance at the morning sitting.

The Committee resumed consideration of the charges contained in the speech of Mr. McCullough (*Moose Mountain*).

The examination of Dr. Wells was continued, and he was temporarily excused.

Mr. J. W. Graham was called, heard and questioned, and he was temporarily excused.

Mr. Phillip J. G. Rock was called, heard and questioned, and he was temporarily excused.

At 10:20 o'clock p.m. the Committee adjourned to meet again at 11:30 o'clock a.m. Thursday, April 4th.

ANTOINE CHASSÉ,
Clerk of the Committee.

EVIDENCE

WEDNESDAY, April 3, 1957.

11 a.m.

The CHAIRMAN: Order. The committee will now come to order. It is obvious that we have a quorum. First we shall have the order of reference read. I shall read from votes and proceedings for Tuesday, April 2:

That the standing Committee on Agriculture and Colonization be convened to meet tomorrow Wednesday, April 3, at 11 o'clock, a.m. and that the charges contained in the speech of the honourable member for Moose Mountain made in the house on April 1, 1957 (Hansard, pages 2923-26) be submitted to the said committee for immediate investigation and that the committee report thereon during the present session.

We have with us this morning Dr. Wells, the Veterinary Director General, Dr. R. B. Catt, who is in charge of the Edmonton sub-district, Dr. R. Connell, who I believe, is in charge of the veterinary research station at Lethbridge, Mr. J. W. Graham, who is the chief of the livestock division production branch, and there are on their way here Mr. Brimacobe and Mr. Rock. I believe they are now on an aircraft on their way here to Ottawa.

Right Hon. Mr. GARDINER: No, Mr. Chairman. They are between the aircraft and here.

The CHAIRMAN: The minister informs me that the aircraft has apparently landed at Ottawa and that they should be here fairly shortly.

If it is agreeable to the committee I think we might start by hearing the veterinary director general, Dr. Wells.

Agreed.

Mr. McCULLOUGH (*Moose Mountain*): Mr. Chairman, in addition to the witnesses to be called before this committee I move that Mr. Clark, an official of the Canadian National Livestock Records, be called and be asked to bring with him all correspondence in connection with P. J. Rock, with the slaughter of the sheep, and all correspondence with the health of animals branch, Department of Agriculture, in connection with this matter, and all registration certificates and applications for registration covering the flock of P. J. Rock.

The CHAIRMAN: If I might make a suggestion, I think that we might possibly start with these officials this morning and then have a meeting of the steering committee in order to decide if we need any more witnesses, because I imagine there may be other requests, and we would be in a position to decide after we have heard the first general presentation, if it is preferable to call other witnesses.

Mr. ARGUE: I think the committee is master of its own rules and procedure. Since the reference from the house has referred to a speech made by the member from Moose Mountain I think it is very much in order and the proper thing to do and the only thing for this committee to do—when Mr. McCullough makes a request that an official of the Canadian National Livestock Records be asked to appear before this committee to give what information they have on this particular matter that that request should be readily granted and that it should not be turned over to the steering committee.

I suppose after we hear all these witnesses, if the committee should feel—and if Mr. McCullough should feel—that there was no point in calling others, then we would not call them. But I do submit that the request which has been made should be readily agreed to and not turned over to the steering committee.

The CHAIRMAN: I want to make it clear that I was not in any way refusing the request of the hon. member. I was just making a suggestion to expedite the business of the committee. It is our usual practice. But I have no objection; it is up to the committee. Of course the committee is always the master of its own organization and procedure. I was just making a suggestion and not in any way trying to detract from Mr. McCullough's suggestion. It just occurred to me that there might be other requests. The practical way we have always followed has been to refer these matters first of all to the steering committee. If there is a motion before the committee now, it is in the hands of the committee. I just made a suggestion that this would be an improvement.

Mr. McCULLOUGH (*Moose Mountain*): Because of the evidence to come before the committee, Mr. Chairman, I think that the committee will continue in session without interruption to hear the various witnesses, and in order to substantiate the rumours which I have intimated in the house are prevalent throughout the contry, I would want to have an official of the Canadian Live-stock Records appear before this committee.

The CHAIRMAN: Let me say right away—

Mr. McCULLOUGH (*Moose Mountain*): Just a moment, please, I feel that the reason for this is that the minister I presume, has suggested that these officials of his department be called. I have no objection whatsoever. In all probability they would be called on behalf of members of my own group or of other groups. So I hope that in order to have a continuation of the witnesses before this committee, sir, that you are not ruling out any subsequent witnesses that might be called before this committee. I am just suggesting in order to expedite matters that we have these witnesses at an early stage in this hearing, and that you will see fit to put that motion, if it is in order.

Mr. HARKNESS: Mr. Chairman, I do not think there is any use for this committee to meet and to have this investigation unless all witnesses who have relevant information to give are called. I do not think there would be any question on the part of the committee of their excluding anybody who might have evidence which would throw light on this particular question. As a result I hope that any witnesses requested by any hon. member, no matter from what part of the house he might come, will be called.

Right Hon. Mr. GARDINER: Perhaps I might say a word. I stated yesterday in the house that any witnesses who were desired would be heard here. There is no question about that at all. There is no reason for any argument about it. Mr. Clark will be called just as has been suggested. That was the first suggestion we had from anyone as to the thought that anyone be called. Mr. Clark will be called!

There is only one question and that is with regard to what he brings with him. You may find in a few minutes that most of it is here already and tabled to the extent that I do not suppose you would want it to be brought again. But there is no question that all information in possession of the department which other members may wish, will be brought here.

Mr. QUELCH: I do not need to say anything except that in view of the fact that charges were made in regard to registrations, I think it is absolutely essential that the requests made by Mr. McCullough be accepted.

Agreed.

Mr. HARKNESS: I have one other question. Because of the congestion in this room and the fact that the air here will soon become very bad, I suggest that we hold our meetings in the railway committee room where there is much more room.

The CHAIRMAN: If that is agreeable to the committee let us move to the railway committee room at this point.

Mr. HARKNESS: Yes, I suggest that we do that.

(The committee adjourned to the railway committee room). Upon resuming.

The CHAIRMAN: I am given to understand that they will bring us ashtrays after a little while. Is it agreeable now to hear from Dr. Wells?

Dr. K. F. Wells, Veterinary Director General, Health of Animals Division, Department of Agriculture, called:

The WITNESS: Mr. Chairman, my name is Kenneth Frank Wells. I was born in Manitoba in 1914. I graduated from the Ontario Veterinary College in 1938.

My qualifications, in respect to your advice that they be given, are as follows: following graduation I was employed for a short time as assistant to a general practitioner in the field of veterinary science. I spent a year following that as a lecturer at Macdonald College, Ste. Anne de Bellevue, and I acted as veterinarian for the college herd.

In the late winter of 1939 I joined the staff of the health of animals division as a veterinarian, and I spent some time in going through the usual jobs of a new veterinary inspector in the division. It consisted of training, meat inspection, and field work.

In 1945 I was transferred to the poultry division of the production services, to establish throughout Canada a national system of sanitation and controlled inspection and hatchery supervision.

In 1947 I was transferred back to the health of animals division as associate chief veterinarian. Subsequently in 1952 I was made chief veterinarian, during which time I was in charge of the operations in Saskatchewan with respect to foot and mouth disease; and in February 1955 I was promoted to my present position.

With respect to the disease known as scrapie, which is the subject of this meeting, scrapie is a very old disease having been known in the United Kingdom and in France—but primarily in the United Kingdom—for at least 200 years.

It has only been in recent years that research work has begun to throw some light on the actual disease itself. But in spite of the concentration of research work on scrapie in recent years, it still must be regarded in so far as factual science is concerned as a very mysterious disease.

It is assumed that it is caused by a virus. It is assumed so because it can be transmitted—not too easily—but is can be transmitted by inoculation and by infected brain and spinal cord material from a sheep which has died from the disease.

The incubation period of the disease is extremely long. Even in artificial transmission such as I have described, the incubation is still many months; and in natural transmission, it can run anywhere from eighteen months to three years. Occasionally it has been assumed to exceed three years. I say assumed to exceed three years because the actual manner of natural transmission from one sheep to another is not clearly understood.

The disease is a chronic meningo-encephalitis which attacks the base of the brain or the medulla and the spinal cord. It is first characterized by a twitching of the ears and a twitching of the legs. Muscular incoordination slowly develops. There is rubbing of the skin. The sheep are inclined to rub continuously against such things as fence posts or the corner of a stable or barn, and in doing so they rub a considerable amount of wool from their hides. In fact they get to the point where they prefer to scratch rather than eat. So they become emaciated, and in the later stages they become totally paralyzed from the twitching and the incoordination, and they lie down and die. The result of scrapie is always death, in so far as we are able to say. While there is some indication developing in science today as a result of increased research work that there may on occasion be a recovery of the animal, this is entirely a new thought and it has not in fact been substantiated. It is at this moment merely a supposition.

I think you will see from this that there is no vaccination which has been developed for scrapie. The diagnosis of it is extremely difficult, and the diagnosis cannot in fact be made to any thorough extent until a pathological examination is performed following death. And in order to do that a proper diagnosis must be made from a microscopic and histopathological examination of the brain which must follow death under disease circumstances.

That is to say, a sheep exhibiting symptoms of scrapie, and killed, does not give you a proper examination because it takes a long time for neural degeneration to take place in order that a natural diagnosis can be made. Confirmed diagnosis is dependent on the extent of clinical symptoms of the sheep which are common to the disease scrapie, together with the histopathological findings indicating neuro vaciolization. Some portion of the brain or medulla must be taken from the spinal cord.

Considerable work has been done in the United Kingdom on scrapie. Dr. Gregg and Dr. Gordon are the two research officers who have done the most in this field. In addition some work on it has been done in France. The work under Dr. Gregg indicates that the disease can be transmitted from sheep to sheep in pasture, but there is some suggestion that these experiments cannot be accepted as bona fide, with the result that the actual transmission from sheep to sheep has not been totally proven. There is the suggestion, of course, that the disease may run in a hereditary line. I would hesitate to say that the disease itself is hereditary, but there is some suggestion it may run in a blood line. This has not been totally proven.

In addition to the work that is being conducted very extensively in the United Kingdom, the animal pathological section of the health of animals division here are expanding their work on scrapie and have been doing so in recent years.

I think that is a sufficient description of the disease. I am prepared to answer any questions.

May I now proceed to the Rock story. Mr. P. J. Rock and son have been breeders of Suffolk sheep in the Drumheller area for many years. I do not know the Rock family although I have met both Mr. P. J. Rock and his son on occasions at the Royal Winter Fair and at other places where they have been exhibiting their stock. Of course since the development of the Rock story I have met them on a business basis.

On March 26, 1954, Mr. Rock reported to our district veterinary officer in Calgary, Alberta, that he had received information from a sheep breeder in Connecticut, United States, that scrapie had been diagnosed in two sheep which those people had bought, not directly, which had originated from the Rock flock. These sheep had passed through another dealer's hands. The first report which came to us officially from the United States with respect to this was

received on April 15 from the agricultural research service of the United States Department of Agriculture at Washington. Upon receipt of the information from the district veterinary officer on March 26, 1954, that this information had been received by Mr. Rock, the Rock flock was quarantined under the provisions of the Animal Contagious Diseases Act on suspicion of scrapie.

The quarantine is designed and used extensively merely as a holding weapon until the flock can be examined and it can be determined whether there is justification for continuing to hold the flock under suspicion.

By Mr. McCullough (Moose Mountain):

Q. Would you give us the date of the quarantine?—A. March 26, 1954.

By Mr. Harkness:

Q. That was before you had the complaint from the United States authorities?—A. Yes. That is the same date on which the district officer from Calgary reported to us that Mr. Rock had in turn reported to him. Mr. Rock first reported the condition to us immediately he received the information from the United States. All the sheep on the Rock premises were examined at the time the quarantine was established on March 26, 1954. There appeared to be no evidence of scrapie, that is no clinical evidence in this flock at that time. The flock was again examined on April 7, 1954, and three ewes were taken to the division of animal pathology and research experimental range station at Lethbridge.

On May 5, 1954, the animal pathology division reported there was no evidence of scrapie in those sheep which had been taken to their premises. In fact the ewes which had been exhibiting some evidence of sickness which might be construed to be the early developing clinical symptoms of scrapie were improving and getting over the condition which would indicate the disease was not scrapie, because as I have said the ultimate end of scrapie is death. The same thing applies, of course, to rabies. In the case of rabies if an animal is suspected of having rabies, that is if there is clinical evidence of it, the dog is quarantined for ten days and if the animal has rabies it will be dead and if not it will be alive. The same thing applies to scrapie.

Q. What was done with these three ewes at Lethbridge?—A. They were held there under observation. We did not own the ewes.

On receipt of information from the United States that these two ewes which were supposed to have originated from the Rock premises had come down with scrapie, two officers from the department were sent to Washington to investigate the matter and to ascertain if it was in fact possible to establish definitely that these ewes did come from the Rock flock. The ewes had passed through at least one dealers' hands and the identification tags of the ewes had been lost. We are not aware of the circumstances under which the tags were lost, but the United States authorities told us it was not possible for them to establish identification by actual ear-tags. Therefore, the suggested identification of the sheep as having originated from the Rock premises was totally upon a process of elimination. That is, that this man had bought so many sheep from Rock and he had delivered so many of them to a certain person and so many to others and the two had been sold to this particular man in Connecticut, resulting in this process of elimination. What one might term as circumstantial evidence had resulted from the fact that the United States authorities decided that these sheep came from the Rock premises.

Q. Did these sheep carry registration papers with them?—A. Yes, I would assume that. They had the registration papers; but without identification of the animal, the registration papers are no better than any other piece of paper.

By Mr. Argue:

Q. What is the type of identification?—A. There are two. One is an ear tag in the sheep's ear and the other is a tattoo. Normally with Suffolk sheep, which is a black-eared sheep, tattoos are not generally used.

Mr. GOODE: Mr. Chairman, I would suggest that Dr. Wells be allowed to give his evidence. We have the capability of taking notes. When the time comes each one of us can then have permission to ask questions.

Agreed to.

The WITNESS: The two officers who went to Washington received the story which I have just told you. The only proof we could establish that these were in fact Rock sheep was, as I have said, circumstantial and based on a process of elimination. We were not altogether convinced particularly because of the fact that the Rock flock was at that very moment under observation—I should say that the officials of the department, including myself, were not at all convinced—that this identification by process of elimination was entirely satisfactory. Yet there was nothing we could do about it because in fact the United States authorities had made up their minds. I say in all sincerity their minds had been made up in a completely bona fide unbiased manner. However, because of the suggestion and because of their conviction that these sheep had come from the Rock flock the United States authority decided it would jeopardize the sheep industry in the United States if more importations of sheep were permitted from the Rock flock. They therefore advised they were not placing any embargo against sheep from Canada, nor were they suggesting that they would in any way refuse sheep from Mr. Rock, but rather they simply suggested they were not in a position to provide inspection of Rock sheep when they were presented at the border for entrance into the United States. This in effect prohibited Mr. Rock from selling sheep in the United States.

We were prepared following the lifting of the quarantine to certify as healthy sheep from the Rock flock for export to the United States. As a result of our examination during the quarantine and as a result of the examination of the sheep which were sent to Lethbridge we could find no evidence which would lead us to believe there was scrapie in that flock in spite of any suggestion that the sheep in question had originated from that flock. The temporary quarantine put on the Rock flock prohibited Mr. Rock selling any sheep during the period they were under quarantine. That period, as I have just mentioned, was March 26, 1954, until May 10, 1954. Therefore while he was under that temporary quarantine his entire operation as a sheep breeder was stopped insofar as selling sheep was concerned. This is a serious thing not only in connection with Mr. Rock, but also the application of any quarantine because of suspicion of disease is a serious thing and one cannot justify from a disease point of view the maintenance of a quarantine on any farmer's premises if one cannot be satisfied that there is sufficient suspicion, or justification for suspicion, to keep that quarantine there and in effect put the man out of business.

Nevertheless the United States authorities suggested they would not provide inspection for Mr. Rock's sheep if they were presented for entry into the United States and he was entirely eliminated from selling in the United States which had up until that time been perhaps his most lucrative market.

Inasmuch as there was no evidence, insofar as we were concerned, Mr. Rock was free to sell his sheep anywhere in Canada after May 11, 1954.

Late in April, 1954, the health of animals division was provided with lists of sales from the Rock flock and veterinary officers of the division visited all the premises to which Rock sheep had been sold so that we would be in a position to examine the sheep originating from the Rock premises and the sheep which

had been in contact with the others in order to ascertain if there was any other evidence of scrapie. There were visits made to 142 premises. There were 8 made in British Columbia, 82 in Alberta, 20 in Saskatchewan, 25 in Manitoba, 6 in Ontario and 1 in New Brunswick. From these 142 visits there was no evidence of scrapie uncovered. In addition to that lists were supplied to the United States from Mr. Rock indicating sheep which had been sold to various premises in the United States. I understand the United States authorities in turn visited the premises to which the sheep had been sold, although I have no evidence to present on that.

The Rock flock was checked at intervals. It is customary that visits be made to the premises to examine the sheep and to consult with Mr. Rock with respect to a possibility of any developing symptoms. Early in October, 1954, three rams on the Rock premises were noted to have what may or may not be suspicious clinical symptoms of scrapie. These sheep were kept under observation on the Rock premises and because of a continuing suspicion—although there was not still sufficient evidence to justify the severe limiting of a man's business interests by quarantine. On December 14, 1954 it was decided, because of these three rams which were continuing to exhibit minor clinical symptoms which might be suspicious of scrapie, that the premises would again be quarantined. The premises were quarantined a second time on December 14, 1954. On December 17, 1954, 4 sheep, 3 rams and 1 ewe, which were exhibiting minor indications that they may be coming down with the initial stages of scrapie, were sent to the Lethbridge laboratory. On January 11, 1955, the ewe which had been sent to the laboratory died. The brain and the spinal cord were removed and sent to the animal pathology division in Hull where most of our pathological examination work is done. The brain and spinal cord were removed and sent for pathological examination. The result of this examination was negative in that no vacuolization could be discovered to indicate that the ewe had been suffering from scrapie. The ewes which had been sent to Lethbridge regained their health without any untoward circumstances and on January 24 the animal diseases pathology division advised there was no evidence which was typical of scrapie in the three rams. That information, together with the negative histopathological report on the ewe which had been forwarded to the laboratory, again indicated we did not have sufficient evidence upon which one could continually keep the Rock flock under quarantine. Therefore on February 4, 1955, the flock was again released.

Following February 4, 1955, periodic re-visits were made to the flock for general observation. In fact, 18 visits were made between February 4 and October 18, 1955. On December 2 a periodic visit was made and it showed one sheep which was again clinically suspected of having scrapie. This sheep continued to develop or to show more symptoms of scrapie with the result on December 9, 1955, the sheep was sent to the division. It was in fact received at the division of animal pathology on December 9.

By Mr. Argue:

Q. Was that the division here?—A. Yes, sent to the Hull laboratory where histopathological work must be done. The sheep continued to live at the laboratory, although losing weight continually, and developing some symptoms of scrapie. On January 18 it died. When histopathological examination was finished, it proved to be positive. In other words, the clinical evidence, and the general debility of the sheep, together with the rubbing of the skin and the twitching of the ears and lips, and finally the sheep lying on its side and kicking its feet, and unable to stand, and without coordination, together with the neuron vacuolation indicated from the pathologist's point of view, this sheep exhibited all of the cardinal and text-books signs, which could be attributed to scrapie, and must, of course, be considered as positive.

As a result of this positive diagnosis, it was realized that action would have to be taken, and advice was quickly sought as to whether we could order this flock destroyed, under the provisions of the Animal Contagious Diseases Act. The answer to that request was, "yes", and that we could proceed and order the flock destroyed under the provisions of that act. On January 24 the flock was put under quarantine, with instructions that it be destroyed.

Immediately the flock was put under quarantine, to be destroyed, it was necessary to make arrangements for a valuation of the flock, in accordance with the provisions of the act. The help of the livestock division of the production service was requested in valuing the flock, and departmental officers were sent to the Rock premises. They arrived there and started to value the flock on February 1, 1956. The valuation of the flock was completed, and it was realized, when arrangements were being made for the destruction of the flock, that there probably would be, in this flock, which comprised a considerable number of sheep, some evidence which would be of value to the research officers in their work, in an effort to determine if there was not some way that advance notice could be had of sheep coming down with the scrapie.

In other words, what we lack in regard to scrapie, is a diagnostic test which will indicate to us that a sheep has scrapie before it is dead, or before it has to die of the disease.

It was arranged that the division of animal pathology would attend the slaughter of the sheep, along with the divisional officers concerned directly with it, and obtain specimens from all of these sheep.

The ground was frozen at this time, of course, and it was difficult to dig a hole. However, arrangements were proceeded with, following the valuation, to have the necessary equipment there, from the division of animal pathology, where the collection of the brains, blood, spleens and genital organs, were needed, together with containers for such material, and for the identification work. Arrangements were made to bring in heavy digging equipment to dig the hole through the frost in the ground.

All of these arrangements were completed. The slaughter of the flock was commenced on February 27, and was completed on March 2. The actual slaughter operations were under the direction of Dr. Catt, from Edmonton, who is the supervising veterinary officer of the health of animals division in the northern part of Alberta.

In the process of evaluating the sheep, of course, all the sheep had to be identified. This identification takes place by the ear-tag in the ear, which must correspond with the pedigree, or a tattoo in the ear, which must correspond with the pedigree. Young lambs, which may not be registered at the time—this is shortly after birth—applications, of course, must be made out immediately for their registration, and they too must be identified with an ear-tag.

When arrangements were ready for the slaughter, it was decided that perhaps the most humane way to destroy the sheep was by electrocution. Arrangements were made to have electrocution equipment there available, and the sheep were electrocuted. The ear-tag number was checked off with the lists which had been made at the time of the valuation. Following the checking of the ear-tag, the sheep was then electrocuted, and the sheep was then moved on to the butcher, or so-called butcher. Actually he was, in fact, a meat inspection assistant, employed by the Department of Agriculture, and transferred into Drumheller for this very purpose. He started to remove the skull, of course, in order that the pathologist could get at the brain. At the same time he did this he removed the ear-tag from the ear, and handed that ear-tag to the clerk from our Calgary office, Mr. Brimacombe, who was keeping the records for them. So that the ear-tag was read for identification, and Mr.

Brimacombe marked it down as it was read, and then the ear-tag was cut and handed to him, in order that he could check it to make certain that the number read was the actual number of the tag.

The specimens necessary for the division of animal pathology included the brain, or the base of the brain, together with the spleen, or a part of the spleen, blood samples from each of the mature sheep, and the genital organs, wherever necessary were removed at this time and then the sheep, with any organs which were left over, which were removed and not wanted by the department, were then put into the pit and destroyed. The entire pit and slaughter operation was under the direction of Dr. Catt. The ear-tags were then used to identify the specimens taken from the sheep, to where the division of animal pathology were working and bottling the specimens. At that time the ear-tag number was again checked, and written on the bottle, or attached to the bottle containing the specimen, in order that one would be able to check to make certain that the brain, blood sample, spleen, and where necessary the genital organs, were in fact from the one animal. It is necessary to have this close identification, if one is to do research work, because it was hoped that one might be able to trace back through blood lines some processes of scrapie. If we had an ear-tag, of course we had the blood line through the pedigree identification.

I come now to the close of the Rock story. Following that slaughter when all the sheep on the premises—all the sheep on the Rock premises, identified by ear-tags or tattoos, and lambs with pedigrees or applications for registration—all newborn lambs—were electrocuted and put into the pit and buried. All the sheep on the Rock premises were buried after complete and satisfactory identification.

I think there is little more I can add, sir, except, in conclusion, with respect to this operation, I have naturally read Hansard, and I would like to submit, to you, correspondence between the office of the director of production service and Mr. Rock, relative to compensation, and evaluation of the flock. That, sir, is the correspondence which is, as I have said, relative to the matter.

Secondly, I would like to present to you, in their entirety, the registration certificates, each and every one, for the sheep previously owned by Mr. Rock and now buried. In addition to that, along with these, are requisitions for cheque payments covering these sheep.

In these registration certificates, you will note, if you examine them, that in addition to the actual certificate—can you see that—which is the original certificate issued to the breeder by the livestock record—I must tell you, of course, that the health of animals division does not pay compensation for any animal reputed to be a purebred, unless the registration certificate for that animal is turned over to us, and is registered in the man's name, who is getting the payment for it, or a transfer paper signed by the original owner, to the man who is getting the payment. These certificates are kept and of course must accompany the health of animals division compensation requests, to the treasury office. So these certificates, ever since payment was made, have been in the hands of the treasury office and we borrowed them from the treasury officer, Mr. Anderson, at 8.30 o'clock this morning, in order to bring them here.

I have said, a number of lambs were born, of course, following evaluation, and some had been born prior to evaluation. There was not time to get all of these lambs registered. It was agreed, upon checking with the Canadian National Livestock Records, that if Mr. Rock would prepare an application for registration of these lambs, these applications for registration would be submitted to the Canadian National Livestock Records, and if they approved of them, in other words, they decided that this animal was eligible for

registration, we would pay on the basis of a registration, rather than go to the trouble of having them registered. Each one of these applications for registration is stamped, by the Canadian National Livestock Record, February 20, 1955, and on the bottom is typed, "eligible for registration. Certified correct B. McCord, registrar". If we were willing to pay the 50 cents, or the dollar, that is required for each registration, we could submit these applications, at any date—in spite of the fact that the sheep are dead and buried—to the Canadian National Livestock Records and they would be quite happy to issue pedigree papers for each and every one. It seems unnecessary, from our point of view, to spend money, having them registered, when this has been accepted by them.

I might point out, while perhaps it is not my concern, that it will be impossible for any officer from the Canadian National Livestock Records, to bring with him the pedigrees for the Rock sheep, because these are the pedigrees for the Rock sheep.

Mr. Chairman, I can give to you these pedigree certificates. It is not for me to say, obviously, how long you can keep them, or what you do with them. I can merely tell you that I have borrowed them from the treasury office, with my personal promise that I will return the certificates to them.

By Mr. Argue:

Q. How many actual registration certificates have you as opposed to the applications? How many have actually been processed, and how many of those certificates are there?—A. You mean how many registration certificates as opposed to applications for registration?

Q. Yes.—A. I suppose Dr. Moynihan could get busy and count them, if that is all right with the chairman. I have not counted them.

Thirdly, Mr. Chairman, I had hoped at this time to be able to present to you all of the ear-tags removed from the Rock flock. We were not sure whether we could find them or not, but fortunately they had not been thrown out, and they were found in the Calgary office. We have arranged to have those in here. I presume that, perhaps, the plane is late, although we had expected them to be here by this time. They certainly will be here some time this morning, and I will be pleased to hand over to you all of the ear-tags that were taken from the Rock flock.

In respect to these ear-tags, there has been some suggestion, as I read in Hansard, of skullduggery. I can suggest that you can examine these ear-tags and ascertain if they have been tampered with, in order to remove them from the sheep. Certainly any form of skullduggery would simply imply that there had been connivance, and that the ear-tag had been removed from one sheep and put into another sheep. I think one may look at the ear-tags—I am quite frank, and I hope I am not taking a chance, because I have not seen those tags but, I am certain that an examination of them will indicate that there is no evidence that they have been tampered with.

In conclusion, sir, may I again refer to the skullduggery, and this again may not be my place, and I do not know specifically to whom that refers, but on behalf of the veterinary officers of the health of animals division, I think, sir, that I must tell you, as the officer in charge of the health of animals division, that I have complete and utter confidence in the integrity of every officer of that division.

Some Hon. MEMBERS: Hear, hear.

The WITNESS: I should certainly be more surprised than anyone else if it were possible to prove to me, or to anyone, that any officers of the health of animals division had connived in any way to defeat the Department of Agriculture, the government of Canada, or in fact Mr. Rock. It is my honest

opinion, sir, that all officers of the department, engaged in this work, have done their utmost to be honest, fair and just, to both their employer, and the public. Thank you.

The CHAIRMAN: Before we go on, in view of the fact that these certificates are in the personal care of the witness, possibly those members of the committee who wish to have a look at them, had better do so immediately following the meeting. We will not be able to keep them in our possession, although, Dr. Wells could probably bring them back at the next meeting. As far as these letters are concerned, they will be left with the clerk, and anyone who wishes, can have a look at the letters, and make a copy of them if they so wish. I do not think it would be the wish of the committee to have these printed, because they are thoroughly lengthy. Anyone who wishes can come over and have a look at them.

Mr. GOODE: Mr. Chairman, before you make that decision, I would like you to ask Mr. McCullough whether he agrees with that arrangement, in regard to the certificates.

Mr. McCULLOUGH (*Moose Mountain*): I am sorry, I was not listening.

The CHAIRMAN: I made the suggestion, with regard to these papers, which are really in the care of Dr. Wells, who is personally responsible for them, that anybody who wanted to have a look at them should do so after the meeting, because he will take them with him, and quite possibly bring them back, if there is a later meeting. As far as these letters are concerned, they will be left, and tabled with the committee, and anybody who wishes can have a look at the letters. I asked the committee if this was agreeable, and I took it that it was.

Mr. McCULLOUGH (*Moose Mountain*): I am perfectly agreeable to that, Mr. Chairman, although the gentleman is now counting the actual registrations, and counting the applications for registration. I think when we have that information available to the committee—other than perhaps having one of these completed registrations as an exhibit—that is a completed document of registration—perhaps, I will have no other quarrel.

The CHAIRMAN: Any questions of the witness?

By Mr. Argue:

Q. Mr. Chairman, I have some questions here, merely for the purpose of getting some information. I do not have any charge to make myself, however, as I see it, the purpose of the committee, is to clear up the widespread rumour and suspicion, shall we say, that has been referred to by Mr. McCullough.

The last time we were discussing contagious diseases was at the time of the outbreak of foot and mouth disease. I think all the members of the committee at that time learned a great deal, and if I might say so, I think some of the officers, appearing before the committee at that time, picked up some information themselves, as the proceedings went along. I am not questioning you as an expert but as somebody who is not acquainted in this particular field. But could you tell us how serious the disease scrapie is considered as a contagious disease both in Canada and in other countries? Is it usual in Canada and in other countries that once there is a suspicion of it or once it is diagnosed, the animals are slaughtered?

Mr. GOODE: Mr. Chairman, on a matter of privilege, before the question is answered; both Mr. McCullough and Mr. Argue said this morning that their questions were based on rumours. My information is that they are based on something entirely different. Mr. McCullough said at page 2923 that he was inclined to believe the rumours. He said in the house "I am inclined to believe those rumours", I think that is a serious charge to make.

Mr. McCULLOUGH (*Moose Mountain*): Mr. Chairman, I think this committee would want to clear the air and to clear up the parties involved from the persistent rumours which I mentioned in the house. If it does that, I think it will have performed a very good thing. I am concerned, as I indicated in the house, because I myself belong to the Canadian Hereford Livestock Association. I think it is a bad thing, sir, for any rumours to persist in the purebred industry of this country. Secondly, if rumours persist that there could have been substitution in regard to this flock, then it is something that I am sincerely interested in having cleared up.

I have been very interested in Dr. Wells' statement here today. I hope he will give the committee and me some credit, as a member of parliament, for feeling as I do that here there was a payment of \$100,000 paid to one single individual for the destruction of his herd. We are responsible members of parliament. When rumours persist, I think we should try to have them cleared up.

I do not think it is fair and I do not think it is reasonable otherwise. The members of the committee want to be clear on the matter and to have those rumours substantiated. I say they have been persistent. I made a speech in the house last year. It was brought up again by the member for McLeod, I think, Mr. Smith, here, who is a member of another political party, and by Mr. Charlton, in the house last year. As a matter of fact I think he was the first one to say that there was a persistent rumour. And Mr. Charlton of course is a veterinarian.

My purpose in bringing this up is purely and simply to try to get to the bottom of this matter. As you know, I made a statement having to do with registrations and that I didn't think the minister could produce the registrations. I am going to let the matter stand at the moment and ask Dr. Wells some questions.

The CHAIRMAN: Just a moment, before we go on to the questions I think Mr. Hanna has something to say.

Mr. HANNA: In order to help ourselves to get to the bottom of this, I wonder if the hon. member will tell the committee why he said he was inclined to believe the rumours. He may have some information which we do not have. I would like to know what it is.

Mr. SHAW: Mr. Chairman, I suggest that it is not a proper question. I may secure certain information which may be proven to be wholly false. Yet, on the basis of that information there may be rumours which I would feel inclined to believe. Therefore I submit that it is not a proper question at all.

The CHAIRMAN: It is something for Mr. McCullough to answer.

Mr. McCULLOUGH (*Moose Mountain*): Mr. Chairman, I have already asked a question of Dr. Wells.

The CHAIRMAN: I think Mr. Argue has the floor.

Mr. ARGUE: I do not mind yielding it, Mr. Chairman.

Mr. GOODE: We are still speaking on a question of privilege, Mr. Chairman. I may be subject to correction but I believe Mr. McCullough must accept responsibility for the statement he made in the house. The speaker has told the house many times that members of parliament must be responsible for what they say on the floor of the house. Therefore I think Mr. McCullough—perhaps I may use these words—should be gentleman enough to say to this committee now that he accepts responsibility for the statement he made in the house.

Mr. ARGUE: That has nothing to do with this at all.

Mr. McCULLOUGH (*Moose Mountain*): As far as the statement I made in the house is concerned, I am responsible for it.

Mr. GOODE: That is all I want. You have answered my question.

Mr. McCULLOUGH (*Moose Mountain*): Fine!

By Mr. Argue:

Q. I think Dr. Wells is now ready to answer my question.—A. You asked me about the relative importance of scrapie economically as a disease?

Q. Yes.—A. It is an extremely difficult question to answer. The relative importance, economically, of the disease is based on a number of factors. First of all, there is the morbidity factor. The disease must be compared with the mortality of the disease. Some diseases with a high morbidity represent a loss of weight, a loss of food, a loss of care, and a loss of time. They will cost the individual and the country more than diseases which have an extremely short duration but a high mortality, because you have to put more time and care and money into their growing. In addition to that, there is another factor which has a considerable bearing on the economic importance of the disease to the country. It is due to what other countries think of the disease.

For example, the attitude towards scrapie in the United Kingdom is that while it is a bit of a nuisance, yet economically they have not considered for 200 years that the disease to any extent has jeopardized the existence of the domestic sheep industry in the United Kingdom.

On the other hand they do feel the existence of scrapie in the United Kingdom by the embargoes in Australia, New Zealand and Canada of the export of sheep from the United Kingdom to those countries because of the existence of that disease in the United Kingdom. And the same thing applies to Canada.

We in Canada at the moment could not suggest that economically scrapie was going to ruin the domestic sheep industry over night. But on the other hand, if the United States decided that because of the incidence or lack of control of scrapie in Canada they could very well refuse to accept our sheep, that fact would make scrapie over night a much more economically serious disease than it has been hitherto.

Q. If scrapie breaks out in a flock in the United Kingdom would they ordinarily slaughter the flock?—A. No.

Q. Or in the United States?—A. Yes.

Q. What about Australia?—A. They have not yet had any outbreaks in so far as I am aware.

Q. Is there any other important sheep producing nation in the world which destroys its flocks?—A. No sir, no; certainly not to my knowledge, or with which we have contacts.

Q. Putting the question the other way, has it always been the practice in Canada when scrapie has been diagnosed in a flock, that the flock is destroyed?—A. Yes. The first information in Canada we had of scrapie was in 1939. When that information finally reached the office of the health of animals division, by that time the sheep had all been sold for slaughter by their owner who was not dependent entirely on his sheep operation for his living. When his sheep had become sick, and when he learned from the veterinarian that the disease was scrapie, he simply sold them off in the market.

Scrapie was then made a reportable disease under the Animal Contagious Disease Act on April 4, 1945. That was the date of the order in council which made scrapie a reportable disease.

Q. When there is a reportable disease, it does not necessarily follow that the flock is destroyed?—A. No, it does not necessarily follow. It depends entirely on the necessity of eliminating the animals so as to prevent the spread of the disease from one premises to another.

Q. It is not in the same category, I take it, as the diseases which are set forth in the animal contagious diseases act itself?—A. It is in the same category as some of them, but with some of them it is not.

Q. When a tag has been placed in the ear of a sheep—again I am not an authority on this—is that tag then considered rather permanent as far as its staying on that sheep is concerned, or is it something which may be lost, rather infrequently, or often lost?—A. Tags are lost on occasion. I would say infrequently, but nevertheless they do come out. They may be torn out if the sheep runs through brambles or hedges, or comes in contact with barbed wire fences. Then the tags may be torn out. If there is no other identification or description—perhaps I should not say that—it would be necessary to have contact with the livestock records, but it is my understanding that when a tag is torn out, the owner may furnish an affidavit to the effect that this is the particular sheep from which the tag was torn; and if the national livestock records are prepared, they may authorize him to put in a new tag. But I must say that it does not come under our jurisdiction. I mean that we must simply accept the Canadian Livestock Records as the registration body; and if they say it is bona fide, then we agree.

Q. From your experience would you care to say what proportion of your tags are lost?—A. Oh, that would be extremely difficult to say.

Q. Would it be one per cent, ten per cent, or fifty per cent?—A. That is an extremely difficult question and it would be hazardous on my part to try to answer it. But speaking personally I would suggest that one per cent would be the most. That is just a guess.

Q. When the tags were lost in connection with the sheep you refer to in the United States, was any application made by the owner for new tags?—A. Well, those sheep would be registered in the United States herd book. So if the man could demonstrate to the United States authorities that those sheep came from a herd which was registered in Canada, then the United States herd book people would have some way of knowing about the case and could provide for re-registration.

Q. You do not know of any particular incidence of circumstances such as the loss of tags in this case?—A. No, except the statement of the pathologist making the examination and his findings that he had no tagged identification for them.

Q. The first quarantine against the Rock sheep was March 26, 1954.—A. Some Hansard chap took my notes.

Q. They do that with us all the time. What was the date of that statement? Oh yes, March 26, I have it in my notes, that the quarantine was lifted on May 10 of the same year.—A. Yes, I think so.

Q. That was within two months?—A. No, less than that, sir; March 24—March 26—

The CHAIRMAN: To May 10th.

The WITNESS: A matter of six weeks.

By Mr. Argue:

Q. It was a matter of six weeks. Would you not know in analyzing the basis for compensation whether it was customary for Mr. Rock during that period of time, the month of April, whether it would be usual to sell quite a number of sheep that he would have during that time because is it not the lambing time or very close to it?—A. Yes.

Q. Is that not the general season of the year when the fewest number of sheep would be slaughtered? I do not know if that is right, but it would seem that way.—A. Like you, I do not know. But I would agree with you that if I were put to thinking about it, I would say that too. But I do not know. Obviously that is lambing time, and less movement certainly would take place then than at any other time.

Q. It would seem to me that the economic loss suffered by Mr. Rock during that time would not be too severe if the quarantine was taken off later. He said there were 142 visits to the premises following the lifting of the quarantine until late in the fall.—A. No, no. I said there were 142 premises visited in Canada.

Q. Who made the visits?—A. Veterinary officers of the health of animals division.

Q. In each case?—A. Yes.

Q. Would you have any idea as to the number of sheep Mr. Rock sold from his flock between the time the quarantine was lifted in the spring and the time it was placed on again later in the year?—A. No. We can get it through our reports which we have. All sales were reported to us.

Q. I would like to have that information.—A. The number of sheep he sold between the first and the second quarantine?

Q. Yes. Also if you have it the number of sheep he ordinarily would sell in the appropriate period in the year so that we could compare whatever factor was given for economic loss in that period?—A. There was no factor given for economic loss in that period. That is a period in which an owner must take his chance. We use this quarantine weapon in many instances and must do so in order to protect the livestock industry in general. Unless the animals are ordered destroyed we do not pay for economic loss suffered under quarantine.

Q. The only economic loss for which you pay is for the actual loss of the animal?—A. When the sheep are destroyed.

Q. At the time?—A. Yes. Let me point out one more thing, if I may, with respect to your request for the list of sheep. I could not tell you how many Mr. Rock would normally sell during any one period. In the investigation of disease you do obtain from owners lists of sales. They must cooperate and they do cooperate. Those lists of sales which they give us are obtained from them with the understanding this is their own personal business. In other words they tell us for purposes of disease control to whom they have sold animals and how many animals they have sold. We assure them that the information is not for the public. We do not go around and tell everyone any individual's business and I think that is only fair. If a man is to give us the details of his business operation we must give him assurance that the details of his business operation will not be made public.

Q. I am not looking for this detailed information.—A. We cannot give you the total value of the sheep he sold. I do not even know it and I doubt if I have authority to ask him for it. I can ask him where he sold them and how many.

Q. No one has that authority when setting out the basis for compensation?—A. No, because compensation is paid on market value at the time of the slaughter on the assumption that the animals did not have to be slaughtered, because of disease.

Q. You said there was another visit made to the premises; there was a suspicion of the disease on October 18, 1955. Again I am not trying to get you to agree to something you did not say. There was a period in the fall between the time of the suspicion and the time of the subsequent quarantine?—A. Yes.

Q. As I understood your evidence earlier with the first outbreak of the disease the quarantine was put on immediately the information was made available?—A. Yes.

Q. Will you explain why the different practice was followed in the fall of leaving the quarantine off even though there was some suspicion of disease? I take it there was a suspicion of disease.—A. Yes.

Q. Between October 18 and December 2?—A. Yes. I have said the quarantine weapon is an extremely serious one and an extremely valuable one and in order not to reduce its value and in order to enhance values of disease control generally we must be very careful not to, may I say, overuse the weapon. In the first instance when it was reported to us that scrapie did exist in the United States our first reaction was to tie the flock up in order to see if there was anything wrong with it. We tied it up for six weeks and examined all the sheep. We also examined those which had what, upon clinical suspicion, might be construed to be scrapie. That was totally negative. We then felt, particularly on the basis there was no concrete evidence in the United States that the sheep in question were in fact Rock sheep, that perhaps it was not in fact as represented. However, the flock was kept under continual observation. There are many things which make sheep develop itchiness and twitching such as indigestion and overfeeding. So when sheep come along with an initial stage of itchiness or twitching our veterinary officers, who I am pleased to say are well trained in observation, examine all the sheep and if they see any sign regardless of how slight it seems they mention it in their report. It was mentioned in the man's report, but he did not consider it was sufficient to justify quarantine. He went back later and thought perhaps these symptoms had manifested themselves just a little more to justify quarantine.

Q. How many animals showed signs of the disease on October 18?

Mr. McCULLOUGH (*Moose Mountain*): He said three rams.

The WITNESS: Three rams and one ewe which came in subsequently.

By Mr. Argue:

Q. On December 14 were there any more?—A. Three rams and one ewe.

Q. There were four on October 18 and only 4 on December 14?—A. There were three on the first or initial investigation which he thought showed some evidence.

Q. And how many on December 14?—A. Four, the three rams he had seen originally plus one Hampshire ewe which subsequently died at the Lethbridge experimental station and the brain and spinal cord were sent to Hull and were found to be histopathologically negative.

Q. How many of the brains and spinal cords examined showed evidence?—A. I think I will have to leave that to the animal pathologist who took the specimen.

Q. You do not have the evidence as to whether there was one or two or half the flock?—A. I would be speaking from memory if I gave it. It is my assumption there were no definite positive cases detected. I am speaking from memory, but my memory leads me to believe there were ten cords which gave some slight indication of neurodegeneration which is different from neurovacuolization, but which might be the early stages of neurovacuolization.

Q. In testing all the sheep which were slaughtered was there only one which showed a completely positive indication?—A. No. There were more than that. Subsequent to the initial diagnosis another sheep was sent which was positive.

Q. How many were positive in the whole flock?—A. Two were revealed at the laboratory. But I hasten to tell you the fact that one does not find vacuolization in the spinal cord when a sheep is killed prematurely is no indication. If we could kill a sheep which showed evidence of having scrapie in advance of its normal death termination and decide then whether it did or did not have scrapie that would be evidence, but the histopathological changes which must take place are not progressed to the termination of a sheep's illness through death.

By Mr. Richardson:

Q. Notwithstanding the fact that you found relatively few with the disease, would you under the same set of circumstances, prior to their destruction, have ordered their destruction today?—A. I beg your pardon?

Q. Notwithstanding the fact that you found relatively few who might have had this disease after their destruction would you, prior to the destruction having the same set of circumstances, today have ordered destruction?—A. Yes. There was definite evidence that scrapie was in the flock.

By Mr. Smith (Battle River-Camrose):

Q. Mr. Chairman, I would like to ask Dr. Wells a question dealing with the devaluation of the flock. I understood him to say the officials of his department valued Mr. Rock's flock.—A. Yes.

Q. And he submitted to you their total findings and the amount to be paid in the way of compensation?—A. Yes.

Q. Was that done on a flock basis or on the basis of evaluation of each individual animal?—A. Here again I would prefer to leave discussion of the values to Mr. Graham who was in fact responsible for it.

Q. I believe you mentioned they were evaluated on the basis of market price?—A. Yes.

Q. That is true?—A. Yes. They are formulated at a price they would bring on the open market should they not be ordered destroyed.

Q. Thank you.

By Mr. Shaw:

Q. May I say I believe Dr. Wells indicated it was on January 24, 1956, that final quarantine was imposed upon this herd and right along with it an order was issued for the destruction of the flock? Am I correct?—A. Yes.

Q. May I ask, doctor, what exactly is involved and done when you impose quarantine and order a flock destroyed, that is with respect to ascertaining the number of animals and the identification of the animals. What exactly are the records that are completed right then and there?—A. The sheep are counted.

Q. The sheep are counted. That is number one?—A. That is all.

Q. Do you examine your tags immediately?—A. No. One would examine their tags if one were dealing with a matter of 10, 12, or 15 sheep, but otherwise the sheep would be counted with the pedigree papers for identification purposes.

Q. Surely you are not suggesting to me if there were only 10 sheep you would follow one course of procedure but if there were 674 the procedure would be different?—A. Yes. I am suggesting that. I think that is a very, very reasonable suggestion to make.

Q. After the herd was quarantined on January 24, 1956, and you ordered it destroyed what supervision by officials of the department was carried on? Did you keep a man on the spot to determine whether or not the same sheep that were ordered destroyed were the sheep which were retained there under quarantine? Did you keep a man on the spot?—A. No, sir. But here again we were dealing with sheep which were all tagged.

Q. That is correct?—A. And the identification registration papers were in the hands of the owner. In addition to that we were dealing with a man with whom we had dealt for the past few years under quarantines and visits back and forth and this man had cooperated with us and had, in fact, first reported the condition to us himself. It did not come in through a back door but rather through the man himself.

Q. Mr. Chairman, I am not questioning the integrity of Mr. Rock at this moment. I am anxious to know, point number one, when the flock was quarantined and condemned did you make no record of the sheep in the sense that each individual sheep could be identified?—A. No. That is true, sir.

Q. You maintained no supervision over the herd between that date, February 27, 1956— —A. Not constant supervision, no, sir.

Q. You did not maintain constant supervision. Then, may I ask this: a certain number of lambs were born after the herd was quarantined and condemned, and before compensation was paid to Mr. Rock?—A. Yes, there was a limited number of lambs born.

Q. What did you do to make certain that all the lambs, which were presumed to have been born to the ewes that had been quarantined, were in fact their lambs?—A. Because Mr. Rock had signed an affidavit, in requesting registration for each and every one of these lambs, that they were in fact the offspring of the ewe named in this application.

Q. But you maintained no supervision to make certain that that fact was so?—A. I can say, as I have said, having dealt with Mr. Rock for two years, that his integrity, as far as we were concerned, was such that we did not need to place a man on the gate, or place a man on his farm.

Q. May I ask one final question. Am I right in assuming that it was possible to make certain substitutions between the date the herd was condemned, and the date that the destruction of the herd commenced? Let me say this, this is more important than some may assume at this point.—A. If you will excuse me, sir, while I am not in a position to make suppositions, and at least I assume not, I would say this, that the possibility of making substitutions is extremely remote, because to make substitutions, it would be necessary to take the tag out of one ear, which would create a bending of the tag, and put it into another ear, because the tag has to be in the ear. Secondly, when the tag was taken out of the ear—and this is most important—when a purebred tag is taken out of an ear, and if it was, as you suggest, put in another ear, it would automatically make the purebred sheep worthless. In other words, the purebred sheep is only good if it can be identified with its pedigree.

Q. Doctor, may I ask you this: would it be possible to substitute one sheep, with a tag in its ear, for another sheep with a tag in its ear?—A. No, because the tags have to have the same number.

Q. Yes, but you stated that you kept no record of ear-tags after you condemned the flock on January 24, 1956, and you did know what the numbers were on the tags in the ears of these sheep?—A. We know that all the sheep that Mr. Rock had on his premises were registered, and there are the certificates. It would be worthless for him to go into the country and buy a sheep with, let us say a tag number 4000X on it and put it in his flock as 4000X when he did not have a pedigree for it, and take a sheep with tag number 2000X out of his flock and send it away.

Some Hon. MEMBERS: Hear, hear.

The WITNESS: I am serious, sir.

By Mr. Shaw:

Q. I realize that, and so am I, doctor. There are two things that I should just like to mention. There could be a very good reason for it—because some sheep are worth a good deal more than others—where a man may have an interest in more than one flock of sheep, with registrations under his own name.—A. Yes, but bear this in mind, that would not work out. In the first place, they would have to be transferred.

Q. They would still be maintained under his own name?—A. That is possible. However, I think that, perhaps, with respect to this registration matter again, it cannot be referred to Mr. Rock.

Q. Yes—A. In our opinion, and in answer to your general line of inquiry, there was no substitution, nor would there be any value of substitution because, if a sheep were substituted, and an ear-tag switched, the sheep becomes valueless, without the identification that must be necessary to tie it to the pedigree.

Mr. McCULLOUGH (*Moose Mountain*): Mr. Chairman, I wonder if I might be permitted to question Dr. Wells, since we have come to this point, as I think it would be the natural follow-up on questions already put to him.

Q. Dr. Wells, your position, of course, is head of the health of animals branch?—A. Yes, sir.

Q. You are a very qualified veterinarian, but, I wonder if you would say that you are an authority on the method of registration of sheep, and the recording of them?—A. As I have already suggested, such is not the case, no.

Q. So you have said, I think, Dr. Wells, and admitted too, that there was quite a lapse of time between the first time the sheep came under surveillance, and the time they were destroyed, is that not true? There would be certain lambs dropped in that flock during that period?—A. Yes.

Q. Is it not true that some of those lambs would not have any health of animals branch ear-tags or Canadian National livestock records ear-tags in their ears during that period?—A. Well, they are not born with tags in their ears.

Q. That is correct.—A. But what happens is this: immediately they are born, Mr. McCullough, the owner inserts the tag. In this instance, when a lamb is born, Mr. Rock takes the lamb, and he knows it by its affiliation to its mother, and puts a tag in its ear. Here are two lambs. They are twins, so there are two to be registered here. He puts these two as FUR-237L, and FUR238L. He puts those two tags, one in each of the lamb's ears, because there are two lambs registered on this one application, because they are twins. He puts these two tags in their ears, fills out his application, and signs it, indicating—"I declare I own the above-named animals at the time of birth, and that the foregoing information is in accordance with my private record and, to the best of my knowledge and belief true, and that the above-named animal or animals are actually identified as indicated."

Then Mr. Rock must sign that, so that regardless of whether we are there to condemn the animals, or whether we are not there, Mr. McCullough, just as soon as these lambs are born they are going to be tagged.

Q. Would you be prepared to say, Mr. Wells, that these tags cannot be taken out? I am familiar with the type which is used by the Canadian Hereford Breeders Association, by the breeders, and up until very recently, that tag was made by the Ketchum Manufacturing Company of this city, and was a tag which could be changed?—A. Could be removed, that is right.

Q. The health of animals branch, your own specific branch, had a definite tag, which no other breeder was allowed to use, which was a type of tag that could not be molested or changed without, pretty certainly—A. Without breaking off the tip.

Q. Yes, that is right. Can you give me the assurance that all the tags used by this breeder were tags which could not be changed?—A. No, I cannot give you that assurance, sir.

Q. There you are. Some of these lambs came during that time. On the basis of the evidence of the integrity of this breeder, you are prepared to say there were no substitutions, and that is pretty well the only basis on which you say there were no substitutions?—A. And the fact that, while we did not have the man on the gate, our officer visited the premises during that period.

Q. There were periods when, if for some ulterior motive, some of these sheep could be changed and substituted. Will you admit the possibility of that? I think you have already said so.

Hon. Mr. GARDINER: Why admit possibilities Submit your evidence that they were.

By Mr. McCulloch (Moose Mountain):

Q. If you do not intend to answer that, although I suggest you do answer it, I think it is pretty admissible that there could be.—A. It is possible, sir, for each and every one of us here—

Q. You say a lamb is not born with a tag in its ear, and I agree with that. It has to be put in by the breeder himself, and the integrity of that breeder must be accepted by the Canadian National Livestock Records in order to make certain that that is a progeny of a certain animal, is that correct?—A. Yes, that is right. With respect to this possibility, the only thing I can say is, that it might be possible for each and every one of us in this room to go out and break a law within half an hour.

Q. Mr. Chairman, Dr. Wells has indicated that he cannot see any motive for making a substitution. I can suggest a motive which, in this case, I think, can be substantiated as being a pretty real one. Is it not true, Dr. Wells, that this flock is recognized as one of the outstanding pedigree stock sheep flocks in Canada?—A. Yes, in the North American continent.

Q. And that some of these animals, or the lambs themselves coming from the ewes, or the offspring of outstanding rams would be very valuable?—A. Only valuable providing they were accompanied by a legitimate pedigree.

Q. That is fine, I agree with that, Doctor. Then it would be possible for this man to take some of these lambs, and move them to another herd, or to another flock, and have them registered under another pedigree, and then be able to raise them for show in the Canadian show circuit, is that not correct?—A. Certainly not as Rock-bred lambs, no.

Q. No, of course not.—A. Certainly not with that blood line.

Q. I am not saying that. I am saying they could be registered under another pedigree and then be put on the Canadian show circuit. Then, of course, if they were outstanding sheep, they would be eligible for the prize winning and other herd build up, is that not possible?—A. This is, again, sir, a possibility, and each and every one of us could defeat the law.

Q. When you made your first diagnosis of the flock, and during the subsequent time, when they were put under surveillance, and the ear-tags were taken, there was at least six weeks—A. No, no.

Q. From the first time that Mr. Rock's sheep were under suspicion of having disease?

Mr. WHITE (*Waterloo South*): He was free to sell them then.

The WITNESS: They were under quarantine for six weeks in the first instance.

By Mr. McCullough (Moose Mountain):

Q. Six weeks. But, long before that, there was some doubt, or some question as to whether or not there was scrapie in his flock?—A. No, no. On the first day that Mr. Rock reported scrapie, March 26, 1954, they were put under quarantine.

Q. That is right.—A. They were under quarantine for six weeks.

Q. That is right.

By Mr. White (Waterloo South):

Q. After that he was free to sell them?—A. After the quarantine was lifted on February 4, 1955—no, that is the second page I have, I am sorry. May 10th.

By Mr. McCullough (Moose Mountain):

Q. They were re-quarantined on March 26?—A. That is right. They were quarantined on March 26, to start with, the very first time. That quarantine was lifted on May 10.

Mr. WHITE (*Waterloo South*): And from that day he was free to sell them.

By Mr. McCullough (Moose Mountain):

Q. And there were some visits made to the premises?—A. That is correct.

Q. And there was no evidence of scrapie?—A. That is right.

Q. And in October, 1954, three rams were brought under surveillance, and I think one ewe. On December 14, 1954 they were quarantined again; on December 17 there was indication of scrapie, and on January 11, one ewe died at lambing time, when they were quarantined?—A. That is right.

Q. And it was apparently sent to the laboratory at Hull, Quebec?—A. Yes.

Q. On February 4 of the same year the flock was again released?—A. That is right.

Q. And there were subsequent revisits?—A. That is right.

Q. Between February 4 and October 18 there were 18 visits, according to your evidence?—A. That is right, sir, yes.

Q. And then again on December 9, 1955, you sent one sheep to the Hull laboratory?—A. That is right.

Q. And on January 19, 1955 one died, and it proved positive. I submit to this committee that there is a tremendous possibility, at least, of substitution.—A. There was no need for substitution, sir. Mr. Rock was free to sell and buy, do what he wanted. They were his sheep, except for the periods that they were under quarantine. On May 10 the quarantine was lifted, and on May 11 Mr. Rock was absolutely free to sell sheep anywhere, and to anyone that would buy them, and he was free to buy sheep from anyone he cared to buy from.

Q. But from January 24 to the date when this animal died, January 18, again there was no personal surveillance on the farm of P. J. Rock?—A. That is right.

Q. There could have been substitution during that period?—A. Except that the sheep were counted when the quarantine was put on, and on periodic visits, during the quarantine, the number of the sheep was taken, and the sales, purchases and deaths were all recorded.

Q. Can you give me the number of sheep, Dr. Wells, at the time of the quarantine, January 24, 1955?

Mr. McCUBBIN: Mr. Chairman, there is a mistake. You are talking about two different years. One is talking about 1955 and the other is talking about 1956.

Mr. McCULLOUGH (*Moose Mountain*): I am talking about January 24, 1955, or is it 1956?

Right Hon. Mr. GARDINER: 1956.

By Mr. McCullough (Moose Mountain):

Q. How many sheep were there on January 24, 1956?—A. This is the order of slaughter.

Q. Yes.

The CHAIRMAN: Somebody has suggested that it is one o'clock. Perhaps we might have the answer to your question this afternoon. What time shall we meet again? Shall we make it 3.30?

By Mr. McCullough (Moose Mountain):

Q. May I have an answer to my question now?—A. 459 sheep.

Right Hon. Mr. GARDINER: No. That is the earlier date?

Mr. McCULLOUGH (*Moose Mountain*): It went up in a few weeks.

The CHAIRMAN: Are you clear on that?

The WITNESS: This is the order of slaughter.

By Mr. McCullough (Moose Mountain):

Q. 200 sheep turned up between January 24 and a few days later?—A. I shall have to check this. This is only a copy. I shall have to check it. This is what it says. However, I will check it and let you know. Even if that is the thing, it is still within reason.

By Mr. Cardiff:

Q. Apparently there were only three or four sheep that actually went down—A. Yes. Their symptoms developed to a steady termination by death.

Q. Did the health of animals branch condemn the balance of the flock for food purposes?—A. No, that was not entirely necessary, sir. They could have been eaten in so far as present knowledge is concerned, governing the transmission of scrapie from animals to man. But in this particular situation, the specimens that we obtained from the sheep for research purposes were much more valuable than the limited value from sheep taken to a slaughtering plant.

Q. They slaughtered about 650 sheep?—A. Yes.

Q. They were not eaten?—A. No, that was done for clinical evidence.

Q. Why couldn't they have been used for human consumption?—A. I have already stated that we could get more advantage out of recovering those organs for scientific purposes and research. We must progress with research if we are going to do anything eventually on scrapie.

Mr. McCULLOUGH (*Moose Mountain*): If you are not going to adjourn, I would like to ask the witness some questions.

The CHAIRMAN: The committee is now adjourned until 3.30 this afternoon.

AFTERNOON SESSION

April 3, 1957

3.30 p.m.

The CHAIRMAN: Order. We have a quorum now so we might as well proceed with the evidence. I believe there were a few questions asked of Dr. Wells just before we adjourned. I take it that you have the answers now, Dr. Wells.

Dr. K. F. Wells, Veterinary Director General, Health of Animals Division, Department of Agriculture, recalled:

The WITNESS: Yes, it was a question by Mr. McCullough. I referred this morning to ear-tags, and these are they. I have not opened them. I cannot guarantee that there are 654 in there but—

By Mr. McCullough (Moose Mountain):

Q. How many do you think there should be there?—A. I think there should be—there were 654 sheep slaughtered. Two of those sheep had gone to the Animal Diseases Research Institute in Hull, and one had gone to Lethbridge which brought it down to 651, and there were at least three identified by tattoo, without ear-tags. That would bring it down to 648, but as I say, I have never seen the tags.

Q. You used the figure 654. I was under the impression that there were 674.—A. No sir, that has been an error. There were 654.

Q. When was that error established?—A. That error was established prior to the payment of the compensation.

Right Hon. Mr. GARDINER: I think it was established last session when I gave an answer, from memory, in the house, and said 674.

Mr. McCULLOUGH (*Moose Mountain*): Well, Mr. Chairman, at this point I think we can refer to it again. On page 5960 of the *Hansard* of last year the minister says this, and I quote him on this page:

I am not going to argue the question as to whether the sheep were worth that much; I do not know to my own knowledge, but I would like to correct a figure I gave when I spoke on the matter. There were 674 of these sheep.

Right Hon. Mr. GARDINER: I am just telling you that that figure was wrong. I needed to correct it the second time apparently. It should have read 654.

Mr. McCULLOUGH (*Moose Mountain*): Let it rest at that, Mr. Chairman.

The CHAIRMAN: The tags are here and are available for anyone to have a look at them if they so wish, and they will remain here.

Mr. McCULLOUGH (*Moose Mountain*): Mr. Chairman, I wonder if we can have one of the officials open this package and count the ear tags.

The CHAIRMAN: I suppose we could have that done; we could have someone do it after the meeting or get someone to do it now. Is there any significance in getting the figure now or do you want that done now.

Mr. McCULLOUGH (*Moose Mountain*): I feel, Mr. Chairman, it should be done now, when we are in committee and I would suggest that it be done if it is convenient.

By Mr. McCullough (Moose Mountain):

Q. I should like to ask you, Dr. Wells, at the time of the quarantine on January 24 I understood you this morning to say there were 459 sheep on the Drumheller farm of Mr. P. J. Rock.—A. That is right, sir, yes.

Q. That was the first valuation; when was the first valuation?—A. On February 1.

Q. And when was it completed, sir?—A. It was completed—the count was completed on that day, February 1.

Q. That is, a complete valuation was completed?—A. The complete check of the pedigrees. With respect to the valuation, again, as I have said this morning, that was handled by the livestock division. Mr. Graham was in charge of that, in the livestock division.

Q. You would not care to comment because you are not too familiar with just what took place?—A. Yes, except to say that on February 1 a complete count of the flock took place and a complete identification of pedigrees.

The CHAIRMAN: May I point out that Mr. Graham is here and can answer all those questions. May we finish the questions directly related to Dr. Wells and then call Mr. Graham.

Mr. McCULLOUGH (*Moose Mountain*): That is exactly what I am doing.

By Mr. McCullough (Moose Mountain):

Q. Mr. Chairman, from January 24, 1956 to March 2 there was a period of 34 days, being the 34 days between the time in which the flock was quarantined and the date of execution of the flock. Is that correct?—A. The final execution of the flock, yes. The execution was started on February 27.

Q. And finally completed on March 2?—A. Yes.

Q. Now I think, Doctor, it would be fair to say, would it not, that since you indicated this morning you had no officials permanently on the farm, that if there was a motive, then there could be exchanges—if there was a motive in so doing.

Right Hon. Mr. GARDINER: The man is here to answer that.

The WITNESS: I must make that clear. The sheep were quarantined on January 24, and on February 1 Mr. Graham got a count on them and—

By Mr. McCullough (Moose Mountain):

Q. The ear-tags were not taken?—A. Yes the ear-tags were taken and the pedigrees examined and a complete list of the sheep was made on February 1.

Q. What date, sir?—A. February 1.

Q. From January 24 when there was quarantine, there were no ear-tags—just the count taken?—A. No, there were no ear-tags then.

Q. At that time how many mature sheep were on the farm?—A. There was a total count of 459 sheep on the farm.

Q. How many of those were adult sheep or mature sheep?—A. I do not know, sir.

Right Hon. Mr. GARDINER: Well, on a point of order—

Mr. McCULLOUGH (*Moose Mountain*): We are going to have him—

The CHAIRMAN: A point of order.

Right Hon. Mr. GARDINER: Dr. Wells is in charge in Ottawa. There are men here who have been there and know all these things and can give the evidence. And in addition to that, when my hon. friend suggests that something could have happened on the farm, the man who runs the farm is here, too and he can answer those questions. We do not need to presume anything.

Mr. McCULLOUGH (*Moose Mountain*): On the point of order, I am just asking the witness before us a fair question. If Dr. Wells—

Right Hon. Mr. GARDINER: You are making statements; you are not asking questions.

Mr. McCULLOUGH (*Moose Mountain*): If Dr. Wells says he does not know or does not care to comment, that is his privilege. I do not think the minister has a point of order.

The CHAIRMAN: But the point is—and you agreed a moment ago—to restrict the question to those directly related to his field; and there is a man to answer those specific questions.

Mr. McCULLOUGH (*Moose Mountain*): With all due deference to what you are saying, is it not within the scope and within the authority of Dr. Wells and his departmental officials to determine what sheep were on that farm. I am asking you—and you are sitting there—

The CHAIRMAN: Yes, but the man is here to do that. That is what we are saying.

Mr. McCULLOUGH (*Moose Mountain*): I am asking Dr. Wells. It is quite in order for him to say; if he wishes to hand it to another official it is in order for him to do so. It is not fair for the chair to keep interrupting me in my cross-examination of this gentleman.

The CHAIRMAN: Just a moment; the chair is not unfair to you. I have only raised the point, once, to make the suggestion that the witness is here and available. I am not trying to interrupt you in any way. You are free to ask Dr. Wells any questions you like.

Mr. McCULLOUGH (*Moose Mountain*): That is fine.

By Mr. McCullough (Moose Mountain):

Q. Then, Dr. Wells, I am saying that, so far as you are aware, there could be exchanges of sheep between the date of January 24—

An Hon. MEMBER: That is not a question.

The WITNESS: May I, sir—

Mr. McCULLOUGH (*Moose Mountain*):—and March 2.

The WITNESS: May I, sir, take some time in answering this. I do not want to be facetious or smart, or anything like that. But, you have made a statement, and I do not know whether—

Q. I asked a question.—A. You made a statement; it is not a question.

Q. I asked whether it was possible.—A. Well, may I have a minute to answer that.

Q. I asked a question; is it possible.—A. That is not a question.

Right Hon. Mr. GARDINER: It is not a proper question.

Mr. McCULLOUGH (*Moose Mountain*): Yes, it is.

The CHAIRMAN: Let him answer.

The WITNESS: May I explain the details of the operation. It will just take a minute. The sheep were quarantined on January 24. The total count was 459 sheep that were taken. They were not detailed on January 24. On February 1 a detailed statement or a detailed inventory was taken.

Now, on your question about the risk of substitution I have only this to say with respect to substitution, that it is not practical or not practicable for a farmer to make a substitution. He has to have 459 pedigrees—because all these sheep were pedigreed. In order to make a substitution it would be necessary for Mr. Rock to go to the country and, first of all, get sheep to put in, because we have to have sheep.

Q. But is that not possible?—A. And having got the sheep, that does not accomplish him anything, because all that gives him is a sheep outside his farm, without anything on it—except a sheep. Secondly, the sheep is just there—no

pedigree or anything. So that, in order to put any value on that sheep, and in order to make any profit or value in substitution, the sheep that he takes off that farm has to have a pedigree attached to it.

Now, he cannot get a pedigree attached to it unless he also substitutes a pedigree. In order to substitute a pedigree he has to go out and buy a pedigree, along with the sheep, and have that pedigree transferred on the Canadian National Livestock Records to his farm, and have his good pedigree transferred out again.

So that a substitution is not practicable. Then, a substitution with respect to lambs—you said that a man can take a lamb from its mother and feed it somewhere else. Well, in order to do that, he would have to raise the lamb with a bottle, wherever he takes it. I do not know of anyone who would want to raise 50 lambs with a bottle.

Q. Why do you use the figure "fifty"?—A. I use that figure—I could have used 100, 200, 25, or 10. I used that figure—just took it out of the air. Take any number of sheep from here to there and feed them with a bottle—unless he is prepared to kill a lamb and leave the mother—

Q. I am just asking, because I believe you can answer it; is it not possible, and is it not done, to put a lamb with a foster mother?—A. It is very very rarely done, because foster mothers do not normally accept lambs. That is the difficulty when sheep have twin lambs.

Q. But it is done?—A. Not to my knowledge.

Q. You say, Dr. Wells, that complete detailed information was given on February 1?—A. Yes, sir.

Q. In this file of February 20, which would be 20 days later in 1956, there is a letter from Dr. G. A. Rose, assistant veterinary director general, to Mr. Rock.

Dear Mr. Rock,

It is understood that you are concerned about the compensation being provided to you for purebred animals in your flock not registered.

So apparently there was some issue there pending the final payments and registration, if they took place, of these sheep.—A. I think it was made clear this morning when it was pointed out to you that there were applications for registration agreed to and signed with the statement of acceptance mark by the Canadian National Livestock Records.

By Mr. Proudfoot:

Q. If the member for Moose Mountain is implying that these lambs were raised by a bottle or in any such way, what would they be worth?—A. They would be worth nothing, sir.

By Mr. McCullough (Moose Mountain):

Q. It is up to the committee to form their own opinion as to that. But if these animals are the only ones, I suggest Doctor, the only way you would have of knowing if they were the same animals would be by placing in the ear of each one of them a "health of animals" eartag which I do not think could be duplicated.—A. Any breeder could make an application based on the tattoo of those sheep. Any breeder could put his own eartag on such sheep to make them conform with his records.

Q. As to the suggestion of whether or not there would be some motive, I am not suggesting there was. I am merely trying to find out the possibility. There are some members of this committee who would like to see \$100,000 paid out of the public treasury and not make any examination of it.

Mr. GOODE: On a question of privilege, the hon. member from Moose Mountain is making accusations and I must ask that he name the "some members of this committee".

Mr. McCULLOUGH (*Moose Mountain*): The members of the committee cannot be named at the moment until I make the examination.

The CHAIRMAN: I think this would be a good place or time to ask the committee to refrain from imputing any motives.

Mr. McCULLOUGH (*Moose Mountain*): Imputing any motives to whom?

The CHAIRMAN: I say that this appears to be a good time to remind the members of the committee not to impute any motives. When you made the statement that there were apparently some members who were not concerned about the spending of \$100,000 I feel that is getting pretty close to imputing motives, and I want it to clear the air and not to get off on that track at the moment.

Mr. ARGUE: I think the imputations arose earlier.

Mr. HARKNESS: I suggest that we would make much more rapid progress if members of the committee who were not favourably inclined to the questions asked or the statements made, would refrain from booing, interrupting, and so on.

Mr. FORGIE: Why should they?

Mr. HARKNESS: I have no axe to grind in the matter.

Mr. FORGIE: Who wants to be jelly bean around here?

The CHAIRMAN: Order!

By Mr. McCullough (Moose Mountain):

Q. The reason I brought this up in the first instance in the House of Commons was simply because of the persistent rumours that there had been substitution. I have not made categorical charges. I have brought it up so that the air may be cleared. Now a question has been asked by certain members. I do not think they have asked any other question than what would be the motive. I suggest there could be a motive and I shall try to explain to the committee how it could be done.

I think you said this morning that these sheep would have an eartag or a tattoo in their ears? In this flock of P. J. Rock's, are all sheep at the moment tattooed in their ears? Can you tell me that?—A. No.

Q. They are not. Then for him to designate an animal and to make an application, he could put his own eartag on it and that would be the only identification, would it not?—A. Yes, that is right.

Q. The rumours persist for this reason, I think, that here was a valuable flock. Nobody in this committee will deny it. He realized, or he could have realized, that they were going to be destroyed. So it would be within the realm of possibility that if some of these sheep could be saved, they could be built up into another herd, into another flock, and that if a substitution could be made, of course, of culled animals or animals of lesser value, then the build up—I appreciate what Mr. Rock has gone through. I suggest probably he has done a remarkable job of building up a herd. I appreciate that. But we are here as public servants to examine, and to see if there is any possibility in those rumours. I suggest the fact that for 34 days from the time of the quarantine until the final destruction of those animals there were ewes who were bearing lambs in this flock. A. No; that is wrong. It was six days. The sheep were not actually identified until February 1st.

Q. Were there no lambs born after that?—A. Yes. There could be lambs born after that.

Q. I thought you said that the ewes were bearing lambs on this farm. So I think it is established at least that you must rely on the integrity of the breeder. I am not questioning it at the moment; I am not questioning the integrity of the breeder, if he put an eartag on that animal, and if he applied for registration, when it would designate the progeny of a certain animal. Is that correct?—A. Yes.

Q. I am merely saying that if a person had some of these lambs and substituted them for others, it would be within the realm of possibility to make these exchanges, and that is the only way you would have; it would be up to the integrity of the breeder in order to see that they were the proper progeny of a certain animal. I think that is all I have to say at this point, Mr. Chairman.—A. May I say that in spite of all you have said, he still has not a pedigree for the substitution.

Q. I might complete my story by saying that it would be possible for a person doing this to take a sheep from that farm and take it to another farm and to register it as the progeny of another sheep and send in the registration and get a certificate, or get it registered. He would not have a registration; it is possible that there would be animals registered which are not definitely the progeny of certain animals. That is quite possible. There have been breeders, certainly in the Hereford Breeders Association, as well as in others, where that has been done. I see the witness is nodding his head to indicate that it has been done. And purebred breeders have been kicked out of the association for that reason. But I contend as to the integrity of the breeder—that the Canadian National Livestock Records must depend upon the integrity of the breeder in order to establish the proper eligibility and the fact that they are the progeny of a certain animal.

The CHAIRMAN: May I point out again that the livestock branch is represented here.

Mr. McCULLOUGH (*Moose Mountain*): Well, Mr. Chairman, we cannot have everybody on the witness stand at once.

The CHAIRMAN: Are we through with Dr. Wells?

By Mr. Bryson:

Q. No, Mr. Chairman. I have a question. A moment ago you placed great stress on this question of pedigree. Certainly it is something which any breeder wants to protect for the sake of his business. And that goes for eartags and all kinds of identification.

According to the information that was filed this morning, the two sheep—and I ask this question for clarification as to the inability of your department to establish the identity of the two sheep which were bought by an American breeder from Mr. Rock. According to the information that was filed this morning there was a letter among those documents to the effect that those sheep had been bought in 1953, in fact one year prior to the first indication that there possibly was a diseased condition in the J. P. Rock herd.

The question I would like to clear up in my mind is this: first of all it seems a very strange thing to me that within a very short period of time not only would the metal eartag be gone but also the tag from the health of animals branch which would also be in that animal's ear, and which also was not to be found. That seems a very strange thing to me.

But here is something which seems even stranger than that. I presume that anyone in the United States who would buy two registered sheep from J. P. Rock would not buy them to kill and eat them. In all probability they cost him a considerable sum of money. I would suggest that anybody who obtained or purchased that kind of breeding stock would jealously guard the identification of those two animals because it would be impossible for him to

register the progeny of those animals without complete registration data from the adult breed. So it seems rather strange to me that there was this laxity, and I would like to have some better explanation as to the disposal of the identification. As I remember it this morning you pointed out that your department was not able to identify these two sheep which died of scrapie as coming from the J. P. Rock herd in Drumheller.—A. The only thing I can say in answer to that is that in the first place there would be no health of animals branch eartag on those sheep. They would be exported to the United States based on their regular eartag, and pedigree identification. Secondly, the information I gave you this morning was information provided to us by the United States Department of Agriculture to the effect that eartags were missing from those sheep.

We did not see the sheep. The sheep had gone through the laboratory for a histopathological examination and had in fact been completely burned in an incinerator, just as any such remains of sheep are incinerated, even long before the matter had been brought to our attention.

The explanation I gave you this morning was provided to us by the United States Department of Agriculture. I cannot in any way attempt to explain the peculiar circumstances that existed in the United States. These sheep were in the United States.

By Mr. Quelch:

Q. On December 9, 1955, one sheep showed signs or symptoms of scrapie, and on January 18 that sheep died. This quarantine did not become effective until January 24. Was there any control exercised between December 9 and January 24? Were any transfers registered of sheep between December 9 and January 24? I cannot understand when all the sheep became affected on December 9—why the quarantine was not put into operation before January 24. In view of the fact that the quarantine had been in operation before that check was taken, I would expect that just as soon as the sheep showed signs of being affected, they would have been immediately put into quarantine.—A. We had a recent examination at the laboratory of other sheep which had died as these sheep had died. As I said this morning, the seriousness of eliminating it rests upon the presence or absence of quarantine and that is something we must not lose sight of. In the opinion of the officer examining the sheep the clinical symptoms established were simply not sufficient to justify an additional quarantine of the flock as had been done on two previous occasions when the symptoms apparently were sufficient.

Q. During that period, from December 9 to January 24, were any sheep sold for breeding purposes, and if so have they been traced?—A. Yes. If any sheep were sold they have been traced.

Q. I cannot see why the sheep on Mr. Rock's farm would have to be destroyed any more than the sheep he sold up to December 9, if it were considered necessary to destroy all the sheep on the farm?—A. If any had been sold we would have a record and in addition Mr. Rock is here and I trust he will be able to answer that question for you.

By Mr. Shaw:

Q. Might we at the same time secure information as to how many sheep may have been transferred as well as sold?—A. From the Canadian National Livestock Records?

Q. No. By the owner transferring from one farm to another location?—A. I am sure Mr. Rock will provide that information.

By Mr. Robinson (Bruce):

Q. Having raised quite a few sheep in my day I really appreciate the description of scrapie as given by the doctor. When we had a sheep in that condition we called it blind staggers. It might have had scrapie. What I am interested in is—and this is perhaps something which you may not be able to answer—I understand some of the lambs were paid for at registered prices without having been registered. Can you tell us where it is found in the act that that practice may be permitted or is there any authority for that in the act?—A. No, sir. The lambs were not paid for as grades; they were paid for as purebred sheep eligible for registration. I explained this morning we have applications for registration and these are stamped by the Canadian National Livestock Records, "Eligible for Registration and certified correct, B. McCord, the registrar, Canadian National Livestock Records". What we have to do is hand this to the Canadian National Livestock Records with a dollar for each one and we will be handed a pedigree certificate. These are in effect the equivalent of certificates and we can have a certificate for a dollar for each one.

Q: What I am wondering is, is that brought out plainly in the act? Could you tell us, if so, in what part of the act it appears?—A. It is not mentioned in the act at all. These are simply purebred registered sheep.

Q. I understand they were paid for before they were registered. Is that right?—A. No.

Q. The Lambs?—A. No. The certificate cannot be issued by treasury for a purebred animal unless we provide treasury with a certificate of registration or acceptance of eligibility for registration by the Canadian National Livestock Records. There is no chance whatever for a grade animal being paid for as a purebred.

Q. The eligibility is similar to a pedigree?—A. Yes, sir.

By Mr. Argue:

Q. How many sheep in the history of this disease were sick? We have had two completely positive tests you said. What was the incidence of this disease among the flock? Is it two?—A. You are not referring to animals which are clinically sick?

Q. I will appreciate your statement either way.—A. The symptoms clinical suggestion of scrape mean nothing by themselves; they must be coupled with histopathological findings.

Q. How many of them had clinical symptoms?—A. I would have to count up those. I have seven here. Now, it would not run to more than a dozen altogether. There were other sheep sick on the premises during that period. We have records of sheep dying from algae and pneumonia.

Q. And old age?—A. All those things.

Q. Is it something of a normal pattern in this disease to have a small percentage of the sheep showing clinical symptoms?—A. Yes.

Q. To say nothing about the smaller percentage of laboratory positive symptoms?—A. Yes.

Q. This morning when you were giving your evidence, did you tell the committee in a very definite and decided way that the laboratory in Hull had come to the conclusion beyond any doubt. For instance, some chemical tests are positive. Do the people who make these tests use their general knowledge about diseases and generally weigh up the indications on one side against certain indications on the other and on balance with all the evidence come to a decision, or is it absolutely clear and unequivocal?—A. Medical science as separated from chemical science does not produce a reaction in that if you put substances together to get a definite colour, the colour varies

according to the amount of each substance you produce. It does not operate that way. We know from scrapie you have to have the clinical symptoms common to scrapie to get certain definite findings. Neurovacuolization is only found when these clinical observations add up to scrapie. That is as conclusive as any evidence can be with respect to disease and diagnosis.

Q. Would you tell me in the practice of the department what is done to place disease in the category in which this is placed? In other words, is it possible to place a disease in that particular category at one time, and then take it out at some later time; or is it in exactly the same position as the diseases listed in the act itself, that is that they cannot be changed.—A. It would be possible in accordance with the provisions of the act to move a disease in, but to my knowledge certainly and in my experience none have been moved out. The decision to ask the authority to have a disease named as a named disease is not done very lightly. Once it has been decided that the character of the disease and the economic effect of it on the country is such that an owner cannot protect himself against the possibilities of his neighbour not doing something, and all these conditions add up to an economic possibility approaching difficulties to the livestock industry, then we ask that the disease be made a named disease.

Q. Is the incidence of scrapie, in a flock which is infected which ranges from one to two per cent showing clinical symptoms, as far as the commercial flock is concerned and not a pedigree flock for sale for meat and wool, rather a low incidence in connection with which you would consider from time to time whether or not the drastic action of slaughter might be employed.—A. Scrapie is quite new to Canada. In the United Kingdom where they ignore it, in herds it runs up to 20 per cent infection. In addition to that there is one more factor other than morbidity and mortality which must be considered in deciding whether or not a disease is representing a disaster to the industry. It is the attitude of another country toward the disease in this country. May I cite the example of France in connection with the foot and mouth disease. France has foot and mouth disease perhaps as much if not more than any other country in the world and they do very little about it. And the farmers in that country go along with it. We look upon it differently and we keep the cattle and livestock of France out of this country because of that condition. If we in this country were to permit the development of scrapie to the extent it has developed in the United Kingdom today, we would have embargoes on our sheep, and not only the purebred sheep but also the export of market sheep.

Q. This was placed in this category in 1945?—A. April 4, 1945.

Q. As you have gained experience and have studied the conditions in the United Kingdom and the embargoes in the United States you have not been moving in the direction of taking this disease out of that category?—A. No. We have held discussions with the United States with respect to mutual operations.

Q. Have you ever on the basis of your discussions, study, experience and so on, felt that perhaps the knowledge being gained was leading in the direction of taking it out?—A. We had hoped that the knowledge gained would eventually lead in the direction of doing something different, but we have not yet reached that point.

Q. If you were thinking of something other than slaughter, what would that be?—A. That would depend on the findings which at the moment do not lead to any hope that we can operate successfully and satisfactorily in any other way.

Q. It would seem to me, from a memorandum which you wrote on January 18, 1956 to Mr. S. C. Barry, director of production services, at that time you were very definitely considering a change in your policy.—A. We would very much like to be able to have a change in the policy.

Q. If I may quote from the second page of the memorandum to which I have referred, it is as follows:

The thinking with respect to scrapie control has changed somewhat, and it is hoped that with additional information, not only on the disease itself, but on the effects of the disease to the sheep industry, it may be possible to recommend an alteration in the presently established flock-slaughter programme. However, at this time it would be extremely difficult to justify alteration of established policy when we are faced with the destruction of a large flock. The obvious assumption from such action would undoubtedly be that the policy had been changed, not because of a change in thinking, but because of the large flock with which we had to deal.

As I understand that it is that you had almost come to the conclusion that this program could be changed but because you are dealing with a large and very valuable flock you could not undertake such a change in policy. I think your words are rather clear. My interest in this is that, as has already been stated, we have a responsibility to the people of this nation. A \$100,000 expenditure is a large one, and members are obligated to consider it very carefully. Usually, in respect of government expenditures, we are in favour of them, and we think that they serve a very useful purpose. In regard to the \$100,000 in question, and in view of these statements, it seems to me that you were actively considering changing the policy but, as you yourself have said, it might have been extremely difficult to justify the alteration of the established policy, when we were faced with the destruction of a large flock.—

A. As I have said, such is true, and it would be difficult to face it. Mr. Barry and I have discussed—as I have discussed in Washington at many times—the hope that sooner or later we can get out of this thing, mainly because of the damage it does to a flock, such as we destroyed on this occasion. I have discussed the hope in Washington, with research people, with Mr. Barry, and with the research branch carrying on in Lethbridge, that something will develop, from science, and we can get out. There is nothing, sir, at the moment. There has been no advance, in the last two or three years, which would give us any indication, except, of course, that there are people working on it continually, and the United States is stepping up, very actively, their expenditures with respect to scrapie, for this very purpose that I have mentioned here, in the hope that we can change the policy.

Q. It seems to me that you were almost ready to make a change, but in view of the situation, as far as this flock was concerned, you did not feel justified in going through with that considered change. My point would be; if the knowledge of this disease has reached a point where it would be wise to discontinue this policy of slaughtering with compensation, and therefore saving the public a large sum of money at various times, that it should be done, irrespective of whether you may or may not, at any given time, be confronted with a particularly embarrassing situation, as far as a large flock is concerned, or any other kind of flock.—A. I agree with you, sir, and you can rest assured, Mr. Chairman, that immediately we are in a position to suggest a satisfactory alternative to this policy, we shall be the first ones to recommend it.

In discussions with Mr. Barry, he has asked me on many occasions: "Is there any hope of getting anything? Is there any hope? Are we in any position to do it?", and I have said, "No, we are not".

Q. How is the thinking changing, to which you referred, in regard to the control of scrapie?—A. The thinking has changed in this respect; when scrapie first developed, we were naturally concerned, because of the United Kingdom history. Scrapie has been in the United States and in Canada now since 1939. We have been able to keep it limited by this slaughter policy. We had hoped that, if we could continue to do this, that it would not be necessary, such as it is in the case of various diseases, where there is a lot known in respect to these various diseases, such as foot and mouth disease, hog cholera, where our thinking will never change. However, because of the amount of good work that is being done on this disease, we now know that you cannot produce a satisfactory vaccine without producing carriers. That original thought existed with respect to scrapie, but with the advance work of the United Kingdom, and the advance and step-up of the work of the United States, they are now coming to the point where their thinking is changing, and that it might be possible somehow to get out from underneath this destruction of high-class sheep, and in fact ordinary sheep.

Q. Do you know whether Mr. P. J. Rock has any interest, or had any interest, during this period under discussion, in any sheep other than the sheep involved on this particular premises, or his son?—A. It is my understanding, from Mr. Philip Rock, that he has absolutely no interest in any other sheep. I believe that he bought two sheep quite recently, at a public auction, but other than that I do not know. He, perhaps, is in the best position to tell you about that.

Q. The funds that are paid in compensation for animals that are slaughtered are paid under authority— —A. Under authority of sections 11 and 12 of the Animal Contagious Diseases Act.

Q. And they are treasury cheques paid on the basis of a particular identity of pedigree, and so on?—A. Yes.

Q. And you, as veterinary director general, are the person immediately responsible for the operation of this act?—A. Yes.

Q. And the man who went out to appraise the value of the animals was working under your direction, or under the authority of this act?—A. Yes.

Q. Which you are in charge of?—A. Yes, under the authority of the act. But, he himself is not an employee of the health of animals division.

Q. No, you employed him from— —A. He is a departmental employee, under the livestock division.

Q. Yes. He was the man that appraised— —A. He was in charge of it, and he had two of his departmental people with him. He himself is here.

Q. And he made the recommendation?—A. With respect to the appraisal, yes.

Q. He might have consulted the other two people with him, as far as advice is concerned?—A. Yes, I am sure he did.

Q. But he is the man that made the recommendation that resulted in the payments finally being made?—A. Yes, that is right.

Q. As a result of his recommendation, and the information that was given to you, you did not have any information as to whether or not there were any quantities of sheep sold off the farm, let us say between March 26, 1954, and the time of the slaughter, either commercial sheep or registered animals?—A. Yes, that would be in our Calgary reports, the reports of the officer going there. He collects all the information as to what has been sold.

Q. Could those reports be made available to the committee?—A. Yes, we can get them. You see, the officer goes and discusses the situation, examines the sheep, and collects information from Mr. Rock in respect to what he has sold, what has died. If any were sick he would be called by, the breeder would say, "there are some sick sheep here, you better drop down and have a look at them and see what you think of them."

Q. The reason I am interested in having these records made available is, to find out the quantity of sheep sold during the period when an animal was under suspicion, but when the quarantine had not yet been placed on the flock— In other words, the period that Mr. Quelch has referred to—so that the members of the committee would be able to decide in their own minds whether, during this period under review, a great many pedigreed animals were sold at very high prices, and therefore the quarantine might have damaged their income, or whether the flock was reduced to sales, in the main, of commercial sheep.

By Mr. Shaw:

Q. Mr. Chairman, I have a question to ask, and I am just seeking information. I understand, Dr. Wells, that on January 18, positive proof was adduced to indicate that this animal, that had been sent to the Hull laboratory, was suffering from this disease. That led to the quarantine on January 24. I understand that you condemned an entire flock, and you destroyed an entire flock when a very small percentage of the flock ultimately proved to have this disease. How far back do you go in determining whether Mr. Rock made sales, and what is your attitude toward those sheep which he has sold? You condemned an entire flock when the vast majority did not have the disease. Two weeks before you condemned the flock he may have sold some. As a matter of policy, do you determine where those sheep are, and destroy them?—A. No, we determine where they are, but we do not destroy them.

Q. How would you explain the difference between not destroying those sheep and destroying several hundred of sheep that showed no symptoms? They all come out of the same corral?—A. That is right, sir. The incidence of scrapie, in any flock in Canada, to this date has been low. We know that the incidence can, as in the United Kingdom, after a period of a 200-year build-up, become, on occasions, high. When a sheep was sold, from Mr. Rock's premises, to another premises, and when that sheep arrives on the premises and is mixed with that flock, the damage to that flock, if any, is done. Therefore it would justify and satisfy no disease control cause to go into that flock and remove the one, two or three, or whatever number of sheep you want. It would satisfy no value to go into that flock and remove those individuals. One would in turn, to do the job, have to remove the entire flock, because contact has been established. We know that the probability of them having scrapie is low, based on the low incidence. Therefore, a great amount of money and sheep can be saved by keeping the purchases under observation in order to contact the first indication of the disease, should it come.

Q. Why would it not be equally as wise, in the case of Mr. Rock's sheep, to separate and place those that were not showing symptoms somewhere else, and keep them under observation for a matter of a week or ten days, the same as you would do in the case of a herd into which one of Mr. Rock's sales had gone?—A. No, because we knew Mr. Rock's flock was infected.

Q. What assurance have you that the other flock is not infected?—A. We have no assurance that the other flock is not infected, but we know, by the relatively low percentage of infection that—

Q. Would that not be also true of Mr. Rock's flock?—A. No.

Q. The relatively low percentage—A. No. Mr. Rock's flock had already had two positive animals out of it in Canada, and two recorded in the United States—at least two in the United States, and subsequently more of them being found.

Q. That is a low percentage, though, is it not?—A. It is still a low percentage, but, you must bear in mind, that this disease has a long incubation period, and we accept the fact, and it is true, that the Rock flock is an infected

flock. We can do no good by tying another flock up. We would have to tie that flock up for at least three years, to make certain that nothing was coming out, and during that period of three years, we would have to remove every lamb that was born and slaughter it. Because, in three years, a flock of this size would have developed to a point where it would be a totally unwarranted operation. Each year that lambs were added, it would add another three years.

Q. Yet you do nothing with respect to the other flock?—A. No, because there is only one individual, or two animals, or three animals in there, and we can keep them under observation, and if these animals come down, and if they spread the disease, they themselves must be infected. If they come down, and the percentage averages are, that they will not come down, then we will have to take that flock. It would not pay us, particularly in regard to a man like Mr. Rock, who has sold hundreds of sheep. It would not pay us, as I have said, to take 142 flocks, across this country, or 142 individuals because they had already been exposed to the flock which they were in, and that flock also would have been exposed.

Q. When you say, "it would not pay us" what do you mean?—A. From a disease control point of view we would have to go out and take 142 flocks.

Mr. GOODE: And kill them.

Mr. SHAW: I am just seeking information.

The WITNESS: Yes. It would get to the point where the cure was worse than the disease.

By Mr. Quelch:

Q. On the other hand, if a ram had been sold, would not that ram be liable to affect all the ewes that were being bred? It seems that there is not just one animal that you are talking about, but also all of the ewes that were being bred.—A. Yes.

Q. It is not just one animal.—A. Yes, if that is positive.

Q. But you do not know.—A. We do not know.

Q. It is just as positive as the ones you destroyed.—A. No, no. Let me start over again. I thought I had explained it clearly. Mr. Rock sells some sheep—and I am going to name a number; I have no purpose for naming it. Take any number; you can name it if you like—I will say ten; is that all right. I have no ulterior motive. Mr. Rock sells ten rams and he sells them to ten sheep flocks around the country. Within a month—again I am just taking this blindly—within a month before his sheep are slaughtered he sells ten rams. Now we know that the chances of those ten rams being infected are very slight. If it is one in ten, the chances are that one of those rams will be infected.

Now we have this choice. The rams are already in the new flock and they have already exposed the new flock. So it would serve no purpose to go and take that individual ram because he—if he is infected he has already exposed the whole flock. So if you take the ram, you have to take the flock on that basis. Now we know that there is only a chance, we will say, of one in ten of those ten rams being infected. We are better off from a disease control point of view to keep those rams under observation in the flock that they are in, with the knowledge that the large percentage of infection will end up with us taking no more than one in ten flocks, rather than going out at the beginning and taking 10. Now that is just about how it works out.

By Mr. Argue:

Q. If you take one in ten with this long incubation period, it is possible that in the one flock out of ten the rams have been sold to other flocks?—
A. That is right.

Q. And then you will have to take one out of ten, and maybe the one out of ten in an infinite time—I do not know—you may have an operation as expensive— —A. Yes.

Q. —with far less control— —A. Yes.

Q. —than if you went in and did it right at the moment.—A. Except that the spread of scrapie is slow and insidious and we know that the spread of it is extremely slow; but we do not know how it spreads from sheep to sheep. We are not even certain in fact that it can spread by contact of the sheep.

By Mr. Quelch:

Q. It cannot be picked up on the ground?—A. We are not certain of that, either.

Q. How long a period will have to elapse, before a farm will have to be restocked?—A. The farm will have to be cleansed and disinfected and held a year.

By Mr. Shaw:

Q. Doctor, just in the light of what you have said, does it not appear to you that the action taken in connection with the Rock flock was pretty drastic?—A. No sir.

By Mr. McCullough (Moose Mountain):

Q. You have said that you are not certain of the virility of this disease and how infectious it is and that its period of incubation is very slow. I am just seeking information. Would it not seem from what you have said, that your policy in respect of sheep coming from an infected flock such as Mr. Rock's going into another flock has been just kept under surveillance; they have not been destroyed. But in the case of this flock which has meant a tremendous expenditure out of the public treasury—and I am not arguing that you did not do the proper thing, I am just asking for information—it seems to me that the very fact that here in the P. J. Rock flock, after being sent to the laboratory for testing, and after destroying them—I think you said there were only 10 of the ones that were infected.—A. Yes.

Q. That is a pretty low percentage out of 670 sheep.—A. But I also explained that that does not mean a thing, because those sheep did not terminate life. Their life was not terminated by death due to the symptom evidenced of scrapie. They were killed.

Q. That is correct. So the point I am making is still valid, and that is that in the case of the sheep coming from this flock, after you knew of it, do you not think it would have been quite advisable, if there are only one or two, such as a ram sent into another flock for siring that flock—that it would be economical to destroy that and take it out immediately. You say some went a month after it was determined to take that ram out of that flock and destroy it, so the contact would not be there. It would seem to me—A. But the contact had already been established.

Q. But you have already said you were not sure of the virulence of the disease. You are not sure whether it is hereditary or whether or not it is a virus, and I suggest—not being a veterinarian, just a dirt farmer—that it might be a good policy. What do you think about it?—A. Well we have considered it, of course, and we have felt that our very lack of knowledge did not justify our sending or recommending the spending of money for something that we could not in fact justify with concrete knowledge.

Q. Well now, Doctor with respect to destruction of flocks in previous cases, the minister last year in the house said there were three cases to his knowledge and then later he put on record five of these. The first one I have here is

Mr. Baldwin, in the year 1945-46 where there were 102 sheep destroyed averaging out at \$20 each. Then, of course, in 1951-52 Mr. Tisdale had 65 sheep destroyed and the average price paid of \$34; in 1952-53 Mr. Charter had 11 sheep destroyed by your department and an average price of \$47 was paid; in 1954-55 Mr. McQuay had 108 sheep destroyed—an average price of \$75. Now it seems to me that if you had been giving consideration to change of policy such as you indicated to Mr. Argue, that perhaps this was getting out of hand.—A. I should have said no; we were not giving consideration to a change of policy. We have been hoping that a change of policy might be possible and in fact Mr. Barry and I have discussed it and he said to me, "Is there any hope of getting any change."

Q. Thank you. That is a fine explanation you have made. In other words, there must have been some thought in your department of a need for some change. In other words, I would expect that it is in the amount of compensation. Is that correct?—A. The need for change?

Q. Yes, the need of payment was getting out of hand and that you would like some change in compensation paid on this basis, or some change in policy?—A. No sir. We do not anticipate or suggest any change at all. We had been hoping that we could get a change, but our wish for a change is not in any way concerned with the payment of compensation. I hasten to say that I do not mean by that that it does not concern me. It does so, seriously. But what does concern me more is the control of the disease itself and the destruction of the sheep.

Q. It is a question of the method of handling this problem rather than one of price and the cost to the treasury?—A. Yes, that is my principal concern. But I still have concern about money. One does not spend money foolishly whether it be his own or someone else's money.

Q. But in the cases I have cited, even the highest payment made was \$75 on an average for the sheep; but in the case of P.J. Rock, even considering the 205 lambs, the payment was \$150, on the average. Does that not seem rather an extreme payment in your estimation?—A. Well, sir, I would prefer to leave a discussion of the payments to the man who valued them except that I do want to say that in my opinion the true worth of the Rock flock is represented by the payment of compensation.

Q. Even if such payment includes an average of \$150 for a new born lamb which perhaps might be one of triplets or twins?—A. No new born lamb got \$150. There was no new born lamb that was paid for at the rate of \$150. No new born lamb averaged \$150.

Q. The average for the whole flock worked out to \$150?—A. That is right.

By Mr. Mang:

Q. You mentioned the foot and mouth disease. Some people did not try to control it and make as intensive effort as did others. You were in charge of that?—A. Yes.

Q. When we had that calamity?—A. Yes.

Q. Did you at any time during your handling of the foot and mouth disease go into a herd and cull out those that had the distinguishing physical symptoms?—A. No sir.

Q. Or did you simply say that the flock was bad?—A. I simply said that the flock was bad.

Q. For example, take the Daniel Smith flock, which was not far from where I live.—A. Mind you, we must not compare these two diseases.

Q. No. What I am getting at is this: were they concerned with the saving of money? Quite a point has been made and we are still on it now with respect to the compensation for this Rock flock. Now, in your handling of the

foot an mouth disease, did you find a variance in the slaughtering and in the price paid for compensation for purebred flocks as compared with those which were not purebred?—A. Yes; there again I was not valuing the cattle. But I do know this as a fact: that it is true regardless of whether one is valuing cattle or not, that cattle do vary in value. Purebreds vary in value from the low of a purebred registered animal up to the top, and the same thing with grades.

Q. The point I am trying to establish is that you had to pay for herds as you paid for this flock; that is, if the flock had it, that was that!—A. That is right.

Q. Was there any difference in whether or not the cattle herd you destroyed was purebred, or lower grade, or not purebred?—A. Oh yes, sir!

Q. In comparing this flock of sheep, some were offered \$75 and in another flock, \$150, maybe? Would the cost of compensation there, for the same considerations, enter into the payment?—A. You mean: would there be a range of categories?

Q. Yes.—A. I would not be able to say now from this length of time but certainly there have been differences between the two herds. Purebred herds at the low end of the scale would certainly be vastly different from the type of herd at the top of the purebred scale.

Q. I do not think this is a proper question to put to you. It has to do with the prices that Mr. Rock received. He may have sold a ram for \$1,000 out of his flock?—A. He sold a ram for three times that much. But I shall have to leave it to Mr. Rock to answer your question.

Q. He could then have had a \$3,000 ram in the flock that was destroyed?—A. Yes.

Q. I think that is all.

By Mr. Charlton:

Q. I want to ask Dr. Wells one or two questions. What research work has been done in Canada on this disease if any? Or are you taking the work of the research people in England and the United States?—A. We are taking the research work done in England and in the United States. Actually the research work we are pursuing in Canada has been greater than that done in the United States.

The United States feel that they cannot embark upon additional research work on any other disease, but they are supplementing by financial aid—or if they are not doing it now, they are intending or proposing to do it—but that again is not my concern to say what the United States government is doing. But their proposal is—or rather their department's proposal I should say, because the department does not represent the government of the United States—but the Department of Agriculture officials in the United States perhaps prefer to supplement research work in England and in the United Kingdom with funds rather than attempt to do it in their own country. In Canada we are starting research projects. Research on scrapie is an extremely difficult and a long-term program. First of all one must gain the techniques of artificial transmission which is getting the material and innoculating it into the proper portion of the brain and spinal cord and then wait and hope, because you have no way of determining whether or not the material which you take has a viable causeable agent in it. All these factors are part of a long and difficult process. Doctor Connell will explain it fully. He has been working on it for the past year at the research station and is getting set to take on more sheep and start his experiments going in an attempt to add information to that which we have from other countries.

Q. Have you any information from any of the English or Canadian research that is leading you to believe there is proof which indicates that animals not having the disease are still carriers of the disease?—A. There is no proof that carriers can develop. Insofar as I am aware it has not been possible to transmit the disease artificially or otherwise from an animal which did not eventually die of the disease. It is possible to transmit it by artificially inoculating an animal and taking the material from that animal when it dies and carry it on through as is done in other diseases. But so far as I am aware there is no demonstration of a carrier as such.

Q. It has been stated that the disease might be hereditary?—A. Yes. That is one of the suppositions.

Q. Is it just a supposition?—A. Yes. When you say hereditary you do not mean the lamb is born with the disease.

Q. No, but it could probably pick it up in birth. There is no proof that it is hereditary?—A. No. Mind you, on the other hand, there is no proof that it is not.

Q. Regarding the price, what precedent has there been for paying the full value for purebred registered stock previous to the time of this Rock flock?—A. What do you mean? I do not understand the question.

Q. In view of the evidence brought forward here, the highest price paid previously I understand was \$75.

Mr. ARGUE: Average price.

By Mr. Charlton:

Q. Has there been any other case where you have attempted to pay the full value of registered purebred stock?—A. Yes. The McQuay flock in Galt, Ontario, was paid on that basis.

Mr. McCULLOUGH (*Moose Mountain*): The average price was \$75.

The WITNESS: Yes. They were just poor sheep, I guess. That is the point; there are good purebred sheep and there are bad purebred sheep. It will have to be left to Mr. Graham to explain the inherent grading value of a flock which has been built up over many, many years to the point where they can take animals to the United States, put them on auction, and compete with and beat the sheep in the United States in price. That is the difference, whether it be in respect of sheep, Hereford or Holstein cattle, between the low and the top scale. If you have had experience with sales of Hereford cattle you will know that some sell for \$75 and others for \$7,500.

Mr. McCULLOUGH (*Moose Mountain*): I am pretty familiar with the production of Herefords.

The CHAIRMAN: Mr. Cardiff has been trying to get the floor.

By Mr. Cardiff:

Q. I would like you to tell me, doctor, to whom I may address this question. Who would be responsible for the values placed on the sheep which were destroyed?—A. On the Rock sheep?

Q. Yes?—A. Mr. Graham was in charge of the valuing of those sheep.

Mr. McCULLOUGH (*Moose Mountain*): Who is Mr. Graham?

The WITNESS: He is right here and waiting.

Right Hon. Mr. GARDINER: I have been telling you that for some time.

Mr. McCULLOUGH (*Moose Mountain*): What capacity is he in?

The CHAIRMAN: He is chief of the livestock division, production branch.

Right Hon. Mr. GARDINER: You have been asking questions for an hour which he should be answering.

By Mr. Charlton:

Q. In the case of cattle, for instance, I know there were some cases in connection with the foot and mouth disease where you tried to pay full value.

Right Hon. Mr. GARDINER: On a point of order. Mr. Charlton keeps on repeating "full value". There was not full value paid for the animals in this flock.

Mr. CHARLTON: Mr. Chairman, it is debatable. I am not going to go into the basis of that. I am just asking a question of Dr. Wells who is in charge of the branch. In any case of tuberculosis, for instance, where animals have been taken from a herd and slaughtered, have you paid full value for those animals?

The WITNESS: No, sir. That is an entirely different thing, Dr. Charlton. I appreciate that that is not the point of the discussion, but tuberculosis is being eradicated under a totally different program policy than scrapie, or hog cholera, or foot and mouth disease, with the result that the application of compensation applies in an entirely different manner.

By Mr. Harkness:

Q. Mr. Chairman, I just wanted to ask Dr. Wells if he, or his branch, have any knowledge or theory as to how this disease of scrapie got into the Rock herd?—A. We suspect, sir, that it was brought in by the importation of sheep from the United Kingdom.

Q. But you have no direct knowledge on it?—A. No. It is very difficult to actually establish. One can only accept the circumstantial evidence and knowledge in respect of the disease, found in other countries.

Mr. SMITH (*Battle River-Camrose*): I would like to ask Dr. Wells a question. You took your detailed inventory on February 1?—A. Yes, that is right, sir.

Q. Could you tell me how many ewes were in the flock, how many rams, and how many lambs, at that time?—A. I cannot tell you, sir, but Mr. Graham, who took the inventory at that time, can tell you.

Q. The information will be available?—A. Yes, sir.

The CHAIRMAN: It is actually not six o'clock, it is five minutes to six, but is it the wish of the committee to adjourn now? I had hoped that we might complete this witness, and then call Mr. Graham at 8.30.

Hon. Mr. GARDINER: I could make a suggestion along that line. These men will all be available as long as we want them. You do not have to ask all your questions of the witness now. He will be here all along. I think it would be better if we could get Mr. Graham on when we meet at eight o'clock. If you would like one of these witnesses back, we will get him back, however, I think you will be able to get your answers from Mr. Graham.

By Mr. Argue:

Q. I have a couple of questions, Mr. Chairman, and probably this will clean them up, if it is the general wish to do that now.

The CHAIRMAN: Is that the general agreement?

Mr. GOODE: Is this the end of it?

Mr. ARGUE: I have a couple of further questions.

Mr. GOODE: And Mr. McCullough has some as well.

Hon. Mr. GARDINER: Are they questions that Mr. Graham can answer?

Mr. ARGUE: No, I do not think they are.

Hon. Mr. GARDINER: Could we call Dr. Wells at eight o'clock to finish your questions?

The CHAIRMAN: I have already called the meeting for 8.30.

Mr. HARKNESS: 8:30 is much better.

EVENING SESSION

April 3, 1957.

8:30 p.m.

The CHAIRMAN: Order. We have a quorum. Will the meeting come to order please. Before we adjourned at six o'clock I believe Mr. Argue had some questions.

Dr. K. F. Wells, Veterinary Director General, Health of Animals Division, Department of Agriculture, recalled:

By Mr. Argue:

Q. Yes sir. Yes, I was about to ask him something about the practice in the United States. When they have an outbreak of scrapie, do they destroy the flock? Just what is the procedure?—A. Yes.

Q. The two sheep you mentioned this morning referred to the purchase from Rock by an American Connecticut breeder. What happened to those two sheep? Were they destroyed by American officials?—A. Yes, I understood the flock was destroyed. The sheep of course died before they were examined and the flock was destroyed.

Q. The sheep died before what?—A. The sheep had to die in order to get a positive diagnosis.

Q. Yes, of course, and the flock was destroyed. Well you told us this morning that after Mr. Rock had advised the department of the report he had, of the letter he had from the breeder in Connecticut, that you had someone to go down and examine the sheep there, I believe.—A. No, not to examine the sheep. The sheep at that time were in the incinerator and burned up.

Q. So you did what?—A. We went to Washington to discuss the identification with the Washington officials of the Department of Agriculture.

Q. And after a process of elimination you found you came to the conclusion that the two sheep in question— —A. The Washington officials arrived at the conclusion after a process of elimination.

Q. That what?—A. That they were Rock's sheep.

Q. Then in your experience in Canada how often have you found an ear-tag lost from the ear of a sheep?—A. I recall giving you a percentage on that this morning. As I told you this morning I was guessing. My guess this morning was 1 per cent, I believe, I am still of the same opinion.

Q. In your own experience you have had a number of specific instances in which an ear-tag was lost, and this morning you were making a general estimate of the percentage that had been lost. In your experience you have known of some concrete cases when an ear-tag was lost?—A. Not in sheep, no.

Q. Not in sheep? You have never known of one case?—A. I have never handled sheep when an ear-tag was lost.

Q. If a man purchased a ram, a very expensive one, perhaps he has paid \$1,000 or more for it, would you not think that he would be rather observant, rather careful, that the ear-tag, as far as he is able to ascertain, was on the sheep, on the ram?—A. Yes.

Q. When a man has invested a very large sum of money in a ram and that investment he hopes will make him a good return, he is likely to keep a close watch on the registration identity of that animal; I would think.—A. This sheep was registered in the United States and of course the activities or the procedure

in the United States for replacing ear-tags—and it may well have been, I do not know, it may well have been that the United States registration ear-tag was on the sheep; but I say the ear-tag was not on. The ear-tag for identifying that sheep of the Rock farm was gone. That is the only thing under which we could operate.

Now if a man buys a ram and pays \$1,000 for it he knows the ram, and once he has it transferred and registered in his name he does not need an ear-tag on the ram to remember and he does not need an ear-tag to register it, because he has the pedigree and he simply registers the offspring from the pedigree.

Q. Did your officials check the Washington transfer of the Rock pedigree to the American pedigree on which the Canadian tag was missing?—A. Yes, they had the pedigree, yes.

Q. Were you able to identify the sheep on the basis of the American records as to the tags, and so on.—A. Well, no; the only information we have on this is from the United States authorities, that they can only identify the sheep according to elimination and that the man who bought them originally sold them, and they were sold into Connecticut. Now Mr. Rock can give you the details of that. He knows more about it than I do. He can tell you how they were transferred, one to the other; the details of that United States transaction are not familiar to me.

The CHAIRMAN: Any other questions.

By Mr. Argue:

Q. I understood this morning that the Canadian tags on both sheep were missing.—A. Yes, that is correct. There was no identification on those sheep that could trace them back to the Canadian export certificates.

Q. Was any explanation given as to what might have happened to the ear-tag? Was it taken off because it was no longer of value? Was it said to be lost or what was the reason given for it?—A. No, in actual fact the ear-tag may have been on the sheep when the sheep was handed to the laboratory. But when the report came out of the laboratory the sheep were burned and disposed of.

Q. Can you say what date the sheep was burned and disposed of?—A. I could not say.

Q. Approximately?—A. No I cannot even tell you the date that a positive diagnosis in the United States was made.

Q. Can you give me the year?—A. Oh yes. They phoned Mr. Rock from Connecticut about it on March 26, 1954 and I assume that it was either in January, February or the first two weeks of March in 1954.

The CHAIRMAN: Any other questions. The next witness I will call on is Mr. J. W. Graham, Chief of the Livestock Division.

Mr. J. W. Graham, Chief, Livestock Division, Department of Agriculture, called:

The WITNESS: Mr. Chairman and gentlemen, in order to justify any reputation I may have as knowing anything about sheep, I will have to bore you for a few minutes with my personal pedigree.

I was born on a farm in the province of Quebec before the turn of the century. I attended McGill University and graduated with a degree in agriculture in 1922; and in June of that year joined the Dominion Department of Agriculture as a sheep promoter and I worked at that time in the province of Quebec; later in the Maritime provinces; and I have worked on sheep work

in every province in the dominion. In 1949 I came to Ottawa in charge of the Sheep Division and in 1950 I was made chief of the livestock division, which takes in all classes of livestock. In that work we come into intimate contact with all pure breeders of livestock in the provincial and in the federal fields.

The nature of our work is such that we work in very close cooperation with provincial officials in joint policies and also in carrying out the specific work of our own branch. In 1949 I had an opportunity of going to Great Britain, and there purchased four flocks of sheep of the North Country Cheviot breed for the specific purpose of introducing cross-breeding according to the British plan, in Canada. One such flock is owned by our own department; one is owned by the province of Quebec; and two other flocks are owned in New Brunswick and Nova Scotia, and that cross-breeding work has been carried on as to date.

Incidentally, at a somewhat later date the same breed was introduced to Alberta for the same purpose. I think perhaps that is enough of the pedigree end of it. Seeing that I was directly responsible for appraising the flock of sheep owned by Mr. Rock, I think perhaps at this time I should say something about that particular flock. A great deal has been said of the Rock flock and as there are some sheep men in the audience, I am quite sure that they know something of the reputation of that flock. It was established about 30 years ago from four specific families of females and through the use of imported rams. Mr. Rock, of the Rock firm, has consistently imported purebred rams from Britain of the Suffolk breed to keep the flock at the high standard it has attained in the last few years.

Mr. Rock had a very strict standard of developing a foundation flock. The requirements were very high and I am not going to bore you with the details of it; but each female in that foundation flock had to produce a certain number of top winners or had to be the dam of a certain number of winners or had to produce so many dollars worth each year to get into, what we might say, the elite flock.

Mr. Rock's chief source of sales was in the United States and those of you who have, through various publications, followed the sales in the United States, will well realize the prices obtained for breeding stock from that particular flock. In 1947 Mr. Rock imported a ram by the name of Badley Quinton from Great Britain. Incidentally his cousin, Mr. Hayward from Badley Hall, Britain, was the breeder of that particular ram.

That ram lived until 1954 and I think I can say quite safely, that there are probably more progeny of that particular ram in Canada and in the United States than of any other single ram.

I could show you a publication from the United States—"The Sheep Breeder"—in which breeders are advertising sons of Badley Quinton as the sires that are heading their particular flocks.

In 1948, the year following the importation of this Badley Quinton ram, Mr. Rock sold a son of this ram at Salt Lake City for the sum of \$3,350. Until that time that was the record price for any Suffolk ram sold in the North American continent. That record was held until 1955 when a ram out of a daughter of the same ram made \$3,500.

Prices of \$1,000 were fairly common running down anywhere to \$400 depending on how closely they were related to this particular ram. I might say too that the late Mr. Arthur Grenville Morrin had stock of practically the same breeding and he too made an outstanding record in the United States in the way of rams sold—the progeny of this particular ram.

I think perhaps there is one other thing I might say, too. In the foot and mouth scourge in Britain three or four years ago the original flock from

which this stock came was wiped out and Mr. Rock sent back to England ten females and a ram out of this Badley Quinton breeding; and the Hayward flock in England is now being reestablished on the same blood lines from Mr. Rock's flock.

Now perhaps you want to know something about the official job of this appraisal, and I might recite it to you. When the stage was reached where somebody had to do this job, I was told that it was my job. Accordingly we visited Mr. Rock's premises on February 1 and began the job of handling every individual sheep in the flock, identifying it by eartag, making an appraisal of it according to certain standards of quality, and making ourselves fairly familiar with Mr. Rock's records.

We then sat up most of the first night trying to work out what we thought was a reasonable appraisal. We spent most of the next day at Mr. Rock's home looking over his records and checking pedigrees, as he had a peculiar system of building up his flock. All his low tag numbers, from 1 to 100, were allotted to lambs from the highest producing females. I had known of that for some considerable time before this episode. We wanted to make sure that we could trace back these individuals through the pedigrees. So we handled most of the pedigrees he had and we took all the notes we were capable of taking, and made ourselves thoroughly familiar with the various methods of organization he was using in his stud ram flock which consisted of seven outstanding rams.

The first sheep presented to us for identification and appraisal were those identified by the letter "K" which at that time were the yearlings. The next group were females in lamb. Then we visited the various other buildings where the rams and the flock were situated, checking and identifying a number of the 68 ewes which had lambs at that particular time. Those were checked and all the lambs on the premises at that time were checked.

Now I suppose it would be too much to expect everyone to agree on the basis of coming to a reasonable value of a flock of sheep of that nature. But I mentioned a few moments ago that Mr. Rock's chief market was in the United States. I felt fully justified therefore in using that market as a basis for setting prices. I say that quite frankly. That is what I did.

It may be suggested that it was not the right thing to do. Nevertheless a fact is a fact. That is where he sold his sheep. He did sell some in Canada as well, but at lower prices.

Having all the facts of the flock in mind and with voluminous records, we returned and discussed the whole situation with my superiors including Mr. Barry our director when it was agreed to offer Mr. Rock a certain price. You have learned from Dr. Wells how that price was projected to Mr. Rock through the district field man in Edmonton. I think that is just about my story of the actual physical job of appraising the flock. I did say that every individual sheep was handled. It is a fact; and they were appraised for both identification and quality, both at the same time on February 1st, and they were also identified again before slaughter.

By the Right Hon. Mr. Gardiner:

Q. What was your recommendation?—A. The price that was recommended was \$92,100, and it included 102 yearlings; 62 year olds; 81 three year olds; 26 four year olds; 21 five year olds; and 36 sheep over the age of five years. This adds up to 326 ewes and in addition there were 58 rams, and 110 lambs. a total of 494 head.

Q. How did you come to that figure of 100? What brought it up from \$92,100 to \$100,000?—A. It was agreed of course that this had nothing to do with the valuation of any lambs born after the date of appraisal and before the time of slaughter, and that they would naturally be compensated for on the same basis as was allowed for the price of 110 that we appraised that day.

Q. How much was allowed for the lambs?—A. We appraised the Suffolk lambs at \$50 and the Hampshire lambs at \$25.

By Mr. McCullough:

Q. I would like to ask Mr. Graham who his associates were when he made the appraisals?—A. Mr. Baird, a member of our staff who incidentally was one of the appraisers of the flock previously appraised at Galt, Mr. David Owen one of our field men from Calgary, and Mr. William Hart, one of our field men from Edmonton.

Q. Were there any other appraisers?—A. No. Mr. Hart and Mr. Owens were not appraisers. Mr. Baird and I did the entire job of appraising the flock.

Q. On what date did you start the appraisal and on what date did you finish it?—A. We started identification and completed the handling of 494 head on February 1.

Q. Was every animal that you appraised, both adults and lambs, tagged with a registration tag?—A. No. There were four females, three Saxham ewes and a Barr ewe identified by tattoo.

Q. Are you in a position to give assurance to the committee that the lambs which you appraised were the same animals that were later destroyed?—A. In so far as I am aware, yes. I have no reason to believe otherwise.

Q. Do you know if any lambs were born between the time you finished your appraisal and the time that the slaughter was finished?—A. 157 head. I believe.

Q. On what basis was the compensation calculated for these lambs? I understood the minister to say that every animal was appraised individually?—A. Well the Suffolks would be appraised at \$50 per head and the Hampshires at \$25.

Q. There was just sort of a blanket appraisal then?—A. Of the lambs which came later, yes.

Q. You told the committee, I think, that you had some access to Mr. Rock's records. Did you have access to his sales records indicating the percentage of sales which were made on the basis of registered breeding stock and also if there were any commercial sales made?—A. No, I did not see any record of that nature, nor was it volunteered.

Q. So you used whatever information you indicated to the committee as a guide in making this appraisal?—A. We used the registration certificates to verify the various lines of breeding which were considered the most important in the flock.

Q. Could you say what the percentage was of breeding stock and what the percentage was of commercial, of Mr. Rock's sales, let us say, in the last three years prior to the destruction?—A. I would not know.

Q. That is all I have to say now.

The CHAIRMAN: Are there any further questions? If not, thank you Mr. Graham. We shall now call on Mr. Rock to come forward please.

This is Mr. Philip J. Rock and he will make a statement on the operation of the business.

Mr. Philip J. G. Rock, Drumheller, Alberta, called:

Right Hon. Mr. GARDINER: Before Mr. Rock begins, I feel that I should say to you that Mr. P. J. Rock has been in hospital up until just recently. His medical advice was that he should not make the trip down, or fly down. So Philip, his son, who has been handling the flock, has come down here today.

The WITNESS: Mr. Chairman and gentlemen; can you hear me at the back?

We started in the sheep business in 1930. We found that the sheep we had were of no use and we could not sell them. They were not the kind of sheep we liked. So in 1931 we moved to Hampshires. At that time the big flock of sheep in western Canada—in fact in all Canada—was the Hampshires and the Suffolk flock owned by the Canadian Pacific Railway.

We showed Hampshires for a number of years. In the western shows at that time we could take third prize, but the Canadian Pacific Railway always took the first and second prize. We were lucky to take the third prize or even prizes lower down the line. Our sheep were the best that we could afford, but they were not good enough to compete with those of the Canadian Pacific Railway.

So in 1937—that was just after the depression, and sales were very bad, we averaged between \$15 and \$20 for our rams while the Canadian Pacific Railway averaged around \$40, and at that time \$40 for a sheep was a lot of money.

So Dad and I decided that the only way we could improve our sheep was to send to England for one that was best where ours were bad so that we could compete.

The shepherd of the Prince of Wales went to England for a holiday and he selected a ram for us and one for them. That ram arrived in 1938 and his first lambs came in 1939.

With the first buck lamb it was the first time that we had ever beaten the Canadian Pacific Railway with ram lambs, and this was the first champion. At that time Hampshire sheep were starting to decline in popularity because they were heavily "wooled" on the face.

The range man found that the lambs sired by Hampshires out of close-faced or white-faced ewes could not see well enough to keep ahead of the ewes in the mountain range.

The Suffolk was a black faced animal. Those cross-breed lambs could see and moved ahead. The result was in the Fall when the lambs came in, the Suffolk lambs weighed more than the Hampshire cross-breed rams.

In the operation of a range flock of sheep the overhead is fixed. Anything you can do to improve your poundage of rams is clear profit. You have a fixed overhead and if you have more pounds to sell naturally you have greater revenue. That year we put in our first Suffolks. We could not pay the price because we did not have enough money, and the Canadian Pacific Railway would not sell the sheep. We had to buy the best that were available. During that time Americans running large numbers of sheep in the United States wanted rams by the carload. No one in our country would take the trouble to congregate a carload of rams with the result that orders which could have been obtained were lost because no one would assemble those sheep. I started assembling sheep in order buying for people. Through that order buying of rams a market developed for ewes with the result that when a flock of ewes came for sale I had a market to sell what I did not want. I kept as many good ones as I could afford to keep. In other words, Canadian sheep had more bone, more ruggedness than American sheep, and our second rates in certain places were better than the best they could obtain. I was able to buy a carload

of ewes, keep back a few and sell the remainder. In other words I was able to add to our flock a few of the best ewes. Through having those orders time came when better and better flocks came on the market.

I am not sure of the date, but in 1941 or 1942 the Canadian Pacific Railway decided that they had gone as far as they could in the livestock business. That livestock business was started in order to build up the country so that they would have more freight to haul. Breeders developed in western Canada who could supply a good quality of livestock. They decided to disburse their herd of Angus cattle, Holstein cattle and their sheep. Their Angus and Holsteins were sold at public auction. The sheep were sold to two gentlemen who did not know the purebred business. They kept them about nine months and they did not do too well with the result we were able to buy that flock. At that time Suffolk sheep were very light shearing sheep. About four, five, or six pounds of wool was about the maximum fleece which could be obtained off a sheep. Mr. John Gordon, who had concentrated on wool, had a flock and his flock came on the market and sheared around $8\frac{1}{2}$ pounds. Mr. Grenville and I were able to buy all of the best, not all the sheep, but what we considered to be the best. Later the Clarindale stock farm people came along and we were able to buy their flock. Some were sold and the balance were kept. What I am trying to show is our flock was built from the best flocks that were in Alberta.

Mr. H. C. Hayward had one of the older Suffolk flocks of England. His father started them and Herbert went on and improved them. There were many faults in the Suffolk sheep in this country. We could not find rams who could improve the faults in the sheep. We had correspondence with Mr. Hayward and asked him if he could send us each year rams good enough that he would use himself and as close to the specifications which we asked for. We did not ask for a perfect sheep because there is no such thing, but if anyone did have one he would not sell it anyway. We asked for a ram closest to the specifications we had made. We wanted to correct first of all our glaring faults. He sent us each year the ram he bred or was able to obtain closest to those specifications. He sent a number of the rams. Most of them did well. "Badley Victory" was the first that made our name. He improved the heads of our flock so that they were recognized as being the best on the North American continent. Two years later "Badley Quinton" came along. He was the ram who made us the most from 1948 to 1954. We sold in that period over \$90,000 worth of sons and daughters from him.

When our flock was lost we had increased the wool from 4, 5 and 6 pounds which I mentioned originally to the point that we averaged close to 10 pounds per animal. That is an average. Now wool is not worth a great deal. On the average it will run about 40 cents a pound, but we had doubled the volume of wool per sheep. We had also specialized in extra large sheep. We had a ram which sold for \$3,350. It was born on January 13 and sold on August 13 and on the date he was sold he weighed 193 pounds, in other words around a pound a day. That was a phenomenal ram at that time for the weight and age. Since that time others have come along which ran a little better, but at that time that was the best as far as weight for age is concerned.

What we have concentrated on was money-making sheep. By that I mean sheep that would do well for the other fellow. Our customer could buy a sheep and he would get an animal which would improve his flock. We did a lot of order buying and in sending rams out on order a question we always asked was, where are your sheep wrong, what are the faults. We cannot send you a perfect ram but we can send you the best ram we have that is strong where yours are weak. Through that policy we were able to

build a clientele which year after year purchased from us. Some purchased one year and not in another, but in general people came back and bought from us because they knew our sheep would make money for them.

I am sorry to speak so long, but all I know is the sheep business. I have tried to explain to you the process by which we built up our flock.

Mr. Graham mentioned a bit as to how we kept track of our important sheep, and by the important ones I mean the ones you can take to the shows or the auction and either win in the shows or in the auction command the high prices or among the high prices for that year in the auction market. In latter years we showed very little. We showed at Calgary but that was our own show. We had to support that because our market was all over the United States and we had to put on our show there in order to help sell our sheep. We showed there and the purchasers realized our best sheep other than the ones we wanted to keep ourselves were going to be sold at different auctions in Canada and the United States.

I can go a shade further and elaborate as to how we determined what were good ones. In our flock in round figures 10 per cent of our females produced 80 per cent or better of our best sheep that were raised. The way we kept track of the females was that any ewe which produced a grand champion ram at a big show whether we had shown it or whether it had been sold to someone else and they had shown it, her lamb went in the series of under 100. Any ewe that produced a lamb or yearling that sold for \$500 or more, her lambs went in the series of under 100. Any ewe that produced an aggregate of \$1,000 or more worth of lambs, her lamb went into the series of under 100. We never sold females out of those ewes again. Our country is far from the market and our customers prefer ram lambs. In most of the United States the trade is in yearlings. To sell a lamb for big money he has to be big, which means he has to be born early. The most valuable ewes to us are the ones that would consistently lamb early. We come back to these ewe lambs that were in the series under 100. They were not for sale at my price when they were yearlings. The bucks were taken away on August 8. If they failed to be in lamb before March 1 those ewes were sold because they were lambing late. Those were the ewes we depended upon to obtain the top prices at auctions. These are exceptions in the top ewes. When a ewe was born she had to prove herself all over again the same as her mother. We were trying to avoid selling the consistently good breeding females because those were the ones we depended upon to keep us in business.

Once again I may say I am sorry, gentlemen, to dwell at this length, but I wanted you to understand the picture and to know how we conducted our operation. There is one other point and that is in the case of a complaint. We looked at it from the standpoint of the most successful business firm in Canada which is the T. Eaton Company. The T. Eaton Company has a policy that the customer is always right. In the case of a complaint they make a refund. We did not have a lot of money in cash although we did refund sometimes. What we tried to do was to give a man a credit at a sale for the amount he had paid for the sheep. What happened on that was that usually the man was quite pleased to come to the sale with his credit of \$100, \$200, \$300 or possibly \$500. He would spend that credit, and he would also see some more things that he would like, and he would buy them too. We tried to satisfy our customer. We could not help it if the animals died, but if an animal was not satisfactory, we tried to see that the customer was satisfied. We tried to see that our customers made money on our sheep, because the only way that they could afford to buy from us, was if they were making money on our products.

Another thing we did; if an animal was not satisfactory, sometimes we took it back and refunded the money, and sometimes we replaced it with another sheep. We wanted to satisfy that customer. That was the important thing as far as we were concerned.

One thing I would like to stress, purebred livestock are guaranteed as breeders. When a purebred animal is sold, it is guaranteed between the buyer and seller, given reasonable care, that animal, if it is a male, will sire young, and if it is a female, it will have young. All our bred ewes, and we sold a lot of bred ewes in the United States, were sold with a guarantee that if the ewe did not have a lamb, we would furnish, free of charge, a lamb good enough to have come out of that ewe. In other words, if it was a \$75 ewe, it was a fairly good lamb that they would get. If it was a \$200 ewe, it would be a better lamb. If it was a \$500 ewe, it would be a top lamb. What we tried to do, over the years, was to make money for our customers. The only way they could spend money with us, was if our products made money for them.

By Mr. Harkness:

Q. Mr. Chairman, I wonder if Mr. Rock could tell us what price his sheep, rams and ewes brought at the Calgary shows in the last two years before the flock was destroyed.—A. Sir, I have a statement from our auditor, Christian and Kergan, of Drumheller. It is addressed to P. J. Rock & Son, Drumheller, Alberta.

Gentlemen:

The following is a summary of your sheep sales taken from your income tax returns.

Some Hon. MEMBERS: Hear, hear.—A. 1948, \$42,615.56; 1949, \$34,082.26; 1950, \$60,038.41; 1956, \$45,972.92; 1952, and that is the year of the foot and mouth disease, when Canadian livestock could not go to the United States, \$17,377.31.

Mr. Graham told you earlier that most of our sales were made in the United States. This is the best illustration I have of that break for Canadians and American sales. We realize that Canadian prices were depressed, but also, we sold more sheep in Canada that year than we usually did.

1953, \$45,603.71. I have not the figures for 1954 and 1955, because they are at our auditors. I knew, at 2.30 that I had to come down here, and I did not have time to go to the auditors and get those figures.

Q. I wonder, could you tell us approximately what the average prices were that you got for the rams on the one hand and the ewes on the other?—A. There is a big range, sir. Our high sales were in the United States. The cream sale was at the National Ram Sales, first held at Salt Lake City, Utah, and later moved to Ogden, Utah. That was an invitation affair. When you consigned to it first, you were limited to a pen of five registered rams. Unless that pen of five registered rams made more than the average of the sale, they would not accept a further consignment from you. Your place in the sale was determined by how high your rams sold, in the different classes, the year before. In other words, if the first year you came in, and there were 15 consignors and you had the seventh highest priced pen of five rams, you would stay in the sale, and you would sell seventh in the sale. When you increased your salability, or improved the quality of your sheep, you were allowed to sell a stud ram in addition to the pen of five. If that stud ram sold well, you were allowed to sell more than a stud ram, maybe two stud rams. At the national ram sale, I can give you the top figures. In 1947 we had \$1,000 top for

a single ram. I do not remember the price we had for the pen of five, but I think the Hampshires averaged about \$225 and the Suffolks averaged about \$150, but I am not quite sure of those figures.

In 1948 we had the high ram of the sale, and it was the breed record for the world, at \$3,350. Our second stud ram sold for \$500 and our pen of five sold for just over, or under, \$100 on the market.

In 1949 it was not too good a sale. It was a case where the sheepmen, that year, went to the sale with the bank buying the rams. It was bank money that bought rams that year. We had a high pen of five at \$150. We had two stud rams at \$750, and one at \$400, or \$500.

In 1951 we had a single ram at \$1,100, a lamb at \$1,000 and another at \$650, I believe. Our range pens;—we had two pens of ten—one made \$200 and the other \$300.

In 1952 we were out.

In 1953 we had a \$975 yearling ram, a \$1,000 ram lamb, a \$650 ram lamb, and a world record pen of five registered ram lambs at \$450 a head a pen of ten unregistered rams at \$250, and another at \$175. That was the last time we were able to go.

In respect to Calgary prices, there was usually a good price for a single.

The Calgary sale was started, and we helped to start it, with the idea that rams are used about August 8. It seemed logical to us that, to sell stud rams that were going to be needed on August 8, the time to sell them was in July. So the first sale was 1948. That year we had two ram lambs that were showed at the Calgary exhibition. The first prize animal sold in the Calgary sale for \$470; the second prize animal went to the national rams sale, at Salt Lake City, and sold for \$3,350.

Canadian breeders have begun pay a little more money each year, and in 1952, the foot and mouth year, we sold a ram to an American breeder, for delivery after the foot and mouth embargo was off, for \$1,050, and another ram to a Canadian for \$800.

Western Canadians, and in fact, I think I am safe in saying Canadians in general, for a long time did not appreciate the quality of the sheep that were in our country. They did not realize how much we had to offer in the way of heavier fleeces, more bone, quicker maturity, and with the ability to grow well and sire more strong boned lambs. It was only last year, after our flock had gone, that Canadian sheep sold for their value at Calgary. Last year Mr. Stoneman, from Morrin, sold a single ram lamb for \$1,600, a second for \$1,000, a third for \$1,000, one for \$650, one for \$600, and two for \$325 each. That was seven rams for close to an \$800 average. Those are figures that corresponded to American figures. It was the first year, in my experience, that a Canadian consignor to a Canadian sale had ever obtained prices comparable to United States' prices.

There is one other thing that I can go further with, and that I wish to elaborate on, and that has to do with the Suffolk sheep as a crossing sheep. Earlier I mentioned that the Suffolk sheep could go on the range and sire heavier lambs. He is a clean-faced sheep, and the wool is back of the ears. It is a clean dark-faced sheep. Your rangeman has all breed sheep which are white-faced. Those are slow maturing. They are bred chiefly for wool mutton and characteristics are secondary. The American feeder buyer of lambs has found, over the years, that lambs with 50 per cent black-face sire behind them will feed better, and give him a greater return on his money. He will get his lambs off faster, and they will command a premium. Rangemen want as black a faced lamb as they can get, and to see that the black-face trait gets into the lambs, because without it, he has to sell those lambs as white-faced, whereas they could be cross-bred. In other words, if the breed behind it was not strong enough, it did usually pay in marketing lambs.

Secondly in ranging your bands of sheep in the mountains your wool breed sheep are closed in face. Your Suffolk lamb is open-faced and active. He ranges ahead of the ewes, with the result that, going over the country, he has got the pick of the feed all during the year. Experience has proven that Suffolk cross-breed lambs off mountain ranges will come in from 8 to 18 pounds a head heavier than other lambs.

Now, Canadian Suffolk rams were in big demand because they were heavier boned rams. They would throw heavier lambs and give the American buyer a greater profit on the use of them.

Mr. BRYSON: Mr. Chairman to facilitate the committee could we address questions to either of the witnesses who are here now?

The CHAIRMAN: Yes.

Mr. BRYSON: In that case I would like to ask Mr. Graham this question. You quoted a figure of \$92,100 as being the appraised value you placed on the sheep. Was that a revised figure from some other figure that you had possibly agreed on prior to that?

Mr. GRAHAM: It was a figure that was discussed when I brought all the details down to Ottawa. It was a figure which I had projected and which Mr. Barry had agreed to and which was agreed to on the information I brought down.

Mr. BRYSON: Was there ever a higher figure offered to the department by you and your associates?

Mr. GRAHAM: No, not to my knowledge.

Mr. BRYSON: Possibly Dr. Wells or yourself, sir, can answer this other question: On January 24 this P. J. Rock flock was ordered to be destroyed. Appraisals or valuations commenced, according to your figures, on February 1; is that correct?

Mr. GRAHAM: Yes.

Mr. BRYSON: And yet destruction of these sheep did not commence until February 27, is that correct?

Mr. WELLS: That is right, yes.

Mr. BRYSON: Well then, can you explain the time lapse from January 24, from the time the flock was to be destroyed, until destruction was undertaken. Can you explain that time lapse?

Mr. WELLS: Yes, I explained that this morning. It was necessary first of all to move equipment in following the appraisal by Mr. Graham, and the acceptance of that appraisal, and advising the deputy minister of the appraisal and getting general approval for it. It was also required to make the necessary arrangements for the laboratory in Lethbridge to get the equipment and actually build the electrocuting device and get the vials and bottles and things there, and to move people in from the various parts of the country to handle the electrocution. As I have said the hole had to be dug. It was in the cold part of the year, and it was a difficult proposition. All of those arrangements consumed that time.

Right Hon. Mr. GARDINER: Will you tell him, while you are at it, Dr. Wells, why it is necessary to have all those bottles and to keep all those brains.

Mr. WELLS: I have explained why we were anxious to keep specimens from this flock.

Mr. BRYSON: That is fine, thank you. I understand, and I stand corrected, there were 157 lambs born—or was it 110 lambs born—in that period from January 24 until February 27?

Mr. GRAHAM: There were 110 on the date of the appraisal, February 1.

Mr. BRYSON: I am going to direct this question to Mr. Rock. What percentage of those 110 lambs in your experience would mature and develop into animals that would reach the prize ring and become top-notch animals?

The WITNESS: Sir, that is a difficult question to answer in this way: Animals from our flock have won at the Toronto Royal, have won at Calgary, have won at the Chicago International, and have won at various state fairs in the United States. Now there are smaller fairs than that, and then there are county fairs in the United States, and smaller. We call them "B" fairs in Alberta; and there are "C" fairs that are smaller. Very few of them would not be fit to show at "C" fairs; but there is a mortality, and by a mortality I mean it in this way: that with a good animal you never know what you have until you have fed him to the best of your ability. In feeding him to the best of your ability to get that maximum development some of them, if they are weak in the legs, will go in the legs. The legs will not carry them. Others of them, their backs might not develop too well. Others of them are born with fleece which you do not want.

Now some of those animals can go to youngsters starting off without much money, and do well with them, because they have inherently good breeding behind them. Others are not much good to anyone.

I will give you an illustration. Ours is a mining town. There was a butcher shop there that would take about 35 lambs a year. Any lamb that was not doing too well, when he got to 100 or 150 pounds we would have him killed and dressed, and it went to that butcher shop. Well I know there were 25, 35, or possibly 40 lambs that we killed ourselves and sold the meat to the butcher.

As well as that, in my early days, when I started with sheep, I had to buy flocks. Many times there were animals in those flocks that I did not want at any price, but I had to buy them to get the ones I did want. So that we in our business decided that we did not want any culls around our place and an animal that was not doing well, and we did not know what was the matter with it, it was just getting too old, or not doing well, or failing—well, once or twice or three and sometimes four times a year the truck would be loaded up and they would go to the stockyard or to the abattoir. That is an involved explanation to a simple question, and yet I do not think we can answer it shorter.

By Mr. Bryson:

Q. Well I just want to follow it further. Through the process of elimination over the years you have built up a herd, that is a good herd.—A. Yes sir.

Q. From your experience, if you had 100 of these present lambs today from this highly developed herd, from your experience you must within some reason be able to say about what percentage would reach the prize ring or be a valued animal, not just a commercial animal?—A. I would answer you in this way, sir; belonging to us we probably would market 15 to the stock yards or to a butcher, or they would go for meat. But belonging to most other breeders, may be one or two. I am not saying that as a reflection on other breeders—that is not what I mean, because we were what is considered as a stud flock. We were trying to produce ewes which would found new flocks or assist good flocks, or to sell rams that would add to their standards.

There are other breeders who would sell to people who did not want as high quality of sheep as that, and there are other breeders that multiply.

Q. In view of your statement just now, I am trying to find an answer to the question I now want to ask you: why was it that you set the price pretty well across the board for 110 lambs without giving consideration to the possibility that a good percentage of them would mature into high priced animals?

Mr. GRAHAM: I think the previous witness has already answered that question.

Mr. BRYSON: Yes; and I noticed in the returns filed this afternoon that you said that you handled each sheep and you placed each sheep in a category as to price and quality. Why was there the overall figure of \$50 for 110 lambs? How was that figure arrived at right across the board?

Mr. GRAHAM: If there are any sheep men in the audience they will agree that by the time a lamb is born it is worth about that and it does not increase in value very much in the next few months. I think Mr. Rock will establish that very firmly.

The WITNESS: May I attempt to answer the question?

The CHAIRMAN: Yes, please do so.

The WITNESS: At the time Mr. Graham was there on the 1st February, there were some lambs that would be 27 to 28 days old, and there were some lambs there that were just born. There were many ewes that any sheep man would know would lamb at any time. There were ewes lambing at the time he was there.

In my experience there is the odd lamb that I could pick out at that age and say as to that lamb that I would be able to show it, or that it had the prospect of making a top sale. But there is only the odd one. With most of them you cannot designate them at that time, sir.

By Mr. Bryson:

Q. With respect to the 27 or 28 lambs that were born on or before January 24?—A. There were more than that.

Q. Have you the registration certificates here for them?—A. There are applications for registration, sir. In the normal procedure we do not register any lambs until about April. There are two reasons: firstly, there is no sale until the end of May or June. A lamb might die in that time and obviously we would know what the situation was by that time and we would not have to pay registration fees for those which died. So there was no need to register them before.

Q. You mentioned unregistered sheep.—A. That was in the range rams in the United States.

Q. What percentage of your yearly crop would be of a sort that you would not normally register?—A. Perhaps I had better go back a bit and elaborate a little in order to explain what I meant by that. In 1948 when we sold the ram for \$3,350, naturally the "Bradley Quinton" blood came to be in demand. At that time the National Ram Sale at Salt Lake City had a classification for stud rams which required a pedigree, and it had a classification for pens of five registered lambs; and ten or twenty range rams without pedigrees.

In 1949 when I went back to the sale, I told Mr. Harkness that we did not have too good a sale in 1949. We sold one ram for \$750 and another for less than that. Three men that I knew had quite a bit of money came to me and said: "That ram that I bought from you did awfully well." And I said: "Sir, what ram is it that you are referring to?" "Well, so and so bought your range pen of rams for the National Ram Sale, and ten of us got together and split them up, so that we as breeders, sold them as range rams and a pedigree was not required, but furnished." These men had bought the whole pen, split them up and purchased rams, to use in their flock, at a low price. The sale did not require registration for the rams sold as range rams. In subsequent sales I had one or two pens of range rams. I took the best yearling and the third best yearling. The best was entered as stud and the third best

went with his ear-tags in the ear and the registration certificate. If anything happened to any stud rams I took the registered third best ram from the range pen and sold him as a stud. The others had their ear-tags removed and that would stop men buying rams which we did not want to go into registered stocks.

Q. What did you obtain for those rams?—A. The lowest was in 1947 from \$90 to \$100. In later years Smith Brothers Investment Company at Salt Lake City bought one or two pens sometimes and they brought from \$150 to \$300 a head. We usually averaged between \$150 to \$300 and they sold with the identification tags removed from the ears and no pedigree.

Mr. BRYSON: Mr. Graham, you informed the committee that you based the appraisals and the valuations on the prices that the Rock flock were bringing on the American market.

Mr. GRAHAM: Very largely.

Mr. BRYSON: Is it not a fact that the United States market was closed to the Rock sheep two years prior to the outbreak of scrapie?

Mr. GRAHAM: Yes.

Mr. BRYSON: In that case, sir, how could you reconcile your valuations on a market which had been barred to these people two years prior to the outbreak of the disease?

Mr. GRAHAM: If the same question were asked as to the Canadian market, Mr. Rock was not selling in the Canadian market either, so it was a case of taking the situation as it existed, that is as though the flock had access to its normal markets.

Mr. HANNA: I think we all appreciate the very fine presentations which have been made here, but I think we are getting away from the business for which this committee was set up, namely to look into the allegations which were made against the Department of Agriculture. One of the allegations was that Mr. Rock was a noted Liberal or strong supporter of the Liberal party and, by implication, received special treatment. I would like to ask Mr. Rock if he would care to comment on those rumors or allegations which have been brought forward in the House of Commons.

The WITNESS: Sir, my father and I belong to no particular party. We have never contributed a five-cent piece to the campaign funds of any particular party. We are Canadian citizens. We reserve the right to vote for the man and the party which we think will do the most good for Canada and ourselves.

Mr. HANNA: I have a further question. Would Mr. Rock care to tell the committee what his valuation is of his flock at the time it was destroyed by order of the federal Department of Agriculture?

The WITNESS: Sir, I will answer that question in this way. When Mr. Graham came to value our flock he and I did not see eye to eye at all. As I told you before the top few in our flock had produced the most of the good ones. Mr. Grenville is dead now, but his flock is carried on by his son who purchased a ram from us by "Badley Quinton" for \$1,000. His first-nine (a) sons sold at the National Ram Sale at Salt Lake City in 1952 for \$9,000. There was a pen of five which made \$800 apiece, one sold for \$1,075, another at \$2,000, and another at \$2,025. In our flock I had 4 ewes. They were full sisters to that ram. They are gone and there is no place in the world you can replace that breed. Also I have two sisters to the ram that we sold for \$3,350. Mr. Graham did not consider that those sheep were worth too much money.

I phoned Messrs. Grenville and Trenton and asked them what price I would have to pay next year for their fifteen best yearling and two-year old ewes out of the best females. I asked him that question and I turned the telephone over to Mr. Graham. Will you tell him, Mr. Graham, the figures?

Mr. GRAHAM: The answer was, \$1,000 each.

An Hon. MEMBER: Louder, please.

Mr. GRAHAM: \$1,000 each. That was for ewes from the foundation flock, if it was sold.

The WITNESS: Our best ewes were the same breeding as the sire of those sheep, so that I considered it would not matter if I had \$10 million, I could not buy, at any price, sheep of the quality of our best ones. As well as our female families, up until 1954, we sold over \$90,000 worth of offspring from Bradley Quinton. At the time our sheep were slaughtered, we had in the neighbourhood of 100 daughters of that ram. We also had a number of stud rams—stock rams—none of them perfect, but each of them fit to correct faults in part of the ewe flock. Those were built up and gathered together all over North America and from England, to correct the faults of our females. I cannot replace them. My price, on the best ewes, was \$1,000 and \$1,500.

By Mr. Hanna:

Q. Mr. Chairman, I did not quite catch the total. Would Mr. Rock care to give us a rough figure, which he would consider fair compensation? Would it be \$100,000, would it be more, and if so, how much more?—A. I thought we should at least have got \$150,000. To men that do not know the sheep business, that is a crazy value for sheep. But the point is this: our income tax returns have given us a \$40,000 income a year. The \$40,000 income a year is not all profit. Out of the sheep, money from \$15,000 to \$20,000 was profit, and that carried the rest of the farm. On those figures, I do not think \$150,000 is out, because that is 10 per cent on our money. Who has money that they are getting 10 per cent on today?

Q. In other words, Mr. Chairman, Mr. Rock and son suffered a severe financial loss because of this tragedy that occurred to their flock, is that right, Mr. Rock?—A. Yes, sir. I could put it this way: I have lambed sheep for between 25 and 30 years in the winter, and this year I felt like a fish out of water.

By Mr. Richardson:

Q. Mr. Chairman, there is one question I would like to put to Mr. Rock. I have read the speech that was made in the house on April 1, which gave rise to this committee. Did you have an opportunity of reading that speech, Mr. Rock?—A. No, sir.

Q. No. In that speech, as I read it, there is some suggestion of persistent rumours, is the phrase that was used there, if I recall, about substitutions in the flock before you got your money and compensation for the disposal. As I understood the speech that was made on April 1, one of the members of the house, and in fact the gentleman who made the speech, said that he believed those persistent rumours. Would you care to tell the committee whether there were any substitutions?—A. No, sir. That is completely false. As I have tried to explain, a purebred breeder, who is trying to do a good job of improving the livestock that he is working with. That might be sheep, cattle, goats or it might be horses. The pedigree in that regard, is an

application signed by the breeder, that the animal was sired by such and such a sire, and out of such and such a dam. In our case, in respect to substitutions, that would be completely contrary to the principle upon which we built up a good business.

Some Hon. MEMBERS: Hear, hear.

By Mr. Hanna:

Q. Mr. Chairman, may I ask Mr. Rock another question. In that same speech, as I recall, the rumours were that some of the flock were moved to a farm in Manitoba. Is that so?—A. That, sir, is completely false again. I can elaborate a bit in respect to how that rumour could have got started.

In 1954, toward the end of March, our flock was quarantined, after the report from Connecticut. That quarantine was lifted about May 10. A lady in Manitoba wanted to buy a show flock. I told her about what had happened to the sheep, and that there was a suspicion that there might have been scrapie in the flock. I had never seen it myself in the flock, but there could be that disease in the flock. I said, "if you want to buy them you can, and if you do not, it is perfectly all right." She bought two ram lambs, and two ewe lambs, and 2 yearling ewes. She showed them in Manitoba and did well with them, and she showed them in Toronto and did well with them there. She was not an experienced lady with sheep. She did not fit them, nor trim them. If those sheep had been in more experienced hands, they probably could have won more better prizes than they did.

The CHAIRMAN: Are there any other questions, or shall we adjourn until tomorrow at 11.30?

Mr. PROUDFOOT: Mr. Chairman, there have been accusations made here. The member from Moose Mountain has said—

Mr. McCULLOUGH (*Moose Mountain*): Mr. Chairman, I am quite prepared to go on all evening if there is going to be any—

Some Hon. MEMBERS: Sit down, sit down.

Mr. PROUDFOOT: He has said that he has every reason to believe that these rumours are true. I think we have witnesses here, and Mr. Rock has come here, and I think probably the member for Moose Mountain should produce the man or men who gave him that information.

Some Hon. MEMBERS: Hear, hear.

Mr. PROUDFOOT: I think, in all fairness to Mr. Rock, and to those officials of the Department of Agriculture, that it is his duty, as a member of parliament, representing a constituency in this great Canada of ours, to produce the men who started these rumours, if they are rumours, or assure us that they are not true.

Mr. McCULLOUGH (*Moose Mountain*): Mr. Chairman, in answer to the hon. member, who has just brought this matter up, may I say to him that, before this committee is through, I think I will have something to say, that will make it clear the Right Hon. Minister of Agriculture never gave information to the House of Commons last year in such a way that there were certainly statements which are not borne out today and as I say, persistent rumours, just as Mr. Rock indicated today, persisted. I would be one of the happiest people if before this committee sees fit to adjourn, we could get to the bottom of this matter.

Right Hon. Mr. GARDINER: My hon. friend has referred to the information he got last year. That information it is true, is on *Hansard* as coming from me. But as he knows, and as everybody in this committee knows, and some of the gentlemen who are now here know—they are sitting in front of me—they

gave me the same information that you have had in this meeting today. And my friends, I am sure, can produce the one figure which was 674 where now it is 654. I won't swear as to what I said. I took the responsibility for that mistake this morning if it was a mistake. But in view of some of the experience some of us have had, I am not too sure whether that was the figure at that time or not. But I am taking responsibility for it being there. I could have changed it afterwards. Some people object to changes being made in *Hansard*; but it could have been changed at the time to 654, but it was not done. And there are other small things which might be there. But generally speaking the information is all in *Hansard* and it can be read and it will not vary greatly from the information given here today.

I know that the hon. member has nothing else in mind but to have some skull-duggery done to the Minister of Agriculture. He has not been thinking of the men giving evidence. He is thinking of me. But I am prepared to deal with that at the proper place and at the proper time.

There is no skull-duggery; and as was said by a member a few moments ago, my hon. friend—unless he can produce more than he has produced up to now, owes an apology to Mr. Rock. If he made such a statement outside the house that he made on Monday, I know that Mr. Rock would be able to deal with that himself.

Mr. TUCKER: There was one statement made very definitely by the member for Moose Mountain. He said that Mr. P. J. Rock was well known and probably one of the most prominent Liberal supporters in Alberta. That is a definite statement of fact. I wonder if any part was taken by Mr. P. J. Rock which would give anyone the right to say that he was one of the most prominent Liberal supporters in Alberta?

Right Hon. Mr. GARDINER: The insinuation in that statement at the beginning that this man was the greatest Liberal supporter in Alberta, and the inference later on that somebody got \$100,000 that they were not entitled to can be given only one interpretation, and it would have been given only one interpretation if this meeting had not been held. I would like to know if my hon. friend meant that or if he did not mean it.

Mr. McCULLOUGH (*Moose Mountain*): Mr. Chairman, I would like to ask Mr. Rock this question. He has put on record from 1948 the various amounts of sales made from his farm. Could you give us a breakdown of the various prices, the various ages of the sheep and the various categories?

Mr. TUCKER: I have a question I would like to ask. There was a statement made by the member for Moose Mountain—

Mr. McCULLOUGH (*Moose Mountain*): On a point of order. Who has the floor?

Mr. TUCKER: I did not try to take the floor from you previously when you were questioning the witness.

Mr. McCULLOUGH (*Moose Mountain*): I have been sitting in my seat here waiting for somebody to finish speaking.

Mr. TUCKER: I suggest if you do not want me to have the opportunity of asking a question I will not ask it until you are through. You made a statement and I want the witness to say if Mr. P. J. Rock at any time took any action politically which would justify anyone in saying he was one of the most prominent Liberal supporters in Alberta. I want to know what action you took politically that would justify anybody making that statement?

The WITNESS: I have a letter from my father dated April 2, 1957: "Today I had a phone call from Mr. Foster of the Telegram newspaper in Toronto. He said it was stated in the House of Commons on April 1 that we had shipped sheep to Manitoba, some sheep out of the 600 quarantined. My answer was no.

He also said it was intimated I had contributed largely to the Liberal fund. My answer was I had never contributed one five cents to any political fund of any party and I am not a member of any political party. Signed P. J. Rock, Drumheller."

The CHAIRMAN: We will adjourn until tomorrow morning at 11.30. The house meets at 11 o'clock so we will meet after the orders of the day.

The committee adjourned.

HOUSE OF COMMONS

Fifth Session—Twenty-second Parliament
1957

STANDING COMMITTEE

ON

Agriculture and Colonization

Chairman: RENÉ N. JUTRAS, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

Circumstances surrounding the destruction of the P. J. Rock
and Son Flock

THURSDAY, APRIL 4, 1957

WITNESSES:

Dr. K. F. Wells, Veterinary Director General; Mr. J. W. Graham, Chief of
Live Stock Division; Mr. Phillip J. G. Rock, Drumheller, Alberta.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1957.

ORDER OF REFERENCE

THURSDAY, April 4, 1957.

Ordered,—That the name of Mr. Cameron (*Nanaimo*) be substituted for that of Mr. Nicholson on the said Committee.

Attest.

LEON J. RAYMOND,
Clerk of the House.

MINUTES OF PROCEEDINGS

House of Commons, Room 277,

THURSDAY, April 4th, 1957.

The Standing Committee on Agriculture and Colonization met at 11.30 o'clock a.m. The Chairman, Mr. René N. Jutras, presided.

Members present: Messrs. Anderson, Argue, Batten, Bennett, Bruneau, Bryce, Bryson, Cameron (*Nanaimo*), Cardiff, Charlton, Deslières, Forgie, Gardiner, Gingras, Goode, Hanna, Harkness, James, Jutras, Kickham, Kirk (*Antigonish-Guysborough*), Laflamme, Lafontaine, Légaré, Mang, Massé, Matheson, McCubbin, McCullough (*Moose Mountain*), Montgomery, Purdy, Quelch, Richardson, Roberge, Robichaud, Robinson (*Bruce*), Schneider, Shaw, Smith (*Battle River-Camrose*), Tucker. (40).

In attendance: From the Department of Agriculture: Dr. J. G. Taggart, Deputy Minister; Dr. K. F. Wells, Veterinary Director General; Dr. R. B. Catt, Edmonton Sub-District; Dr. R. Connell, Lethbridge Veterinary Research Station; Mr. J. W. Graham, Chief, Live Stock Division, Production Branch; Mr. E. G. Brimcombe.

Also, Mr. Phillip J. G. Rock, of Drumheller, Alberta; Mr. F. G. Hodgkin, and Mr. F. G. Clark, respectively Director and Assistant Director, Canadian National Live Stock Records.

The Committee resumed from Wednesday, April 3rd, consideration of the charges contained in a speech of Mr. McCullough (*Moose Mountain*), as reported in Hansard of April 1st, 1957, pages 2923-26.

Dr. Wells, Mr. Graham and Mr. Rock were further examined.

And the examination of these witnesses still continuing, it was postponed until the following sitting.

At 1.00 o'clock p.m. the Committee took recess.

AFTERNOON SITTING

The Committee resumed at 3.00 o'clock p.m. The Chairman, Mr. René N. Jutras, presided.

Members present: Messrs. Anderson, Argue, Batten, Bennett, Bruneau, Bryce, Bryson, Cameron (*Nanaimo*), Cardiff, Deslières, Forgie, Gardiner, Goode, Gour (*Russell*), Hanna, Harkness, James, Jutras, Kickham, Laflamme, Lafontaine, Légaré, Mang, Massé, Matheson, McCubbin, McCullough (*Moose Mountain*), Montgomery, Proudfoot, Purdy, Quelch, Richardson, Roberge, Robichaud, Schneider, Shaw, Smith (*Battle River-Camrose*), Tucker. (38).

In attendance: The same officials as are listed in attendance at the morning sitting.

The Committee resumed consideration of the charges contained in the speech of Mr. McCullough (*Moose Mountain*) as reported in *Hansard* of April 1, 1957, pages 2923-26.

Dr Wells, Mr. Graham and Mr. Rock were further examined.

And their examination still continuing, it was postponed until the next sitting.

At 6.00 o'clock p.m. the Committee took recess.

EVENING SITTING

The Committee resumed at 8.30 o'clock p.m. The Chairman, Mr. René N. Jutras, presided.

Members present: Messrs. Anderson, Argue, Batten, Bennett, Bruneau, Bryce, Bryson, Cameron (*Nanaimo*), Cardiff, Deslières, Forgie, Gardiner, Gingras, Goode, Hanna, James, Jutras, Kickham, Laflamme, Lafontaine, Légaré, Lusby, Mang, Massé, Matheson, McCubbin, McCullough (*Moose Mountain*), Montgomery, Quelch, Roberge, Robichaud, Schneider, Shaw, Smith (*Battle River-Cambrose*), Stanton, Tucker, Villeneuve. (37).

In attendance: The same officials as are listed in attendance at the morning sitting.

The Committee continued consideration of the charges contained in a speech of Mr. McCullough (*Moose Mountain*) as reported in *Hansard* of April 1st, 1957, pages 2923-26.

Dr. Wells, Mr. Graham, and Mr. Rock were further examined.

Mr. Argue moved that the record of sales from the P. J. Rock and Son flock between January 1, 1954 and February 1, 1956, be brought before this Committee for examination.

After debate thereon, the question on the said motion was put and resolved in the negative on the following recorded division:

Yeas: Messrs. Argue, Bryce, Bryson, Cameron (*Nanaimo*), McCullough (*Moose Mountain*), Quelch, Shaw, Smith (*Battle River-Camrose*);—(8).

Nays: Messrs. Bennett, Bruneau, Deslières, Forgie, Gardiner, Gingras, Goode, Hanna, James, Kickham, Laflamme, Lafontaine, Légaré, Lusby, Mang, Massé, Matheson, McCubbin, Roberge, Robichaud, Schneider, Tucker, Villeneuve. (23).

The Chairman, therefore, declared the proposed motion lost.

And the examination of the witnesses above referred to still continuing, it was postponed until the next sitting.

At 10.15 o'clock p.m. the Committee adjourned to meet again at 11.00 o'clock a.m. Friday, May 5, 1957.

Antoine Chassé,
Clerk of the Committee.

EVIDENCE

THURSDAY April 4, 1957. 11:30 a.m.

The CHAIRMAN: Order, gentlemen. May I ask the witnesses who appeared yesterday to come forward.

Mr. ARGUE: Mr. Chairman, I have a point of order and a point of procedure which I would like to raise. Yesterday I asked Dr. Wells for information as to the number of sheep, the identity of the sheep and the value of each individual sheep sold from the flock over a period of a number of years. I mentioned the date March 26 as the date of the first quarantine and I asked that the information which was obtained after that time be made available to the committee. The answer was the information was in the Calgary records. I think it is readily understandable why this information is absolutely essential to the proceedings of this committee, including the information as to the value of the animals sold from the flock after the first quarantine in order to decide here whether or not an excessive appraisal was made. I am wondering if those records have been sent for?

Mr. WELLS: Mr. Chairman, we are attempting to check now. We do not have the value of the animals sold. When we request information with respect to sales from the flock quarantined we are not concerned with money changing hands. We are concerned with the animals. We are attempting now to go to our records here in order to try to pick up those sales in numbers.

Mr. ARGUE: I think the information as to the value of each individual animal sold should be made available to this committee. I am not saying you now have that information, but I think a report should be made and Mr. Rock or the officials should supply the committee with the information because surely the value of the sheep sold after the first quarantine was lifted is important in the decision as to the value of the compensation.

Mr. WELLS: Perhaps Mr. Rock will be able to provide that information.

Mr. ARGUE: I would appreciate the records to which you have referred. When we obtain those records we can take them and then go on and obtain the additional information which is available.

The CHAIRMAN: I might say Mr. Rock had all this information with him yesterday, but unfortunately he has mislaid his briefcase in the course of the proceedings last evening and he has not been able to locate it yet. Should he be able to find the documents in this case or his briefcase he will be able to give you all that information himself.

Mr. ARGUE: Was it left in this building?

Right Hon. Mr. GARDINER: He had it here last evening.

The CHAIRMAN: The matter is being looked into now by the protective staff.

Are there any other questions before we go on?

Mr. CAMERON (*Nanaimo*): Mr. Chairman, I have some questions to ask Mr. Graham. Mr. Graham, I understood you to say you and one other gentleman were responsible for all the appraisals which took place. Is that correct?

Mr. GRAHAM: Yes, sir.

Mr. CAMERON (*Nanaimo*): I wonder if you would explain to the committee the exact procedure you went through. May I ask this first. At what time of day did you begin your appraisals?

Mr. GRAHAM: About 10 o'clock in the morning.

Mr. CAMERON (*Nanaimo*): When did you complete them?

Mr. GRAHAM: Around 5:30 or 6 o'clock.

Mr. CAMERON (*Nanaimo*): Did you have a luncheon break?

Mr. GRAHAM: Yes.

Mr. CAMERON (*Nanaimo*): It was about six hours you were on the job?

Mr. GRAHAM: More or less.

Mr. CAMERON (*Nanaimo*): How many sheep did you appraise during that period?

Mr. GRAHAM: 384 mature sheep and 110 lambs, a total of 494.

Mr. CAMERON (*Nanaimo*): Could you explain to the committee what your procedure was in this appraisal. I understood you to say yesterday you had handled the sheep. Is that correct?

Mr. GRAHAM: That is right, sir.

Mr. CAMERON (*Nanaimo*): Just the two of you?

Mr. GRAHAM: I explained there were two other people from our own division there actually helping with the identification. Mr. Rock also had several helpers bringing in the sheep which were passed one by one through a press. The identification was taken of each individual as it passed through and an appraisal made of its condition, breed, characteristics and so on. We split them into various categories as is done when anyone is appraising livestock. It is done in that fashion. You may either use one, two, three, four, or choice, good, fair, poor, and you make a category.

Mr. CAMERON (*Nanaimo*): At that time did you keep a record of the tag numbers?

Mr. GRAHAM: Yes.

Mr. CAMERON (*Nanaimo*): You were carrying on this inspection under the direction of Dr. Wells?

Mr. GRAHAM: No, sir.

Mr. CAMERON (*Nanaimo*): You did not report it to him?

Mr. GRAHAM: No, sir. I reported to Mr. Barrie, our director.

Mr. CAMERON (*Nanaimo*): There seems to be a discrepancy in your evidence and the evidence of Dr. Wells who told us the tag numbers were not taken until the sheep were slaughtered.

Mr. WELLS: Excuse me. I did not say that.

Mr. GOODE: He did not say that.

Mr. CAMERON (*Nanaimo*): I will leave it for the time being. You told us you were the only people who did the appraising?

Mr. GRAHAM: Yes, sir.

Mr. CAMERON: Then are we to assume from that, Mr. Graham, when the Minister of Agriculture told the House of Commons last year on July 13, 1956, as reported at page 5961 of Hansard for that year that the valuation of the flock was made by independent valutors who were brought here from the United States to do the job and that they valued the sheep at \$160,000, as far as you are aware this must have been a figment of the minister's imagination.

Right Hon. Mr. GARDINER: I think I should answer that.

Mr. CAMERON (*Nanaimo*): I do not think so.

Right Hon. Mr. GARDINER: I do.

Mr. CAMERON (*Nanaimo*): On a point of order. Mr. Chairman, the Minister of Agriculture is a member of this committee; that is his capacity here.

Right Hon. Mr. GARDINER: This gentleman does not know whether or not it is a figment of my imagination and I do.

Mr. CAMERON (*Nanaimo*): If Mr. Gardiner wishes to cross-question the witness later that is his privilege as a member of the committee.

The CHAIRMAN: Your question was really a question directed to the minister. I am sure when ask a question you want an answer. The proper person to answer would be the minister.

Mr. CAMERON (*Nanaimo*): My question was: as far as Mr. Graham is concerned these evaluators from the United States must have been a figment of the minister's imagination.

Mr. GOODE: On a question of privilege. Does Mr. Graham know whether or not this statement was made by the Minister of Agriculture? If he does know then of course I think he should give Mr. Cameron the answer. If he does not know the statement was made he cannot comment on it.

Mr. GRAHAM: I have no knowledge of the statement having been made by the minister.

Mr. GOODE: Then how can he answer?

Mr. CAMERON (*Nanaimo*): Then we must assume it was a figment of the minister's imagination.

Right Hon. Mr. GARDINER: On a question of privilege. On page 5961 of *Hansard* of July 13, 1956, there is this statement made by Mr. Quelch:

Perhaps the minister can explain that point. Is the compensation supposed to represent the actual value of the flock, or is the individual supposed to stand a certain amount of the loss and the government a certain amount? I agree with the minister that actually that flock was probably worth more than \$100,000 in terms of the price that could have been received had they been sold at purbred stock shows. I am just wondering whether or not the government does feel that it should pay the full realizable value of the flock?

That is the question. I say "the valuation of the flock...". Possibly I should have said, "a valuation of the flock".

The valuation of the flock was made by independent valuator who were brought here from the United States to do the job. They valued the sheep at \$160,000, and the amount paid was \$100,000, which is \$60,000 less than the sheep were valued at.

There may have been one mistake in that. I listened to what Mr. Rock said last night. He will know more about this than anyone else. I listened to what he said and I am not certain the valuator were brought here from the United States, but I am as certain as anyone can be because of the statements made at the time that an evaluation was received from the United States. Also I have learned since that time—and I think I am right in this and if not Mr. Rock will be able to correct me—that Mr. Rock I believe has been asked to do some valuating himself on account of flocks being destroyed in the United States, perhaps not for the government but for someone.

As to what actual valuations were made by Americans—and I think there were more than one of them—Mr. Rock will be able to answer that. My statement was made on information brought to me to that effect.

Mr. CAMERON (*Nanaimo*): But the minister said "the valuation". He made no mention at that time of the valuation made by officers of his own department.

Right Hon. Mr. GARDINER: There was no reference on July 13th to that particular valuation?

Mr. CAMERON (*Nanaimo*): No. Mr. Chairman, I must insist that the minister must realize he is only a member of the committee even though he is seated up there among the mighty.

The CHAIRMAN: This is a point which has been raised again and again. It has been a well accustomed practice during all the time I have been a member of parliament, for the last sixteen years, that whenever a matter is brought before a committee which relates to a particular department the minister of that department sits at the table and gives evidence to the committee even if he is not a member of the committee. In this case the minister, apart from being the minister concerned, is also a member of the committee. He has a definite right to speak and to take part the same as has anybody else and there should not be any reflection made because of the fact that he is at the table because that is the proper place for him to be.

Mr. CAMERON (*Nanaimo*): But not to interrupt other committee members when they are on their feet, I submit, Mr. Chairman.

Right Hon. Mr. GARDINER: On a question of privilege. The rules say that if you do not raise it at that time, you are not permitted to raise it at all. You must raise the question at the time if present.

Mr. CAMERON (*Nanaimo*): Mr. Graham, when you were sent to make this appraisal, were you informed of this evaluation, which the minister placed so much emphasis on in the House of Commons? Were you informed that there had been any valuation which was, incidentally, \$10,000 more than the owner of the flock estimated the value at last night? Were you informed of that?

Mr. GRAHAM: I was informed of no evaluation at all, sir.

Mr. CAMERON (*Nanaimo*): I beg your pardon?

Mr. GRAHAM: I was informed of no evaluation at all.

Mr. CAMERON (*Nanaimo*): Does it not strike you as rather extraordinary, sir, that when you were sent out to do the evaluating, for the department, that you were not informed of the evaluation that the minister considers so important?

Some Hon. MEMBERS: Oh, oh.

Right Hon. Mr. GARDINER: This was July 13, almost six months later.

Mr. ARGUE: After they were dead?

Right Hon. Mr. GARDINER: This statement I made, was almost six months after the evaluation was made, and it had no effect on the evaluation at all, and could not have had an effect.

Mr. CAMERON (*Nanaimo*): But the evaluation took place before they were destroyed, I presume?

Right Hon. Mr. GARDINER: Oh, yes.

Mr. CAMERON (*Nanaimo*): I submit, Mr. Chairman, that it was an extraordinary thing, that Mr. Graham was sent out there, and was not informed of this, apparently, independent evaluation that took place.

An Hon. MEMBER: Ask a question, do not make a statement.

Mr. CAMERON (*Nanaimo*): Mr. Chairman, I am going to ask Mr. Graham this; when he was evaluating his flock—

Mr. TUCKER: Mr. Chairman, there is one thing I think I should say, in all fairness. The member was not here, and did not hear the evidence, and

I do not think he should try to say that Mr. Rock said something different from what he did say. I think the member should be very careful about what he does say about that.

Mr. CAMERON (*Nanaimo*): I said that—

Mr. TUCKER: As I recall, Mr. Rock said yesterday, that he valued his flock from \$150,000 to \$160,000 and at a very minimum \$150,000. The member is suggesting that Mr. Rock put a value of \$150,000 on his flock and I think that it is—

Mr. CAMERON (*Nanaimo*): Mr. Chairman, I submit you should try to get some order. What is your point of order?

Mr. TUCKER: The point of order is; you misstated the evidence of Mr. Rock, and you misstated the evidence without having heard the evidence.

Mr. CAMERON (*Nanaimo*): I did hear the evidence. I was sitting here in this room.

Mr. TUCKER: It is just that much more inexcusable for you to misstate the evidence. It is doubly inexcusable if you did hear the evidence, to misstate it, and try to mislead the witness on the basis of that misstated evidence.

Mr. CAMERON (*Nanaimo*): Mr. Chairman, I would submit this; as both Mr. Rock and Mr. Graham were present last night, when the statement was made, either one of them could have corrected me then, but it has been left to Mr. Tucker to correct me.

Mr. TUCKER: I submit that we have a right to take part in the proceedings of the committee, and that neither of them have the right to take part. It is not the proper thing, in a committee, for witnesses to interrupt in these matters. It is for the members of the committee to see that justice is done by the witnesses, who appear here, in spite of people like yourself, who apparently do not wish to do so.

Some Hon. MEMBERS: Oh, oh.

Mr. CAMERON (*Nanaimo*): Mr. Chairman, I really must protest. This is fantastic, and it arises merely because we are getting close to the point.

Right Hon. Mr. GARDINER: You are not getting close to anything, you are miles away.

Mr. CAMERON (*Nanaimo*): I would like to ask Mr. Graham this: would you agree that the value of any animal is based first, on what it will bring on the market, and on what its offspring will bring on the market?

Mr. GRAHAM: Yes, I think that is a proper statement, sir.

Mr. CAMERON (*Nanaimo*): That is a fair statement?

Mr. GRAHAM: Yes.

Mr. CAMERON (*Nanaimo*): Mr. Graham, we have had evidence, before the committee, that from March 26, 1954, Mr. Rock has been, most unfortunately, unable to sell any of his stock in the United States. Would you agree—

An Hon. MEMBER: Oh, no.

Mr. CAMERON (*Nanaimo*): Excuse me, we have had that evidence.

Would you agree, Mr. Graham, that that being the case, a large part of the value of this flock was destroyed before the government took any action?

Mr. GRAHAM: Not in my opinion, sir.

Mr. CAMERON (*Nanaimo*): I beg your pardon?

Mr. GRAHAM: Not in my opinion, sir.

Mr. CAMERON (*Nanaimo*): Not in your opinion?

Mr. GRAHAM: No.

Mr. CAMERON (*Nanaimo*): Even though they were not marketed?

Mr. GRAHAM: If I could pursue that a little further. At the same time, Mr. Rock was not selling stock in Canada, to any extent, and if we carried that idea further, we could have offered Mr. Rock nothing for his entire flock.

Mr. CAMERON (*Nanaimo*): I beg your pardon, I did not hear that.

Mr. GRAHAM: I say, at the same time, Mr. Rock's sales in Canada had been curtailed. If we had operated on the basis of the value of his present Canadian or American sales, he would have received nothing for his flock.

Mr. CAMERON (*Nanaimo*): I intend to ask Mr. Rock for some particulars in that respect later, and I am most regretful that he has lost the information that he failed to give us last night.

The CHAIRMAN: No, no.

Some Hon. MEMBERS: Oh, oh.

Mr. RICHARDSON: Mr. Chairman, on a question of privilege. I think you should withdraw that. He gave his information in a very creditable way. He did not fail at all, not at all.

Mr. CAMERON (*Nanaimo*): I will deal with Mr. Rock when his turn comes.

The CHAIRMAN: In all fairness to the witness, Mr. Cameron, and I think I am interpreting the feeling of the committee when I say, that Mr. Rock certainly did not attempt to hide any information. When he sat down, he was willing to pursue any point that he was dealing with. He, himself, asked me on two occasions, if his evidence was sufficient, or too much. Nobody asked him any further questions, and everybody seemed to be satisfied with what he said. In all fairness, I think you should not insinuate that he withheld any information.

Some Hon. MEMBERS: Hear, hear.

Mr. CAMERON (*Nanaimo*): Mr. Chairman, Mr. Rock was asked repeatedly if he could even give an estimate, to this committee, of the proportions of sales, from his flock, that were made on the high priced category breeding stock market, and what proportions were made on the commercial market. Every time he was asked that he was unable to give that information. He was asked several times.

Mr. GOODE: That is not right.

Mr. CAMERON (*Nanaimo*): Mr. Graham, you still maintain, do you sir, that the fact that, according to Dr. Wells, the American market was effectively closed to Mr. Rock, and according to Mr. Rock, the American market was the most valuable part of his market, nevertheless this flock had the same value that it had before March 26, 1954?

Mr. GRAHAM: I believe, in my evidence yesterday, I said I would freely admit that I accepted Mr. Rock's series of sales, in the United States as part of the basis upon which our evaluation was made.

Mr. CAMERON (*Nanaimo*): But Mr. Graham, you have not answered my question. Those sales took place before the United States market was closed to Mr. Rock. Can you tell me, that you would still consider, that his flock was of the same value, when that market had been closed to him?

Mr. GRAHAM: I see no reason why it should be otherwise, sir. Mr. Rock had been selling on the United States market for 15 or more years, previous to this. Personally, I could not leave that fact out of my considerations.

An Hon. MEMBER: Quite right.

Mr. CAMERON (*Nanaimo*): Yet, there was evidence that that market was definitely closed to Mr. Rock?

Mr. SCHNEIDER: Why was it closed?

Mr. CAMERON (*Nanaimo*): It was closed because of United States action.

Mr. SCHNEIDER: It was closed because of what?

Mr. GRAHAM: It was closed to Mr. Rock on account of scrapie, or so-called scrapie in his flock, yes. Mr. Rock, yesterday afternoon, mentioned sales made by the late Mr. Grenville, of stock of the same line of breeding as Mr. Rock had in his flock. Mr. Grenville's stock was not barred from the United States, and the prices he received there, I think substantiate my stand that, I was quite right in using the United States market as a basis for evaluation.

Mr. CAMERON (*Nanaimo*): Would you not agree, Mr. Graham, that in the case of Mr. Grenville's flock, the stock was salable, whereas, in the case of Mr. Rock's stock, it unfortunately was not. Is that not correct?

Mr. SCHNEIDER: As a result of the disease. That is what the compensation was for.

Mr. ROBICHAUD: Why were they compensated for?

Mr. GRAHAM: Mr. Rock was, of course, prevented from selling to the United States. However, I saw no reason to believe that that should be charged against him, in making an evaluation on his flock.

Mr. CAMERON (*Nanaimo*): Mr. Graham, the purpose of this evaluation, was to recompense Mr. Rock for action taken by the Canadian government in destroying property values that he owned, is that correct?

Mr. GRAHAM: Essentially, yes.

Mr. CAMERON (*Nanaimo*): That would be the principle upon which the compensation would be paid. Does it not occur to you, Mr. Graham, that when a large part of the value of the flock had already been destroyed, that you should appraise it on the basis of what that flock was valued at then?

Mr. GRAHAM: No, sir, I did not see it in that light at all.

Mr. CAMERON (*Nanaimo*): You did not see it in that light at all?

Mr. GRAHAM: No, sir.

Mr. CAMERON (*Nanaimo*): Mr. Graham, had this flock been burned to death, chased by dogs, drowned or in any other way destroyed, so that it was no longer salable, would you then overlook the fact that it was no longer salable, and evaluate that flock on the basis of values that previously existed?

Mr. GOODE: A question of privilege, Mr. Chairman. The hon. member is talking about something that comes under the municipal councils, and I do not think Mr. Graham is qualified to answer for them. If a sheep is killed by a dog, it does not concern this government at all, and has nothing whatever to do with Mr. Graham.

Mr. CAMERON (*Nanaimo*): It is a destruction of value. I would like you again, Mr. Graham, to bear in mind the statements that were made by Dr. Wells regarding the attitude of the American authorities, in stopping sheep coming from the Rock farm, and under no circumstances would they admit them to the United States. Does it not occur to you that, unfortunately for Mr. Rock, the value of his flock had been destroyed before the government took action? Where could he sell them, can you tell us that? Where could he sell them at those prices?

Mr. GRAHAM: I could not make any evaluation on that basis, sir. I could not overlook the fact that the United States was Mr. Rock's market, even though he had been barred from it for the moment. This restriction might have been lifted at any time, and he might have been able to send his sheep to the United States at any time.

The CHAIRMAN: I think I should make a suggestion at this stage. I think an attempt at a shortcut, in defining the purposes of the act, was made a moment ago. Possibly Dr. Wells could state what the actual definition is, because you

are dealing with the purposes of the act, in various ways. For the purposes of the record, it may be a good idea to have the exact definition of the purpose of the act, as stated in the act.

Mr. WELLS: Mr. Chairman, section 12, subsection (2) of the Animal Contagious Diseases Act says:

(2) The compensation ordered to be paid under this section for an animal slaughtered under the provisions of this act shall be the market value that the animal, in the opinion of the minister or some person appointed by him, would have had immediately before slaughter if it had not been subject to slaughter under the provisions of this act, except that the compensation shall not exceed—

And then it goes on to deal with the case I discussed yesterday, when Dr. Charlton raised the tuberculosis issue.

Mr. ARGUE: What section is that?

Mr. WELLS: That is section 12 of the Animal Contagious Diseases Act.

So Mr. Chairman, the animals were being valued for compensation purposes on the basis that they had not been devalued through the existence of disease.

Mr. CAMERON (*Nanaimo*): No, Dr. Wells. As you pointed out, several times yesterday, it was the economical effect of scrapie, that you people had in mind. Are you submitting that Mr. Rock's stock, between the date of March 26, 1954, and the day on which they were destroyed, had the same marketable value they had before March 26, 1954?

Mr. WELLS: Mr. Chairman, I was very careful to state yesterday that the United States did not take any formal action, whatsoever, to prohibit sheep from Canada coming into the United States. They were very careful to take extremely informal action with respect to that, which indicated that they did not have any intentions of making a permanent restriction, in so far as I am aware.

Mr. CAMERON (*Nanaimo*): On what grounds would you not agree?

Mr. WELLS: Because when the border is opened, a backlog can move very quickly. We ourselves experience that when borders are closed to us.

Mr. CAMERON (*Nanaimo*): Would you have expected, Dr. Wells, that had the government of Canada not taken this action of destroying Mr. Rock's flock, that he would have been able, in the foreseeable future, to sell to the same type of individuals to whom he has been selling in the United States, stock from the flock in which the scrapie had been diagnosed?

Mr. WELLS: That would depend entirely upon the attitude of the United States, for which I cannot speak. On the other hand, it is known that if the flock had remained free for a sufficient length of time, that the United States authorities would be satisfied that the disease did not exist, I am confident that they then would have opened up the border to Mr. Rock's flock.

Mr. CAMERON (*Nanaimo*): I understood you to say yesterday that you were unable to say—that is, you and your fellow scientists—that you were unable to state the period of incubation of this disease and, secondly, how long a period of time would have to elapse before the flock could be considered free of danger.

Mr. WELLS: I was also very careful to say at the same time that the estimated period of incubation was from 18 months to three years.

Mr. CAMERON (*Nanaimo*): But you also said that you had no valid grounds for assuming that it was necessarily limited to that.

Mr. WELLS: And I also said that it was 18 months to three years.

Mr. CAMERON (*Nanaimo*): Yes, but you also said that that was not a definite period.

Mr. WELLS: Yes, but I also said 18 months to three years.

Mr. CAMERON (*Nanaimo*): And that it might not go beyond three years.

Mr. WELLS: Yes; but I did state three years.

Mr. CAMERON (*Nanaimo*): And then, in your opinion, had the government not destroyed Mr. Rock's flock, and had the market insisted that he segregate the sheep that were diagnosed, or suspected of scrapie, in three years time he could have begun to sell again in the United States market.

Mr. WELLS: No, that is not my opinion.

Mr. CAMERON (*Nanaimo*): Then, do you agree that there was a devaluation of that flock so long as that particular stock remained there?

Mr. WELLS: No, I do not.

Mr. CAMERON (*Nanaimo*): Then when would you consider that its value would come back?

Mr. WELLS: It would depend entirely upon the attitude of the United States, and the continued freedom of the Rock flock from evidence of scrapie.

Mr. CAMERON (*Nanaimo*): Then you say that at the present time—at the time they were destroyed—a destruction of values had taken place?

Mr. WELLS: No.

Mr. CAMERON (*Nanaimo*): You did not?

Mr. WELLS: No.

Mr. CAMERON (*Nanaimo*): You just told us that you would consider that the value would be restored?

Mr. WELLS: I never mentioned restoring the values; I have not used the word.

Mr. CAMERON (*Nanaimo*): But I did. I asked you; I asked you when you would consider that the value had been restored, and your answer to me was when the Rock flock had passed a sufficient period of time to be declared free.

Mr. WELLS: I misunderstood your question. I thought your question was: "When would the sheep be again admitted to the United States?" Because I said it would entirely depend upon the United States attitude.

Mr. CAMERON (*Nanaimo*): And you did also say that the United States, while it took no formal action, had taken informal action on the part of this individual, that you were informed of this informal action, and that they would not permit the stock from the Rock farm to be exported to the United States.

Mr. WELLS: Certainly; we were informed of that informal action. I said that yesterday.

Mr. CAMERON (*Nanaimo*): And it did, effectively, shut off the American market to Mr. Rock's stock.

Mr. WELLS: Temporarily.

Mr. CAMERON (*Nanaimo*): Let us have this "temporarily" business. Would it have been "temporarily", so long as any sheep remained on the farm that had been there at the time the scrapie was diagnosed?

Mr. WELLS: No, it would have been permanent on that basis.

Mr. CAMERON (*Nanaimo*): Well, then—

Mr. WELLS: But the scrapie was not diagnosed until Mr. Graham was sent out—at least the result of diagnosing scrapie was followed by Mr. Graham valuing the flock. Therefore the flock has to be valued as though the disease did not exist, in accordance of the provisions of the act.

Mr. CAMERON (*Nanaimo*): Would you say that again, please.

Mr. WELLS: The result of Mr. Graham's—Mr. Graham valued the flock.

Mr. CAMERON (*Nanaimo*): Yes.

Mr. WELLS: As a result of scrapie being diagnosed.

Mr. CAMERON (*Nanaimo*): Yes.

Mr. WELLS: Therefore the valuation of the flock was based entirely upon the need for destruction. The act says that the valuation shall not take into account the effect of disease. It says that the value shall be the market value of the animal, that the animal would have had immediately before slaughter, if it had not been subject to slaughter—under the provisions of the act.

Mr. CAMERON (*Nanaimo*): Then, can you tell me what market value, in Mr. Rock's most important market, these sheep had at that time, just before destruction?

Mr. WELLS: They had a potential value equal to the value Mr. Rock explained the other evening.

Mr. CAMERON (*Nanaimo*): I am not asking about the potential value; I am asking about the actual value at the time of destruction.

Mr. WELLS: They had the same value that any other animal has—the amount of money the man who wants it is willing to pay for it.

Mr. CAMERON (*Nanaimo*): Yes; and in this case, apparently, the people who wanted it were not prepared to pay it, or were prevented from doing so by their own authorities.

Mr. WELLS: Except that Mr. Rock himself proved that false by telling you last night that an individual had come from—and that was during the foot and mouth embargo—an individual had come from the United States and had bought sheep from him and said, "You hold them until this embargo is lifted". So that that shows that the people are interested in buying. It depends entirely upon who wants them and how much they are willing to pay.

Mr. CAMERON (*Nanaimo*): They may be interested in buying them; but I submit to you that you have told us repeatedly that the American authorities would not permit—or at least by subterfuge they prevented the admission of sheep from the Rock farm.

Mr. WELLS: Mr. Chairman, I do not know quite what to say, but let me say this: it seems difficult for me, as a civil servant in Canada, to accept the fact that I must recommend the devaluation of Canadian sheep as the result of informal action by a foreign government. And that is what the situation is.

Mr. CAMERON (*Nanaimo*): I am not suggesting that you do that.

Mr. WELLS: You are asking me why I did not do it.

Mr. CAMERON (*Nanaimo*): No, I am asking you this: do you not agree that when the devaluation had taken place—I am not suggesting—

Mr. WELLS: I do not agree that any action by a foreign government should directly interfere with the valuation of Canadian livestock.

An Hon. MEMBER: In Canada.

Mr. WELLS: In Canada.

Mr. CAMERON (*Nanaimo*): In Canada?

Mr. WELLS: Yes.

Mr. CAMERON (*Nanaimo*): But we have evidence—

Mr. WELLS: Or anywhere else.

Mr. CAMERON (*Nanaimo*): Or anywhere else?

Mr. WELLS: Yes.

Mr. CAMERON (*Nanaimo*): You do not agree that the loss of a market, a most valuable market, has not devalued the commodity?

Mr. WELLS: No, I do not agree to that, particularly when the informal action of the foreign government has been taken as a result of disease. Had the action of the foreign government—and this is silly, because it is getting into economics, the economics of the country—but what I mean to say is, that had the action of a foreign government been one of economics, against Canada—

Mr. CHAIRMAN: May I make a suggestion at this point; I think that what the witness is getting at is really a question of policy: on what basis are we actually paying compensation. Now, the way I understand it—and you may clarify it, if you wish; I do not know how the committee understands it—but the way I understand with your definition it would be impossible to pay for any compensation, because the moment any—

Mr. SCHNEIDER: That is exactly what he is saying.

The CHAIRMAN: The moment a flock is hit by this disease, it is actually worthless, so if you base your compensation on the day he goes in to make the valuation, and the day he goes in to the flock, it is worthless. So that he would never be able to pay any money for compensation on the basis of that definition.

Mr. CAMERON (*Nanaimo*): No, that is not my definition. The point I am trying to establish is this, that the devaluation had taken place when the American authorities refused to admit Mr. Rock's sheep. It was unfortunate for Mr. Rock, a tragedy for him; but, nevertheless, they had been devalued because the only place in which their value could be reclaimed, in monetary terms, was by sales to the United States.

Now, Mr. Graham has already, in answer to my question, admitted that in his opinion the value of an animal is determined by the price it will bring, itself, or the price its offspring will bring. I submit to you, Mr. Chairman, that these witnesses have done nothing to disprove that fact—in fact, they have admitted it.

Mr. RICHARDSON: Mr. Chairman, I must rise to a point of order. I suggest to my hon. friend that, after all, it is not whether Mr. Graham suggest the policy of the appraisal, or not; it is what the act says. And may I suggest to him, and to every other member in this committee, that the purpose of making compensation to these people who, unfortunately, have to have their flocks destroyed, was by reason of this disease. And the policy is laid down under section 12 of the act. Mr. Graham has nothing to do with that.

Mr. CAMERON (*Nanaimo*): I am not suggesting that this flock was valueless—because it had value, to be sold on the ordinary commercial market in Canada. But I am suggesting—

Mr. SCHNEIDER: It was diseased.

Mr. CAMERON (*Nanaimo*): I am suggesting that the major part of its value had been destroyed when Mr. Rock lost his American market.

Mr. ROBICHAUD: Why did he lose it?

Mr. SCHNEIDER: Yes, why did he lose it? It was scrapie.

The CHAIRMAN: Are you through with your questioning, Mr. Cameron?

Mr. CAMERON (*Nanaimo*): No, I am not.

Mr. GOODE: Well, if Mr. Cameron is not through, then I rise to a question of privilege. I think that we have been very kind to Mr. Cameron. We have allowed him a long time to ask his questions.

Mr. ARGUE: So good of you!

Mr. GOODE: And I might say that Mr. Argue has been one who has argued in the same way, that is, that other members on the committee should have the right to ask questions to a reasonable degree. I suggest that Mr. Cameron should be restricted to a reasonable time.

Mr. CAMERON (*Nanaimo*): I am prepared to let somebody else go on, but I have other questions.

The CHAIRMAN: I have Mr. Argue now on the list.

Mr. ARGUE: I wonder if Dr. Wells would read to the committee the whole of the section of the act, and the regulations which give authority for the payment of compensation.

Dr. WELLS: The whole of the section, do you say?

Mr. ARGUE: The whole of the section giving you —

Dr. WELLS: Section 12,, at page 6, you will find it. This is the Animal Contagious Diseases Act, Chapter 9 of the Revised Statutes of Canada. The new Chapter 12, as it appears in the statutes for 1953-1954 is as follows—and I shall read the first sub-section from the original act, where it says:

The minister may order a compensation to be paid to the owners of animals slaughtered under the provisions of this act.

And then, turning to the amendment of 1952-1953, it gives the following as subsection (2):

The compensation ordered to be paid under this section for an animal slaughtered under the provisions of this act shall be the market value that the animal, in the opinion of the minister or some person appointed by him would have had immediately before slaughter if it had not been subject to slaughter under the provisions of this act, except that the compensation shall not exceed —

Do you wish me to continue?

Mr. CAMERON (*Nanaimo*): Yes.

Mr. WELLS: It says:

(a) In the case of horses, \$200 for purebred animals and \$100 for grade animals; and —

Mr. RICHARDSON: I apologize for interrupting the witness. Excuse me for just a moment—because I do not interrupt you very much. But we should be seized of the provisions of section 12. The immediate purpose of the committee—and I do not want to play into your hands by wasting time; therefore I shall be very brief—but I shall deal with this particular question that is being laid before the House of Commons by our hon. friends. Any parts of section 12 which do not have relevancy at the time are sheer waste of time.

Mr. ARGUE: I suggest, then,—and I think the point will be brought out later—but I suggest that it is very much in order to ask for a recitation of the up-to-date section of the act under which compensation is paid, together with —

Mr. RICHARDSON: In respect of sheep.

Mr. ARGUE: If he does not—and I have it in my hand—if he does not care to read it, then I shall refer to it a minute later, and we will have the information, anyway. But I think we would be much more satisfied if the veterinary general placed the provisions before the committee now. And there are two short paragraphs; I think I could read them in one or two minutes.

The CHAIRMAN: Possibly the witness should skip the horses and the cattle and —

Mr. CARDIFF: We are going to be here a week or two if this continues.

The CHAIRMAN: Would you speak more loudly, please.

Mr. CARDIFF: I should like to suggest that each member who wants to ask questions should be limited to a certain length of time. Mr. Cameron took at least over half an hour; and if we are going to carry on like that we will be here for quite a long time.

Mr. ARGUE: We will be here until we get it cleared up.

Mr. CARDIFF: My time is as valuable as anybody else's.

Mr. ARGUE: I have had about three minutes, all of which time has been taken up in interruptions. I have asked a question, and I have waited for an answer. The witness was in the process of providing information, and I would suggest that the people who are raising points of order and making interjections might allow these questions to be answered.

The CHAIRMAN: Well, I think there is some merit in members trying to restrict their questioning by giving consideration to other members, and trying to hold their questioning down to as brief a time as possible, and they should also try to prevent any repetition.

We have had a considerable amount of repetition. That, of course, is inevitable; but everybody should try to prevent it so far as possible. Then, so far as reading the act—I do not know how long it is, but I would think that as it affects the case would be ample. Anyone who wants to see the act, can have a copy in his own office.

Dr. WELLS:

(a) in the case of horses, two hundred dollars for purebred animals and one hundred dollars for grade animals; and

(b) in the case of cattle, one hundred dollars for purebred animals and forty dollars for grade animals, and if the sale of the carcass is unlawful an additional amount for purebred and grade animals equal to the value the carcass would have if the sale were lawful, such value to be determined by the minister or by some person appointed by him for that purpose.

(3) Such compensation may be withheld in whole or in part whenever the owner or the person having charge of the animal has, in the opinion of the minister, been guilty in relation to the animal of an offence against this act, or whenever the animal being a foreign one was in his judgment diseased at the time of entering Canada.

Mr. ARGUE: May I ask you if there are any other provisions under the regulations setting out the limits for payment in regard to compensation for sheep?

Dr. WELLS: No. sir.

Mr. ARGUE: Are the provisions which you have just referred to—I have the same text, I imagine, in my hand—do they have any relation to horses and cattle, and are they still operative?

Dr. WELLS: Yes sir.

Mr. ARGUE: So if a person had a very valuable cow, a cattle animal slaughtered, even though somebody said it bore a \$5,000 value, it may have a very high value, and it may have won all the prizes at all the shows in all the circuits, nevertheless as I understand the reading of the act, you are limited by the law to paying for such an animal only \$100 for a purebred animal plus the value of the carcass, if the carcass has been destroyed?

Dr. WELLS: The provisions of this act, as they apply to cattle, are designed with respect to tuberculosis eradication, and tuberculosis eradication as I explained to Mr. Charlton yesterday is an entirely different matter from a disease of this sort. Tuberculosis eradication is asked for from time to time by people in a county to which that eradication is being applied. They would sign a petition. The provincial Minister of Agriculture would arrange with the federal Minister of Agriculture to establish a tuberculosis eradication zone; the affected cattle would be assembled, and then compensation is applied. This is the will of the people who ask for it. They know before they start that these are the provisions.

Mr. ARGUE: If a cattle beast is destroyed because of any contagious disease whatsoever, do I take it that this \$100 as set forth in the act applies in the way you have represented?

Mr. WELLS: You will recall that during the foot and mouth disease outbreak in Canada the provisions as applied then do not apply now because they came under a separate act which was passed authorizing payment of full value.

Mr. ARGUE: Yes, and that act has since lapsed. So that today, in 1957, without any further action by parliament, and without any amendment to the laws of the country, the highest compensation which could be paid for any purebred cattle beast would be \$100 plus the value of the carcass; and the maximum limit for any horse would be \$200?

Mr. WELLS: No, sir.

Mr. ARGUE: Then how could you pay anything higher under the existing law?

Mr. WELLS: Because under section 89 of the regulations there are certain named diseases as follows:

89. In this part "named disease" means glanders, maladie du coit (dourine) anthrax, hog cholera, mange, vesicular exanthema of swine, sheep scab, rabies, scrapie, avian pneumoencephalitis, fowl pest, fowl typhoid or such other contagious or infectious disease as may be designated by the minister for the purposes of this part.

There are no diseases mentioned there for which you would have to slaughter cattle. So if we ran across a disease for which the cattle must be slaughtered then the minister would have to designate that such a disease would come under the purposes of this act; and before the designation of it, we would ask him to obtain provision for the necessary payment of compensation for cattle.

I have already explained to you that compensation for cattle as listed here applies only at the moment to tuberculosis eradication. That would be a program requested by the people whom it would affect, and they would know the provisions before they applied.

Mr. ARGUE: The section reads:

(a) in the case of horses, two hundred dollars for purebred animals and one hundred dollars for grade animals . . .

Does that not apply to all cattle? Is that not the maximum limit which can now be paid apart from the added value of the carcass or the stated value?

Mr. WELLS: One cannot say that alone, sir. Along with that text you must give me the disease for which you want to slaughter the animal.

Mr. ARGUE: All right. Let me ask you this question: under what authority could you now pay a higher price than \$100 for a cattle beast as set forth in this section? Were you quoting me a section from the act or from the pertinent regulations?

Mr. WELLS: Would you mind repeating your question, please?

Mr. ARGUE: I asked you under what section of the act or under what regulation today in fact you could pay an amount for a cattle beast in excess of \$100?

Mr. WELLS: My answer is that in accordance with the present act today I have no need to pay over \$100 because I have no need to slaughter cattle or to order the slaughter of cattle. I have no authority to order the slaughter of cattle except for tuberculosis.

Mr. ARGUE: I ask you this point blank question: not whether you need authority or not; is there any authority, and if so please name it to this committee, whereby an amount in excess of \$100 can be paid?

Mr. WELLS: Again, sir, you are asking me to answer something which would be misleading. The minister may order compensation to be paid.

Mr. ARGUE: Where are you reading from?

Mr. WELLS: Section 12 which reads:

The minister may order compensation to be paid to the owners of animals slaughtered under the provisions of this act.

There are no provisions under this act to slaughter animals than for tuberculosis. That is cattle now we are speaking about.

Mr. ARGUE: But there is no provision under this act whereby an amount in excess of \$100 can be paid for cattle that have been slaughtered?

Mr. GOODE: Mr. Chairman, I again rise on a question of privilege. The witness has answered this question, it may not be to Mr. Argue's satisfaction, but he has answered it at least six times. Mr. Argue is not satisfied with the answer and he is now trying to interpret the answer in a different way than the rest of us would. I don't think this should go on. Mr. Argue has asked the same question half a dozen times and he has received an answer. Yet he still is trying to get the witness to give a different answer.

Mr. ARGUE: I think it is quite clear to the committee why I asked this question.

Mr. GOODE: It may be to you but it certainly is not to me.

Mr. ARGUE: I suggest that the basis for compensation is rather strange, when this high price has been paid for sheep.

Mr. GOODE: You may suggest all you like!

Mr. ARGUE: But under the act,—and after having listened to Dr. Wells very carefully—I suggest that even with the most expensive cattle beast in the country, for the most valuable cattle beast that has been slaughtered, that it is still illegal to pay more than \$100.

Mr. GOODE: The act says only for tuberculosis and some other diseases. You must know that as well as I do.

Mr. ARGUE: I do not imagine that the man who owns cattle is going to worry too much what it had been slaughtered for or why it had died, if his compensation was being held to \$100.

The CHAIRMAN: At the moment we seem to be going round in circles. We might as well settle it once and for all.

Mr. ARGUE: I would like to ask this: apart from the compensation paid, during the period to which you have referred the provision of the act has now expired. What is the highest that has ever been paid because a cattle beast was disposed of under this act?

Mr. WELLS: I would have to check that, sir. I think it would have been paid for an Angus bull, north west of Regina during the foot and mouth disease.

Mr. ARGUE: Under a special provision of the act which has since lapsed.

Mr. GOODE: You asked him a question. Let him answer it. Mr. Argue asked a question and the witness answered it. Yet now Mr. Argue is trying to make out that the witness has evaded answering the question. That is not true. You have got your answer already.

Mr. ARGUE: No, the witness has been excellent.

The CHAIRMAN: We have with us the deputy minister of agriculture who interprets policy.

Mr. ARGUE: Who?

The CHAIRMAN: The deputy minister of agriculture whose job it is to interpret policy for the department as a whole.

Mr. ARGUE: Who interprets him?

The CHAIRMAN: I am just trying to get an answer to the question you asked a moment ago. I do not think there is any complication here at all. I cannot see any!

Mr. ARGUE: I thought that Dr. Wells was doing nicely in providing me with the information I asked for.

The CHAIRMAN: Apparently you must have been the only one.

Mr. ARGUE: I can understand government members not being satisfied.

Mr. GOODE: I can understand why you are not!

Mr. ARGUE: If \$100 is the limit, then apparently for sheep of less value the sky is the limit.

Mr. RICHARDSON: Mr. Chairman, may I be permitted to ask one question of Dr. Wells. Do I understand that in respect to tubercular cattle it is permissive performance in respect of damage claims, whereas in respect to the destruction of sheep for scrapie, it is mandatory and compulsory?

Dr. WELLS: Yes, it is mandatory and compulsory with respect to sheep. And with respect to tuberculosis control it is now mandatory throughout the entire country of Canada; and it does become mandatory at the specific request of the farmers involved; and they would be familiar with the provisions, when they requested that service. When they request that service, it is given them.

May I say one more thing in respect to the payment of money. In so far as we are concerned the final authority is parliament and the money for this compensation under the provisions of this act is voted by parliament.

Mr. ARGUE: Yes, of course!

Right Hon. Mr. GARDINER: May I make a statement?

Mr. ARGUE: No, I do not think so. I do not see why the minister should have any greater rights in this committee than the other members.

Mr. RICHARDSON: We are becoming sick and tired of you. Give somebody else a chance!

Mr. ARGUE: You will get more and more tired!

The CHAIRMAN: Order.

Mr. RICHARDSON: Let somebody else say something!

The CHAIRMAN: You definitely asked a question, Mr. Argue, and you have had an answer. I think the committee is also entitled to ask questions. I the committee is not satisfied with an answer, or with the full answer, and they want more information on it, we have the officer here who is responsible for the policy in the person of the minister himself, and he has volunteered to give a further answer to your question. I think it is only proper that the minister be allowed to do so.

Mr. ARGUE: I claim the right to the floor and I claim that the minister can only interrupt with my consent.

Right Hon. Mr. GARDINER: I can raise a question of privilege without your consent.

The CHAIRMAN: Well, I do not think we need to bring a question of privilege into the matter. You asked a question and quite properly you sat down. This is part of the answer, and as soon as the minister has finished answering your question, you will still have the floor, Mr Argue. We are not taking the floor away from you.

Mr. ARGUE: I suggest that when I ask a question of the witness we do not need the minister to make interruptions. I submit that I am entitled to question the witness until such time as the chairman says that I no longer have the right to do so.

The CHAIRMAN: I am interpreting the feeling of the committee at the moment. I ask you to let the minister answer the question which you asked, following which you will still have the floor.

Right Hon. Mr. GARDINER: The hon. member asked the witness a question which has to do with policy and one which the witness is not necessarily in possession of the information with which to give an answer. Every member of this committee—perhaps I should not say every member—but a very considerable number of them have come to me from time to time and asked me to do certain things which the law does not provide for. The most common of those has to do with cold storage. The act says payment can only be made under certain conditions. When those conditions are not met hon. members come and say, put an item in the estimates which will provide for the payment, and that makes it law and legal. That has been done for members on all sides of the house from time to time. It was done for members before the Liberal government came in despite the fact that that was twenty-one years ago, and it has been continued ever since by the Liberals. In this particular case there was an item put in the estimates to pay this amount of money before it was paid. The House of Commons passed upon it, the Senate passed upon it, and it is law in every sense of the term. No matter what is in that act, the house decided \$100,050 was to be paid for these sheep. That has been legalized by the action of the house and my hon. friend is trying to show there is no law for it. There is law in the vote that was passed.

Mr. ARGUE: Mr. Chairman, that is a weird renunciation of democratic procedure and law in this country if the minister is saying all the government has to do to throw out the provision of the statutes is to put an item in the estimates. That is the very kind of action on the part of the government which undermines democratic procedure.

Right Hon. Mr. GARDINER: No. Parliament decided to do this. It is not contrary to anything.

Mr. ARGUE: I suggest an amendment in the estimates is in order only if there is not an act which prevents it being done. That does not say it shall be done.

Right Hon. Mr. GARDINER: There is not an act which prevents it being done.

Mr. ARGUE: I have been talking about cattle—

Right Hon. Mr. GARDINER: It is not cattle which is before this committee at all; it is sheep.

Mr. ARGUE: I know the minister is very tender on this, but it is rather an amazing thing to me that if the maximum compensation provided by law for cattle is \$100 that we have these very large payments being made for sheep.

Mr. McCUBBIN: Have you any more questions?

Mr. ARGUE: Yes.

Mr. TUCKER: Mr. Chairman, I would like to make an observation.

Mr. ARGUE: No. The minister may have special privileges but they hardly extend to the private member for Rosthern.

The CHAIRMAN: Order.

Mr. ARGUE: I can talk just as loud as you, Walter.

The CHAIRMAN: Mr. Argue has the floor at the moment.

Mr. ARGUE: Mr. Chairman, I am asking Dr. Wells to state to the committee the provisions under which compensation was paid for sheep. You have quoted this section of the act and I understand and I see that there is no limit by law as to the amount that can be paid on sheep, and I have not suggested there is. I am asking if in addition to the section which you have now quoted there is some further provision or regulation governing the compensation for sheep.

Mr. WELLS: Compensation is paid for, under the provisions of section 12 of the Animal Contagious Diseases Act.

Mr. ARGUE: And there are no specific regulations setting forth, or spelling out the way compensation shall be paid, other than that section of the act?

Mr. WELLS: Not at all, sir. It is handled under section 12, which are the provisions of the parliament of Canada, by which we operate.

Mr. ARGUE: Correct. In your knowledge of the livestock business, would you say that, ordinarily, a purebred cattle beast sells for more, or less than an average purebred sheep?

Mr. WELLS: It is very difficult, of course, to make a comparison, by using the words "an ordinary cattle and sheep".

Mr. ARGUE: If you took all the registered cattle sold in Canada, in 1956, and added up their value, and divided it by the number, and then did the same with respect to registered sheep, which value would be the higher?

Mr. WELLS: I have attended many purebred livestock sales where, high-class purebred cattle sold for less than as, Mr. Rock reported last night, he received for one sheep, which was \$3,350. I have also attended livestock sales where swine sold for more than cattle, if I am comparing the ordinary. I have visited sales where cattle sold for more than sheep, and cattle sold for more than swine. I could not make a comparison. If you are asking me, if a finished cattle beast, ready for the market and slaughter, and a finished sheep, ready for market and slaughter, and those are ordinary animals—

Mr. ARGUE: I did not ask you that. I asked you a question, and I think you heard it. If you do not care to answer it, that is all right.

An Hon. MEMBER: He has answered it.

Mr. ARGUE: You have not answered it. You have no idea, with your knowledge of the livestock business, whether, as a result of experience, you have an opinion as to whether a purebred cattle beast, or a purebred cattle Hereford, say, is usually worth more than a purebred sheep?

Mr. GOODE: I would ask the witness not to answer that question, Mr. Chairman. On a question of privilege again. Is it possible to answer that question? Would you confer with the Minister of Agriculture, and tell us if it is possible to answer that question?

Mr. WELLS: Yes, it is possible. I have both the ability and the information, with respect to values.

Some Hon. MEMBERS: Hear, hear.

Mr. WELLS: If you present me with two animals, any two animals and if they are purebred, with pedigrees, I can then tell you, in my opinion, which is the more valuable.

Mr. ARGUE: If a purebred registered cattle beast had been sold at one time, for \$5,000 ...

Mr. WELLS: What breed, and what blood line?

Mr. ARGUE: Then it became subject to disease, as defined in the law today. Is it not a fact in regard to that \$5,000 animal, according to the sale value recently established, the maximum compensation under the existing law, would be \$100?

Mr. WELLS: Which disease, sir?

Mr. ARGUE: Is it possible, in regard to any disease, to have a higher compensation, under the present law?

Mr. SCHNEIDER: You have not sold the cattle.

Mr. WELLS: There is only a provision for tuberculosis, under the present law.

Mr. ARGUE: Thank you very much.

The CHAIRMAN: Any other questions?

Mr. ARGUE: Yes.

The CHAIRMAN: Mr. Tucker.

Mr. TUCKER: I would like to ask the Minister of Agriculture, if it has not been done, that members of parliament are paid expense accounts in connection with their trips at Easter, by putting an item through the estimates, which becomes law, and which is not covered by the House of Commons and the Senate Act, and if that has not been done year after year, and that we constantly put through items, just like that, which are passed by the House of Commons, and the Senate, and become the law of the country, just the same as the law that Mr. Argue is talking about.

Mr. ARGUE: Mr. Chairman, I have one or two other questions.

The CHAIRMAN: There were two or three other members who had questions on that particular subject.

Mr. ARGUE: I wanted to clear up my line of questioning.

Some Hon. MEMBERS: Order, order.

The CHAIRMAN: Just a minute.

Mr. ARGUE: I have not taken an excessive amount of time.

Mr. TUCKER: The reason I asked that question, Mr. Chairman, is this: we are investigating whether these payments were legal, and whether there has been skullduggery. The suggestion is; that because it is not covered by the act referred to, by Mr. Argue, that money was paid out, that was not covered by law. I am asking the minister if it is not true, that moneys paid out, to the extent of hundreds of thousands of dollars by virtue of being passed by the house of commons and senate in a supply bill which covers the estimates and is just as much the law of the country as the act which was cited by Mr. Argue;

and particularly that members of parliament repeatedly in the last 30 years have drawn money put in the estimates which was not covered by the senate and house of commons act.

Right Hon. Mr. GARDINER: Yes, that is perfectly right. And in order to indicate that this question was before the house, there is *Hansard*. It shows that at the last session the item was in the agricultural estimates which were discussed, and I understand that the charges made here were made in the house and were the basis of the discussion at that time when it is now said that they did not get the information. I have read it through this morning and I find all the information that they are asking for now was given, with as much distraction as they could put up in order to delay it as long as possible, just as they are doing now.

Mr. CAMERON (*Nanaimo*): Is the minister the witness before the committee?

Right Hon. Mr. GARDINER: I am a member of this committee.

The CHAIRMAN: He was asked a question. The minister was asked a question directly, and he has answered it.

Mr. CAMERON (*Nanaimo*): Is it not the proper procedure that the questions be directed to the witness?

The CHAIRMAN: Any question may be directed to anybody!

Mr. CHARLTON: For the sake of clarification, did I understand Dr. Wells to say that the matter of compensation for cattle was the only thing dealt with under this act, and that it applied only in the case of tuberculosis?

Mr. WELLS: Yes, that is the only disease for which we can slaughter today.

Mr. CHARLTON: Is it not true that there is a list of these diseases given in section 89, and is it not true that there are other diseases for which cattle may be disposed of, besides tuberculosis?

Mr. WELLS: Section 89, Dr. Charlton, reads as follows:

89. In this part "named disease" means glanders, *maladie du coit* (*dourine*), anthrax, hog cholera, mange, vesicular exanthema of swine, sheep scab, rabies, scrapie, avian pneumoencephalitis, fowl pest, fowl typhoid or such other contagious or infectious disease as may be designated by the minister for the purposes of this part.

No compensation is paid for anthrax. But in the case of hog cholera, which is a disease of swine, compensation is paid on the same basis as for sheep. No compensation is paid for mange. But for vesicular exanthema of swine, compensation would be paid on the same basis as for sheep.

Mr. ARGUE: Are you reading from the act or from the regulations?

Mr. CAMERON (*Nanaimo*): Only a few moments ago the witness said that only tuberculosis was paid for.

Mr. CHARLTON: There are, under the definitions in the act—

Mr. ARGUE: He was reading from the regulations.

Mr. CHARLTON: Under the first or second section of the act there is a list of diseases with which this act has to do. Is that not true?

Mr. WELLS: Not to my knowledge.

Mr. CHARLTON: Under the definitions in the act there is a list of diseases. I shall read section 2, sub-section (d) of the act as follows:—

(d) infectious or contagious disease includes, in addition to other diseases generally so designated, glanders, farcy, *maladie du coit*, pleuro-pneumonia contagiosa, foot and mouth disease, rinderpest, anthrax, Texas fever, hog cholera, swine plague, mange, scab, rabies, tuberculosis, actinomycosis and variola ovina.

Would not any of those diseases come under this act?

Mr. WELLS: Yes, but not under the regulations.

Mr. ARGUE: \$100 is the limit under the act.

Mr. McCULLOUGH (*Moose Mountain*): I understood you to say that in the case of scrapie it was mandatory that the flocks be destroyed. Is it true that the farmer would have no say in the matter if you went out and the flock was isolated or you destroyed it?

Mr. WELLS: That is right.

Mr. McCULLOUGH (*Moose Mountain*): But in the case of tuberculosis, the farmers would have to agree. It would be more or less a municipal system. But is it not true—I am asking as a matter of information because I want to see if your information is fully given to the committee—is it not true that where a community catches tuberculosis, the health of animals branch or the local provincial authorities would call in your department, and if it was established that the herd was one from which milk was coming, that you would move in and destroy the herd.

Mr. WELLS: I have already stated, sir, that the entire country of Canada has by petition first of all of owners to their provincial minister of agriculture and then by petition of the provincial minister of agriculture to the federal Minister of Agriculture been declared a restricted area for tuberculosis which in effect says we do go in and test cattle and order the destruction of the reactors, which is based upon the original application of those people concerned who have in that area brought in the restrictive area regulations.

Mr. McCULLOUGH (*Moose Mountain*): Is not the situation in respect of tubercular cattle, in effect, the same as with scrapie, that no individual farmer who had any animals which came down with tuberculosis could prevent the flock being destroyed under this act. You would move in in exactly the same manner as you would in respect of scrapie.

Mr. WELLS: At the request of the owner, yes.

Mr. McCULLOUGH (*Moose Mountain*): They would be destroyed in compensation in the same way under the provisions of the act?

Mr. WELLS: Yes. But not the whole herd, only the reactors.

The CHAIRMAN: It being one o'clock we will adjourn until three o'clock.

AFTERNOON SESSION

3.00 p.m.

The CHAIRMAN: The committee will come to order please. Mr. Cameron.

Mr. CAMERON (*Nanaimo*): Mr. Chairman, may I address a question to the Minister of Agriculture. Mr. Gardiner, you told us that now you are not sure whether or not evaluators had been brought in from the United States actually. You suggested, if I recall it correctly—

Right Hon. Mr. GARDINER: I did not say that. I said I was not sure whether or not they had been brought into the country.

Mr. CAMERON (*Nanaimo*): That is right. I think you made some comment that possibly Mr. Rock had had an expert opinion from the United States. That being the case, how do you reconcile that statement with a statement you made on July 13, 1956, recorded at page 5965 of Hansard which was six months after your officials had done the valuation?

Right hon. Mr. GARDINER: The same day I made the other statement?

Mr. CAMERON (*Nanaimo*): Yes.

As to the price, I quite admit that I do not know very much about the price of sheep; but my hon. friend who lives near Mr. Rock says he did sell sheep for as much as \$1,000. We certainly did not take that price to reckon what should be the value of these sheep. I stated some time ago that we did not take our own valuation at all. We had them valued by the best valuator that could be found, and we even went outside the country to get them.

Then on page 5966 you added a further statement when Mr. Cardiff asked you this question:

"Why was it necessary to bring in United States valuator to value the sheep?"

Mr. Gardiner replied:

For the very reason that has been made quite evident this afternoon. If I had gone and done it myself I know what would have been said in the house. If anyone associated with me in any way whatsoever throughout Canada had been taken there to do the job I know what would have been said about that too, and if it had been left entirely to the officials of my own department I know what would have been said about that. These valuator were men from the United States who know the value of sheep, and they made that valuation but we did not accept. We cut the amount down to \$100,000 whereas they put it at \$160,000.

Now, Mr. Chairman, I suggest there has been some loose talk in this committee about the necessity for apology. I suggest when we are confronted with a situation such as this it is something more than an apology which is required, it is a resignation.

Right hon. Mr. GARDINER: Mr. Chairman, my hon. friend has not yet read the whole statement. You will find earlier I stated I was out there myself. I was out there on March 1; this is now July 13. In Calgary I was told of the value that was put on this flock by American valuator. The same facts were referred to by Mr. Rock last evening. Not all of them, but one of them was outlined here to the committee by Mr. Rock. As I stated earlier in the house I was in Calgary addressing a meeting which was held in the official building of the stampede organization on the grounds of the Calgary exhibition. This was at a dinner meeting. This question was discussed there, not at the dinner but in the period when we were standing around the tables. This information was given to me at that time. I heard the information. I was not exactly correct in the statement quoted from *hansard* in leaving the inference that we had sent for these valuator, but we had received the opinion of these valuator. After all the act says the minister must make the valuation or appoint someone to make it. I obtained information every place I could obtain it. One of the places I obtained the information was in Calgary while I was there on that occasion.

Mr. CAMERON (*Nanaimo*): Now, Mr. Gardiner, will you tell us why, that being the case, you told the House of Commons on page 5965 "we had them valuated". "We" must surely have referred to you and your departmental officials, nobody else. "We had them valuated". On page 5966 you said:

These valuator were men from the United States who know the value of sheep, and they made that valuation but we did not accept.

That was in answer to a question as to whether it was necessary to bring in valuers. Why did you tell the House of Commons that "If it had been left entirely to the officials of my own department I know what would have been said about that", when you knew it had been left entirely to the officials of your department as your officials testified this morning?

Right Hon. Mr. GARDINER: My hon. friend can, of course, say that might be true officially; but there are officials in Ottawa and there are officials elsewhere. A man who has been for a long time a very important officer of the department, but who at that particular time had been superannuated and still is, was in Calgary and had also been in the United States and had been elsewhere, not acting directly for us, that is for the department as such, but he still acts directly or indirectly for the department on many occasions. Whenever we have problems of this kind to deal with we often appoint Jack Byers to do the job. It was Jack Byers with whom I had the discussion at Calgary and he gave me the information, and I would take his word either against my own officials or anyone else on a question of this kind.

Mr. CAMERON (*Nanaimo*): Then you did pass this information on to your official valuers when they went into the field?

Right Hon. Mr. GARDINER: No, I did not because our official valuator worked on his own. I gave him no indication whatsoever as to what I or any other person thought as they will tell you. I did not at any time discuss this question with the departmental valuator either before or after until yesterday.

Mr. CAMERON (*Nanaimo*): Why when you were asked about the price—and you refer to it as the price, "as to the price, I quite admit that I do not know very much about the price of sheep"—why did you mention the alleged valuation of \$160,000 by some unknown United States investigators and not tell the House of Commons that your own officials had valued them at \$92,000 and you had paid \$100,000?

Right Hon. Mr. GARDINER: They valued them at \$92,100 plus the cost of lambs born after that date and that made up the \$100,050. I am sure if my hon. friend had been reading carefully he would see the \$50 which is in there and the \$50 gives the very answer which is important. There sheep were not valued at \$150 apiece. The lambs of a certain type were valued at \$25 and lambs of another type were valued at \$50. It was either one lamb of one type brought it up by \$50 or two lambs of another type that brought it up by \$50 and made the total \$100,050.

Mr. CAMERON (*Nanaimo*): I am still not clear as to how Mr. Gardiner explains the fact that this morning he told us he is not sure whether or not any American valuers came, and yet in 1956 he told the House of Commons that we, meaning his own officials, brought in the valuers from the United States, and he refrained from telling the House of Commons that his own officials had done the valuation and in fact he implied in his statement on page 5966 that it would have been quite unwise for him to have employed officials of his own department.

Right Hon. Mr. GARDINER: I depend on them absolutely.

Mr. CAMERON (*Nanaimo*): Come off it. I suggest to you, Mr. Chairman, this is something which should be cleared up. This is an obvious case where the House of Commons was misled when the minister was in possession of information which could have been given to the House of Commons and he did not do so. Instead he gave misinformation when he told us his department had brought in valuers from the United States.

Right Hon. Mr. GARDINER: Mr. Chairman, the hon. gentleman has not taken the trouble to read to the committee what I was replying to. Mr. McCullough (Moose Mountain) at page 5964 had said:

Mr. Chairman, usually the minister is able to answer any questions put to him about his department pretty explicitly. I find, though, that in the discussion of sheep most of his answers are quite woolly. I also think, as far as the compensation of \$100,000 that has been paid is concerned, . . .

And note that it had been paid before that. It is not a matter of considering it at that stage—

that the people of this country have been fleeced. I believe these terms are appropriate, and I also think that perhaps \$100,000 is rather large compensation for any political support that may be forthcoming from this individual. The minister did not answer my question, and I was quite serious about it.

I understand there was an attempt made to diagnose the disease, scrapie, and that brain samples have been taken of the condemned animals. Can he tell the committee if any findings have been made which would lead to establishing the cause of the disease and a method to control it? That is my first question. My second question has to do with certain statements made by other members of the committee in which they have tried to indicate that sheep from this flock have gone throughout the country and apparently also have gone, according to certain press reports, to many parts of the world.

I have a press report here indicating that a flock of 502 Canadian sheep have been flown to the Dominican Republic to improve flock blood lines in that Caribbean country. It indicates that many of the sheep came from the flock of J. P. Rock of Calgary. Incidentally, the date of the press report is March 17, approximately the same date as the discussion that took place in the house with respect to the action taken by the government to destroy many of the sheep in Mr. Rock's flock. I would ask the minister if he has any report to make on the sheep that have been shipped to the Dominican Republic. With respect to the destruction of the condemned animals on Mr. Rock's farm, can the minister tell the committee whether the complete flock was destroyed? It would seem to me that the compensation is entirely out of line with what one might call simple justice.

I am a purebred breeder myself, and I think the minister will agree with the statement when I say that you cannot take the top sale price figure as representing a fair price for your complete herd. Often purebred breeders in the cattle business as well as those in sheep and other livestock businesses, get a fairly good price at public auction, but you cannot say that would be a fair price for a complete herd of cattle or a complete flock of sheep. I think the price of approximately \$670 per sheep is completely out of line—

and if there is anything in what I say which is more distant from what the actual facts were, then I would like to have my hon. friend repeat some of those things too. But I said at that time—I interjected, “no.” And then Mr. McCullough proceeded in this way:

I should say 660 sheet at a price of approximately \$166.

Mr. McCULLOUGH (Moose Mountain): Well, a point of order at this point, Mr. Chairman. It is not true that over 670 were paid—for these sheep?

Right Hon. Mr. GARDINER: Oh, but you do not say that. You say, "per sheep". You were making slips, just the same as I might have been in some cases, where we were just quoting figures on the spur of the moment as we went along. And I would like to repeat to my hon. friend that when he is trying to nail me down, that he can be nailed down on the same argument.

And then he goes on to correct that, and he says:

I should say 660 sheep at a price of approximately \$166. Such a price is completely out of line with prices paid on former occasions. The hon. member to my right has indicated the various prices paid from 1952 until this recent incident. I think the minister should look into the matter and take to heart some of the arguments—

And, as a matter of fact, I might say that all of those quotations that are being given through this present discussion and were given in July, 1956, were quotations from earlier speeches in which I enunciated them. For example I am reported in this *Hansard* to have answered three times on one occasion, and then to have corrected myself to show it was five occasions, instead of three. All that and more is in this copy of *Hansard*, showing it was all discussed at the last session of the House of Commons, as I said last night—

Then, my hon. friend Mr. McCullough goes on:

I feel there has been an injustice done in this case, and that there should be some correction made.

Now, I answered that, after Mr. McCullough had said:

Would the minister answer my question with respect to the findings?

And it is from the answer that my hon. friend has just been reading.

To begin with, and to follow up the simile used at the commencement of my hon. friend's remarks, I might say that I am not one of those animals which goes around with wool in its teeth. That might answer the suggestion made in what the hon. member had to say. There may be some who do, but I am not looking for explanations of that kind. In any case, the answer has already been given to the question. I read it. Progress on this type of project is invariably slow, for the first thing that must be done is a thorough microbiological examination of all brains and spinal cords, and this work is now being done. A search is also under way for the causative agent in the spleens, livers, and kidneys, but no results are yet available from this work.

In other words we have not been able to discover, anymore than they have in Britain or elsewhere up to now, just what is the cause of the disease.

I come to that in order to indicate what the real merit of this whole case is. It is being talked about as if it was just a matter of dealing with animals owned by an individual. After all, as has been said many times, this was the top flock of sheep of this breed anywhere on this continent. And there is all over the continent, as was indicated by reference to the Dominican Republic—although the statement was not correct, as I shall indicate later—there is evidence that sheep are being shipped from all over this country, because this flock of sheep has been in the country; and there are very few good flocks of this breed of sheep in Canada that have not some of these blood lines, or that have not been improved by Mr. Rock, in his breeding.

That being the case, when it was found that there was this disease of scrapie in the original flock, it was thought most important that it should be found, if possible, how it got there, and when it got there, and how many of the sheep that have been distributed all over this continent were brought in contact with the animals or had any relationship to the animals that were found to have the disease.

Then, on top of that, it has been indicated to this committee—it was indicated yesterday by Mr. Wells—that they took the brains and the spinal cords out of all these animals and put them into retainers, and numbered them to correspond with the tags of the animals from which they were taken, all for the purpose of making a complete investigation into where they came from, and how they got there, in hope of being able to determine whether the disease was transferred from one animal to another, and to what extent it might be necessary to check and examine every flock all over this continent in order to clean this disease out.

Now, that means that we were taking the whole flock of sheep, the best flock there was in the country, a flock that had received the largest distribution on the continent of any flock whatsoever, and undertaking as a government to determine everything that we possibly could with regard to this particular disease.

Therefore, we put ourselves in the position to assist to wipe it out or to help the American government to wipe it out. And so we have been working along in cooperation with them. And, that being the fact, naturally I was thinking at that time—and I am still thinking—in terms of a much bigger job than simply finding out whether or not Mr. Rock got all that his sheep were worth. And I do not think there is a member in this committee who listened to Mr. Rock last night who will agree that he did get all that was coming to him—not a single one. And if anyone wants to argue here that he did, he is at liberty to do so. In my opinion he did not get as much as it cost him to lose his entire flock leaving out what others will benefit.

As a matter of fact, one of the methods by which the amount of payments that are to be made is determined in the United States is based upon figures such as were given here last night, and those figures were based upon earnings made, according to the income tax people. The lowest earnings that this herd had was in 1952, the year of the foot and mouth disease. And the only reason it was down to \$17,000 was because there was this foot and mouth disease. You could not export animals out of this country to any other place. They were confined here.

Then when you take along with that the fact that in every other year, practically every other year, the earnings ran from \$40,000 up to \$60,000, what the government is interested in is seeing that we never get another condition back in this country such as the foot and mouth condition, where our livestock will not be permitted to go out of the country at all.

It is worth far more than \$100,000, no matter whether you are just paying it for the animal, or getting the parts of all the animals kept, so that they can be examined into, in order to trace the disease. That is the big job that has to be done, and it is the big job that we are doing. We are not worrying about whether Mr. Rock is a Liberal, or a Tory, or a Social Crediter, or a CCF'er. I have never asked him; I do not know. And to insinuate, as has been done here, that Mr. Rock is simply getting this payment because of some help he is going to give to the Liberal party is something that I repeat again, as I said last night,—and I say this to the gentleman who made the statement, and he made them last year as well; and he has apparently given them a lot of thought between then and now, and he repeats them—that there ought to be some kind of apology made by somebody to the man who did the best job with the production of high-grade sheep that was ever done in this country

for the whole continent. And he has brought to the farmers of this country, who raise these sheep, the highest amount of meat that is produced on any animal of this breed, and the highest wool production that is produced on any. This flock is found to have this disease, this particular disease, in it. The opportunity is there to search out from that flock the causes that have never been established anywhere else in the world. Great Britain has been struggling with it, and the United States has been struggling with it. We have an opportunity to do our share, and we are doing it. And we pay the \$100,000 to the man who suffers greater loss.

Now, in going on with the answer, I said this:

As to the price, I quite admit that I do not know very much about the price of sheep; but my hon. friend who lives near Mr. Rock—

And that is my hon. friend from Acadia—

—says he did sell sheep for as much as \$1,000. We certainly did not take that price to reckon what should be the value of these sheep. And I stated some time ago that we did not take our own valuation at all.

That is the valuation my hon. friend says I did not refer to. I referred to it earlier, and then referred back to it here. I say:

—we did not take our own valuation at all. We had them valued by the best valuers.

And that does not mean that they were not evaluated by our men, as my hon. friend inferred a moment ago. Then, to continue:

We had them valued by the best valuers that could be found, and we even went outside the country to get them.

And that is the reference to my experience in Calgary in discussing the matter with one of the best men that we have ever had in the Department of Agriculture to look after matters of this kind, and the fact that he is superannuated now does not make him any less valuable than he was before.

So far as the Dominion can Republic is concerned—

And my hon. friend did not read this—

—So far as the Dominion Republic is concerned, I am told by the officials here that the news item which has just been read has been before the department, has been examined into, that the statements made there are not facts, and that there were no sheep in the Dominion Republic at that time that came from the Rock herd. There were sheep there that were bought in Canada and came from owners of flocks who had bought sheep from Rock at some time or other. That has all been followed up and the fact still is, as I stated before, that so far as we know every sheep that left that flock and could have carried the disease has been followed to wherever it went, has been checked there, and there is no sign that any disease has been carried with them. As to the other question, the sheep that were there were slaughtered and put under ground.

And then Mr. Cardiff said:

Why was it necessary to bring in United States valuers to value the sheep?

And I answered:

For the very reason that has been made quite evident this afternoon. If I had gone and done it myself I know what would have been said in the house. If anyone associated with me in any way whatsoever throughout Canada had been taken there to do the job I know what would have been said about that too, and if it had been left entirely to the officials of my own department I know what would have been said about that.

I am going to ask the officials, after I have finished, to get up and tell this committee what is exactly correct—that not on any occasion had I sought to influence them in any way with regard to the valuation of this stock. And at no time did I ever discuss it with them until yesterday morning, when I brought them here, in order to get them before this committee. There were two of them, I think, sitting in front of me when I was giving these answers; and they are not my answers. They are their answers, as every member of the House of Commons knows,—that when we are on estimates, and when we are giving information the minister does not rely on his own knowledge of these things in order to give answers. You would not be able to answer all the questions you are asked, if that were the case. But I asked the men sitting in front of me, and they gave me the information. I turned it over to the house and that was done in this case, as in all others. To continue:

If anyone associated with me in any way whatsoever through Canada had been taken there to do the job I know what would have been said about that too, and if it had been left entirely to the officials of my own department I know what would have been said about that.—

Just what is being said now. So I did not rely entirely upon the officials of my own department. I did get information from others who had contacts with these American valuers, who were able to tell me that there had been a valuation as high as \$160,000.

These valuers were men from the United States who know the value of sheep, and they made that valuation but we did not accept.

That is, we did not accept their valuation. We cut the amount down to \$100,000, whereas, they put it at \$160,000.

Perhaps I would have been more correct to have said, that our own officials, had recommended \$92,100, and instead of saying we cut it down from \$160,000 to \$100,000, I should have said that the birth of lambs put it up from \$92,000 to \$100,050.

It was asked, "has it ever been done before?"

Mr. CAMERON (*Nanaimo*): On a point of order. The minister is not answering my question. It may be very interesting to read this, but—

Right Hon. Mr. GARDINER: I am putting it all on the record so you can read it right the next time.

Mr. CAMERON (*Nanaimo*): It is on the record already.

The CHAIRMAN: Order.

Mr. CAMERON (*Nanaimo*): I wanted to ask a question on what is on the record.

Right Hon. Mr. GARDINER: Why did my hon. friend not read it all while putting it on the record.

Mr. CAMERON (*Nanaimo*): This is all being developed for the sheer purpose of wasting time.

Right Hon. Mr. GARDINER: Everything my hon. friend read was not only irrelevant, but when read without its context, appears to be absolutely wrong.

Mr. CAMERON (*Nanaimo*): You can talk all afternoon, but you will have to come back to my question.

Right Hon. Mr. GARDINER: I am not going to talk all afternoon, and it would not hurt these proceedings a bit if you were prevented from talking any more.

Let me repeat: Has it ever been done before?

Mr. Gardiner: It was done in connection with the foot and mouth disease. The price was higher than the individuals said they could sell them for on the market or anywhere else.

I could draw attention to what was discussed just before we went to lunch, section 12 of the Animal Contagious Diseases Act:

The minister may order a compensation to be paid to the owners of animals slaughtered under the provisions of this act.

Under that provision I have authority to do these things.

Then the said section says:

The compensation ordered to be paid under this section for an animal slaughtered under the provisions of this act shall be the market value that the animal, in the opinion of the minister or some person appointed by him, would have had immediately before slaughter if it had not been subject to slaughter under the provisions of this act, except that the compensation shall not exceed—

Then it goes on to say that I cannot exceed \$200 for purebred horses, and \$100 for grades, and in the case of cattle, \$100 for purebred animals, and \$40 for grade animals, and if the sale of the carcass is unlawful an additional amount for purebred and grade animals equal to the value the carcass would have if the sale were lawful, such value to be determined by the minister or by some person appointed by him for that purpose.

All that section does, is point out what you can do with cattle and horses. It does not say anything about sheep. I can go and do whatever I have authority to do in respect of sheep, under whatever authority the House of Commons gives me.

The suggestion was made that we had special legislation in respect to foot and mouth disease. Why? Because the animals that had foot and mouth disease were both cattle and horses. Since we cannot pay any more on cattle and horses than the sums which are set here, we had to have special legislation. In view of the fact that no such thing is said in regard to sheep, I have the authority to pay compensation. However, I must go to the House of Commons and get a vote, in order to get the money to pay that.

Mr. McCULLOUGH (*Moose Mountain*): Can I ask the minister a question?

Right Hon. Mr. GARDINER: Just a minute.

Mr. McCULLOUGH (*Moose Mountain*): Is there a maximum set?

The CHAIRMAN: Just a minute, please. You can ask a question if you get permission from the witness.

Right Hon. Mr. GARDINER: As soon as I have finished you can ask a question, and I will be finished in a minute with this. Just let me finish it, and get it all in the one place, and then I can answer your question too.

That is the act, and the reason for legislation in connection with the foot and mouth disease, had to do with the fact that both horses and cattle can take foot and mouth disease. Not horses, that has to do with tests.

Mr. ARGUE: And you the Minister of Agriculture.

Mr. McCULLOUGH (*Moose Mountain*): Start over again.

Right Hon. Mr. GARDINER: They put it into horses for test purposes, as my friend knows. We talked about horses here a year ago, or two years ago when we had the foot and mouth disease. No, it is five years ago.

Mr. McCULLOUGH (*Moose Mountain*): That was the Petawawa horse you were paying, that you had on your payroll.

Right Hon. Mr. GARDINER: Do not get too far away or you will be getting into a lot of other complications.

Horses were involved in that inspection, but the animals that were being dealt with were cattle, some of them purebred, and some of them not. We had to have legislation, but we do not have to have legislation with regard to sheep. Provision is made here, for allowing compensation, and then you have got to get money voted, in order to pay it. When this money was being voted, this question was discussed, and I have just been reading from the report of it.

To go down a few lines from there:

Mr. Charlton: Has it ever been done before?

Mr. Gardiner: It was done in connection with the foot and mouth disease. The price was higher than the individuals said they could sell them for on the market or anywhere else.

It was done in connection with foot and mouth disease.

Then Mr. Charlton asked:

Mr. CHARLTON: That is not what I asked.

It appears it was the custom of the opposition then and it is still to say that I am not answering what I was asked.

Mr. GARDINER: That is pretty nearly what you are asking. I do not know what you are asking if that is not it.

Mr. CHARLTON: If the minister would sit still for a moment and find out it might be better. Have you ever brought in adjusters before from outside the country to value herds?

Mr. GARDINER: When the foot and mouth disease was on in Saskatchewan we had many men from the Department of Agriculture of the United States—

Mr. CHARLTON: Were they adjusters?

Mr. GARDINER:—and we had their opinions about everything.

Item agreed to.

That was the estimate, which provided the money to pay this large amount, \$100,050 that the hon. members are trying to show now should not have been paid. The House of Commons passed it. It went to the Senate and was passed there, and it was agreed to by every branch associated with the parliament of Canada. I am not going to argue that it cannot be discussed here on account of that. I am simply pointing out that it has been discussed quite fully before, and every point that has been raised here, was raised in that discussion. I do not know why we should go on discussing these things over and over again, unless my friend still has in mind this political connection,

that he tried to establish, when he started to ask these questions. I am quite sure that the statements, made last night, should have cleared that out of the minds of every person in this country, except, perhaps, a few people sitting around the table here.

The CHAIRMAN: Mr. Hanna.

Mr. CAMERON (*Nanaimo*): I still have some questions. I have not finished my questioning.

The CHAIRMAN: I am sorry, I have got to be fair.

Mr. CAMERON (*Nanaimo*): Just a minute, Mr. Chairman, you allowed the Minister of Agriculture—

The CHAIRMAN: Order.

Mr. CAMERON (*Nanaimo*):—to speak for 20 minutes—

The CHAIRMAN: Order.

Mr. CAMERON (*Nanaimo*):—without answering my question.

The CHAIRMAN: Order.

Mr. CAMERON (*Nanaimo*): Without answering my question.

Mr. HANNA: Mr. Chairman—

Mr. CAMERON (*Nanaimo*): You certainly allowed him to go along with a lot of irrelevant matters that did not have anything to do with my question.

The CHAIRMAN: That is a matter of opinion.

It is a well known practice in the House of Commons, in committee of the whole, and in committees, to try to recognize a fairly proportionate number of members from all parties. Now, you will agree there are various members, who have not had the opportunity, or at least who have not asked questions, for a considerable time now.

Mr. CAMERON (*Nanaimo*): Not since the Minister of Agriculture started to speak.

The CHAIRMAN: Just a minute. Mr. Hanna has been asking for the floor for a long time now, and his name has been on the list. I think it is only fair that I should recognize him at this time. You will get your opportunity again, unless there is a member from another party who wishes to be recognized.

Mr. CAMERON (*Nanaimo*): I would point out that you are recognizing another Liberal, after having allowed the minister to talk for 20 minutes.

Right Hon. Mr. GARDINER: You took twice as long this morning when you were asking your questions.

Mr. CAMERON (*Nanaimo*): And you have not answered my questions yet.

The CHAIRMAN: Mr. Cameron, your point is not well taken. The minister was not answering a question, he was replying to a question that was asked.

Mr. CAMERON (*Nanaimo*): I asked a question, Mr. Chairman, and I am complaining that my question has not been answered yet. You allowed the Minister of Agriculture to go on with a lot of irrelevant material, for an endless time. I want to ask that question again, and I want to get an answer from him. My question is this:—

The CHAIRMAN: Just a minute. Wait a minute. I am sorry.

Some Hon. MEMBERS: Order, order.

The CHAIRMAN: You asked a question and got a reply.

Mr. CAMERON (*Nanaimo*): I have not got a reply at all, no reply whatever.

The CHAIRMAN: Order. This is simply a question as to whether you can come back to the same question, before another member has had a chance to ask a question.

Mr. HANNA: Mr. Chairman, on a point of order. This present discussion is very interesting, but I am going to suggest that it is out of order on at least two counts. We have had a discussion this morning, and it is going on this afternoon, in respect to a valuation of sheep. There have been comparisons made between the flock of sheep, with horses, and with cattle, and so forth. As I understand it, Mr. Chairman, this matter was decided by parliament almost a year ago, at last year's session. I believe that it is quite out of order to discuss some thing that parliament has already disposed of. Parliament has discussed this issue, of voting \$100,000, it was passed by parliament, and was paid to Mr. Rock.

My second reason for suggesting that this discussion has been out of order has regard to our terms of reference. This committee, as I said yesterday, was reconvened for a specific purpose. That specific purpose was to investigate certain rumours or allegations, namely: that some of these sheep had not been destroyed, substitutions had been made, and some sheep were moved from the J. P. Rock flock to a farm in Manitoba. I suggest, Mr. Chairman, that all of these discussions have been entirely outside the terms of reference. I suggest that we get back to the terms of reference. I am very interested in these allegations, and I have yet to hear—and I would like to hear—some proof of these allegations, so that we might report back to the House of Commons, on the matter that we were sent here to examine.

Mr. CAMERON (*Nanaimo*): May I speak on the point of order, Mr. Chairman. My point of order is this: my question to the Minister of Agriculture—

The CHAIRMAN: Wait a minute.

Mr. CAMERON (*Nanaimo*): —are determined—

The CHAIRMAN: I am sorry. Mr. Hanna raised a point of order.

Mr. CAMERON (*Nanaimo*): Yes, and I am speaking to that point of order.

The CHAIRMAN: Oh, you are speaking to that point of order.

Mr. CAMERON (*Nanaimo*): Yes, I am speaking to that point of order.

The CHAIRMAN: I thought you were going to raise a second one.

Mr. CAMERON (*Nanaimo*): No. He claims it is out of order, and I claim it is in order because, my questions, directed to the Minister of Agriculture last year, had a direct bearing on the rumours and suspicions that have been abroad, in regard to this whole transaction with the P. J. Rock farm. I am questioning the credibility of the Minister of Agriculture on account of his statements last year in the house.

Right Hon. Mr. GARDINER: What is your question?

The CHAIRMAN: I am sorry, there is a point of order here. I do not quite see the relationship your argument has to the point of order raised by Mr. Hanna.

Mr. HANNA: Two points.

The CHAIRMAN: As a matter of fact, I am not too clear as to what the point of order specifically is, that was raised by Mr. Hanna.

Mr. HANNA: Mr. Chairman, my point of order is this: first of all, we have been discussing a matter on account of compensation paid to Mr. Rock, for so many sheep. I maintain that matter was decided, by parliament, almost a year ago. We were not sent here to discuss that point.

My second point is: we were sent here to inquire into certain specific allegations, namely; irregularities of a specific nature, that were discussed on the floor of the House of Commons. We have got entirely outside of those terms of reference. We are not discussing those matters that we were sent here to discuss.

The CHAIRMAN: I appreciate your point now.

Mr. QUELCH: On that point of order, I would like to draw your attention—

Mr. HARKNESS: On the first point of order that Mr. Hanna raised; if there was any validity in the argument which was made, the Public Accounts Committee, of this house could never meet. That committee is drawn together for the specific purpose of going into payments which have been made, and actions which have been taken by the government, all of which are finished before the Public Accounts Committee ever meets, and have been passed by the House of Commons and the Senate. Therefore, I would think that there is no validity, whatever, on Mr. Hanna's point of order.

Mr. HANNA: Mr. Chairman, I believe there is no relationship there. The Public Accounts Committee, and the terms of reference of this committee, are two different things.

The CHAIRMAN: I appreciate that.

Mr. QUELCH: You have called witnesses before this committee who have given us a great deal of evidence on the question of payment. Mr. Graham spent a lot of time on the question, and Mr. Rock spent a good deal of time on that question. Surely, after listening to all that evidence, it is perfectly in order to ask questions in regard to that evidence. If it should not have been done, the time to complain was when these witnesses were giving that evidence. It is too late now. The evidence has been given and, therefore, the members of this committee have a perfect right to ask any questions, relevant to that information.

Mr. ARGUE: Mr. Chairman, an additional argument; I would refer to the speech made by Mr. McCullough himself, which led to this committee being established, in which he complains that the compensation paid was excessive. He also went into some considerable detail, and I suggest this is the very nub of the matter that this committee is discussing, that is, the whole question of whether or not the government can substantiate the very large payments that were made to Mr. Rock. Surely a payment from the public purse of \$100,000 is something which we should be entitled to question.

The CHAIRMAN: I think I am getting the intent of the point of order and the opinion of the members. This point of order could be related to two standing orders or to two rules which have been invoked on many occasions.

I think what Mr. Hanna has in mind is that it is against the rules to revive a debate. I do not think we could apply that rule in this particular case for the obvious reason that we are acting under a specific order which we got from the house to look into a debate that had already taken place.

At any rate, this rule never applies to a debate which took place previously to the session. It always applies only to a debate of the current session going on. So we could not very well do it under that rule.

Of course it could be related also, I presume, to a rule which says that we cannot reflect upon a determination of parliament. Frankly, I do not think we could here again invoke that rule because I think the rule says definitely—I forget what the standing order is—but if you want to criticize legislation you have to be in a position to propose a definite amendment or a change to it, and to make a motion to it.

But in this case this provision to my knowledge has never been applied to estimates. I do not think it is the intent of it at all that it should be carried that far so as to apply to estimates that have been passed in the House. So in this case I do not think the first point is well taken at this time.

As far as the second point is concerned, that we have gone outside our order of reference, this is a hard one to determine just now. I am not too sure that we are not straying away somewhat from our order of reference, But I would not care to pass judgment at this moment that we are actually

outside of our order of reference because our order of reference is so broad. It refers to us the whole speech of the hon. member; and in that speech there is an allegation which is now being discussed.

Are there any other questions?

Mr. CAMERON (*Nanaimo*): May I have an answer to my question now?

Right Hon. Mr. GARDINER: Will you please tell me what it is? I thought I had answered it.

Mr. CAMERON (*Nanaimo*): My question is this: why, in view of the fact that we have had evidence from the officials that they, and they alone did the appraisal of the stock, why did Mr. Gardiner on July 13, 1956, as recorded at page 5961 of *Hansard* make this categorical statement:

The valuation of the flock was made by independent valuers who were brought here from the United States to do the job. They valued the sheep at \$160,000, and the amount paid was \$100,000, which is \$60,000 less than the sheep were valued at.

Why did you make that categorical statement when on July 13 you must have known that it was untrue, because your officials had already performed the valuation. You yourself just now, when I suggested that you raised the valuation from \$92,000—you said that included in the valuation were the lambs. That is what brought it up to \$100,000.

Right Hon. Mr. GARDINER: Well, my answer to that has already been given, but I will give it again without reading it. The statement which my hon. friend has just repeated for a second time is taken right out of its context as I read it a few minutes ago.

Mr. CAMERON (*Nanaimo*): Please tell me how it is taken out of its context? Can you explain that to me?

Right Hon. Mr. GARDINER: You can read the speech as I gave it.

Mr. CAMERON (*Nanaimo*): It makes no difference whatsoever.

Right Hon. Mr. GARDINER: I shall not argue with you at all. That is a fact.

The CHAIRMAN: Order, order. Please Mr. Cameron! You asked a question?

Mr. CAMERON (*Nanaimo*): Yes, and it is still not answered.

The CHAIRMAN: It may not have been answered to your satisfaction, but at least until the minister sits down I think you should wait, because until then he might give you the answer that you want.

Right Hon. Mr. GARDINER: This is taken out of the context which I read, and if it is read that way it sounds the way my hon. friend wants to make it sound. But when you read the whole discussion which covers pages, you will find that the very things asked for have been said before.

Mr. CAMERON (*Nanaimo*): On what page? You cannot find it.

Right Hon. Mr. GARDINER: Yes, I can. Remember, this committee knows that in that debate the question was indicated that there had been \$160,000 proposed by someone. I said it was by persons outside Canada, in the United States. They also know from the discussion in this committee that there was another estimate made to the owner of the sheep by an American. I think, speaking from memory now, it was \$123,000. Then, as has been indicated, there were estimates made by our own people and it had to be determined as to which one of them we were going to accept if we accepted any of them.

We did not accept the \$95,000 made by a Canadian; we did not accept the \$123,000; and we did not accept the \$160,000. But we did accept the \$92,100 plus the price of the lambs.

That was worked out by our people, but we had all the others to look at when we were making it, that was the one which was accepted.

Mr. CAMERON (*Nanaimo*): Would you explain this to me please: why did you say this, as recorded at page 5966:

If anyone associated with me in any way whatsoever throughout Canada had been taken there to do the job I know what would have been said about that . . .

Is the implication not this: that no one connected with you was taken there to do a valuation job?

Right Hon. Mr. GARDINER: No one connected with me as a personality yes. But in so far as the officials of the department are concerned, no one without personal bias would ever read that meaning into the statement. The officials of the department are employed by the department to do that kind of work, and of course they are consulted.

Mr. CAMERON (*Nanaimo*): Following that, you said that if it had been left entirely to the officials of the department you have referred to, and I think that is a very ambiguous statement, because you knew there were three officials there from the United States, and earlier you said that one of them was called Byers.

Right Hon. Mr. GARDINER: No, I did not tell you any such thing. I said there was a Mr. Byers who reported to me what the American valuers had said.

Mr. CAMERON (*Nanaimo*): Then why did you say that we brought in valuers?

Right Hon. Mr. GARDINER: We brought them into the discussion. That does not mean that we brought them into Canada. We brought in valuers, and those valuers did give us valuations we did not accept.

Mr. CAMERON (*Nanaimo*): You brought them in?

Right Hon. Mr. GARDINER: We brought in valuers.

Mr. ARGUE: Who were they? What were their names?

Right Hon. Mr. GARDINER: One was named Warrick.

Mr. CAMERON (*Nanaimo*): This morning you said that you were not sure whether those valuers had come in; you were not sure in what way this price had been officially conveyed to you. You told us, in fact, that probably Mr. Rock had got some information from the United States. How does that square with your statement now?

Right Hon. Mr. GARDINER: This was a year ago that you are talking about. I was not sure then and I am not sure now whether they came to Canada. You have apparently read Hansard since last night and so have I. I have gone over it. I recalled circumstances, and I can give you circumstances. When one stands up here after a year or even months have gone by and starts to answer questions about everything, one does forget some of the happenings. I have had two or three things recalled to me while Mr. Rock was speaking last night. Mr. Rock will tell you too that it was on very few occasions I have ever met him. I was very much taken with his discussion last night and I listened to it very carefully.

Mr. CAMERON (*Nanaimo*): I am still rather confused. Did you know of certain valuers, and if so, can you give the committee their names? Do you know where the information came from?

Right Hon. Mr. GARDINER: I have given you the name of one of them. It was a Mr. Warrick, but I am not in a position—I think he belongs to some firm. Oh yes, it is the Roy B. Warrick and Sons of Oskaloosa, Iowa. He was one who was contacted. I did not contact them personally but they were contacted through the gentlemen I spoke of, and then the reports were made to me.

Mr. SMITH (*Battle River Camrose*): Did these American valuator come up personally to evaluate this flock?

Right Hon. Mr. GARDINER: I shall let Mr. Rock deal with that question eventually when it comes to the point because I do not know everything that went on in connection with the flock. I might say no, and be wrong.

Mr. SMITH (*Battle River-Camrose*): I shall leave that question for the moment but I should like to ask Mr. Graham two short questions the answers to which could be yes or no. Do I understand that during the course of appraising the valuation of the Rock flock that you took into consideration the prices which Mr. Rock would have received had he been able to dispose of them to United States and to other buyers? Did you take those two things into consideration?

Mr. GRAHAM: Yes sir.

Mr SMITH (*Battle River Camrose*): In your opinion, was this appraised valuation—would it have been as high if the United States market had not been taken into consideration?

Mr. GRAHAM: Would you mind repeating your question?

Mr. SMITH (*Battle River Camrose*): In your opinion would this appraised valuation have been as high—the valuation which you and the other gentlemen placed on this flock—would it have been as high if the United States market had not been taken into consideration.

Mr. GRAHAM: Under the circumstances I could not have done other than I did.

Mr. SMITH (*Battle River Camrose*): Would it have been as high?

Mr. GRAHAM: I was basing my appraisal on the normal market for Mr. Rock's sheep.

Mr. SMITH (*Battle River Camrose*): And that included the United States market?

Mr. GRAHAM: Yes.

Mr. SMITH (*Battle River Camrose*): And if you had taken into consideration only the Canadian market, would it have been as high?

The CHAIRMAN: I do not think Mr. Graham needs to answer that question. He has given you an answer.

Mr. SMITH (*Battle River Camrose*): He gave one answer.

The CHAIRMAN: Yes, he gave you an answer that in his opinion the fair market value had to take into consideration the United States market.

Mr. SMITH (*Battle River Camrose*): If the flock had been sold in Canada, if there was a sale of the Rock sheep in Canada last March at which United States buyers could have attended, would they have been able to get as much for the sheep as you quoted?

Mr. GRAHAM: I would not know that. It would have to happen first.

Mr. SMITH (*Battle River Camrose*): I would like to have an answer as to your opinion.

Mr. GRAHAM: I have volunteered the information that my appraisal was based on Mr. Rock's normal market, and that on that basis my appraisal was \$92,100. I did not take into consideration the Canadian market because that was not Mr. Rock's normal market.

Mr. SMITH (*Battle River Camrose*): Thank you. I do not blame Mr. Rock for negotiating the best possible settlement he could with the federal government. As far as I am concerned, that was just good business on his

part B. I do not think it was good business on the part of the federal government to have reached a settlement based on United States prices. I would like to point out to the minister that I know of hundreds of farmers in western Canada who are growing wheat and who would be truly delighted to sell their wheat at United States market prices at the present time.

The CHAIRMAN: Have we reached the stage where we are going to sum up the evidence.

Mr. CAMERON (*Nanaimo*): No, I have some questions.

The CHAIRMAN: Well in that case I must ask that we stick to the questions.

Mr. HARKNESS: May I ask the minister a question: who was responsible for the bringing of these three American valuers up to Canada, and who asked them to come, and, particularly, who paid their expenses and fees for coming up to do this job.

Right Hon. Mr. GARDINER: I am afraid that in so far as these men are concerned, two or three questions have been asked, one is: whether they ever came up here. So far as my information was concerned I did not get it directly from them. I have indicated where I got it from. My understanding was that he did get it directly although I could not swear to it, but there is a man here who knows what inspections were made of that flock, and I refer to Mr. Rock himself. I suggest that he answer your question.

Mr. CARDIFF: Surely the minister can answer whether they were paid by the Canadian government or who paid them for coming up here.

Right Hon. Mr. GARDINER: No, we did not pay them.

The CHAIRMAN: Now, Mr. Rock.

Mr. ROCK: Gentlemen, before I say anything in answer to this question I must say as a private citizen that diseases of livestock that were months away from this country today, with our fast transportation, are a matter of hours away. We were in the unfortunate position in connection with our sheep, that it was necessary to have our flock destroyed and our life's work destroyed for the public good. It was necessary to destroy our work so that other purebred flock owners in Canada could enjoy world markets and commercial sheepmen in Canada could enjoy the United States market.

The point I wish to make is: this is the first occasion when one of the better flocks or herds of this country had to be destroyed because of a contagious disease. I am not a fortune teller, but I do know in time to come diseases that are at present in Africa, diseases that are present in Europe, diseases that are present in different countries of the world, will come to Canada and for the protection of the public it will be necessary to destroy herds of those animals. I would like to make that point clear, sir, because it is very important. It is not fair that a private individual who has to make his living out of his livestock should have his life's work destroyed for the public good and get no compensation. That is something for you gentlemen to think about. As a private citizen I am bringing up that point.

Now, in connection with the matter of the valuation of a sheep flock, I mentioned Mr. Warrick who came up to our place on a visit at New Years 1956. He has sold the highest priced Suffolk lamb, at \$3,500, that has been sold by auction. His flock I consider is one of the two best in the United States today. I asked him to value our flock at the time he was up here. At the time our flock was destroyed I sent him a wire and asked him to give me a valuation of our flock. I was in this position: our flock was to be destroyed. I was not arguing about that. It was necessary for the public good to destroy it. All the money which my father and I had made over the years, surplus money we had, had gone into that flock. In that flock at one time or another \$23,000 or \$25,000 had gone into it for sheep from England. Naturally, when

they were to be destroyed and our income was to be destroyed I wanted impartial men to give valuations which could be passed on to whoever was appointed by the Department of Agriculture to do that job.

I also asked Mr. Ewing, from the "Sheep Breeder" of Columbia, Missouri, to make a valuation. The "Sheep Breeder" is, you might say, the purebred sheep breeders bible and most purebred breeders in Canada and the United States take that paper, most of the advertising is carried through there and it is more or less the paper which speaks for the purebred sheep breeders. Mr. Ewing had quite often seen our sheep and our products go to auction sales, seen our products go to other men and he knew what they would do. I asked him to send in a valuation. When our flock was first under suspicion that there might be difficulty about it I asked Mr. A. C. R. Grenville—who I think in the west would be considered the dean of the western purebred sheep breeders and who carried an awful lot of weight, far more than did I, and you people from the west must have known Mr. Grenville, I know Mr. Quelch knew him and I think he can vouch for the statements I am making—I asked him for a valuation of our flock and when Mr. Graham came to our place that information was turned over to him,

I will go a shade further on this matter of valuation. A week ago last Monday—I think I am correct in my date—there was a flock of sheep in California amounting to 1,300 head. Most of them purebreds. A few were Columbias that were on the place in a pasture deal. There were also some commercial lambs. This flock was destroyed this spring. The owner phoned me to rush him air mail a valuation of his flock which he could turn over to the federal authorities and the state men from California in order to have some basis for valuation from an impartial man as to what his sheep were worth. It is a common practice which breeders do when disaster strikes. It is also a common practice when estates are being settled or when men who are in partnership wish to dissolve that partnership. They call in an appraiser to appraise the value of the products they have.

I thought if you had this picture you would understand how this information came about.

Mr. HARKNESS: Mr. Chairman, I understand from what Mr. Rock has just said that he got Mr. Warrick to come up. I was not quite sure whether or not he got him to come up after the herd was condemned or before.

Mr. ROCK: It was at New Year's he came up. At that time no one knew that the flock would be condemned.

Mr. HARKNESS: He had been there a month or so before the flock was condemned?

Mr. ROCK: Yes. What he came for really was he wanted a stud lamp in the worst way. He had to have a ram to carry his flock over. He wanted to see what I had and what I could tell him about when we might be able to ship to the United States.

Mr. HARKNESS: Do you know anything about these other two American valuator or sheep men whom the minister stated had valued this flock?

Mr. ROCK: The minister did not deal with me. I would suspect through interdepartmental correspondence these are the men to whom he is referring.

Mr. HARKNESS: Do you know anything of these other two yourself?

Mr. ROCK: I know about a Mr. Warrick and Mr. Ewing. I gave that information to Mr. Graham when he came to our place to value the flock. There was also Mr. Grenville who is a Canadian. His valuation was made the year before because at the time our flock was destroyed he was gone.

Mr. HARKNESS: The situation is you know of Mr. Warrick and you do not know about the other two Americans to whom the minister has referred?

Mr. ROCK: I would presume these are the two men he referred to.

Mr. HARKNESS: Which two men?

Mr. ROCK: Two Americans who were referred to. I would assume Mr. Warrick and Mr. Ewing are the two Americans referred to. Mr. Grenville was a Canadian.

Mr. ARGUE: Who was the third American?

Right Hon. Mr. GARDINER: The three are the three he is referring to.

Mr. HARKNESS: Who is Mr. Ewing and when was he there?

Mr. ROCK: He was the editor of the "Sheep Breeder" of Columbia, Missouri. He had been at our place before—

Mr. HARKNESS: He had never been at your place?

Mr. ROCK: Yes. He had. I do not know the exact date. I will put it this way: where were you on February 22, 1941?

Mr. ARGUE: No, no.

Mr. HARKNESS: Mr. Chairman, my first interest in this matter right from the start was when this thing came up I was interested in the fact as to whether or not there was an adequate, fair and just compensation paid. As a matter of fact I think I was the first man to bring the matter up in the House of Commons when the condemnation first took place and I asked the minister more or less in these words as to what steps he was taking to insure that the Rocks received adequate compensation for the sheep. What I am still interested in today is finding out the way in which the valuation of the sheep was arrived at and whether or not it was fair, just and adequate.

I do not appreciate the sort of howls which come from my left-hand side. I have no axe to grind in this thing from any point of view except as a member of parliament and as a citizen of Calgary to see a fair amount of compensation was paid and the public treasury was not defrauded in any way and so on. That is the viewpoint from which I am asking the question. I am still far from clear in respect to the statement which the minister made in the house that three American valuers were brought up to put a valuation on these sheep and who valued them at \$160,000. It would appear from the evidence that we have had that the minister did not bring up any, nor did any of the people in his department bring up any, valuers. What happened was Mr. Rock obtained valuations from a man who was in a good position, I think, to give him a valuation. I think it was a wise thing for him to do. Then he got a further valuation from an American sheep breeder. Those valuations were, I take it, passed on to Jack Byers and he told the minister they were the values that these two American sheep breeders had put on them and Mr. Rock had told him that was the situation. I do not think the minister had any right to get up in the House of Commons and say we have had these valuated by three American valuers.

Right Hon. Mr. GARDINER: Mr. Chairman, the fact is, from the discussion which has taken place, there were apparently two Americans and one Canadian, but there were certainly three men outside of this department. I gave one source of my information. I was told that there were three people, when I was in Calgary, and the names were mentioned. Grenville is not a familiar name to me; it may be to Alberta people, and I have no doubt that it is. But I took it that they were all Americans and so stated.

Mr. Rock has said that this information was turned over to our people. I did have information to that effect, which may have come from that source, but I remember it from the other source. But I have also stated to

the committee that we did not take their recommendations, which were considerably higher, we eventually took the recommendations of our own people, and the file which my hon. friends have will show the one—that I agreed to that on a certain date, and signed it.

Mr. BRYSON: Mr. Chairman, Mr. Rock a moment ago deplored the fact that his herd had to be destroyed, and I think we can appreciate that fact. I would like to ask a question of Dr. Wells. Doctor, if a registered bull worth \$20,000 was ordered destroyed by your department, or by some department and—

Mr. BENNETT: Mr. Chairman, I rise to a point of order. We were tolerant this morning, and we have listened to questions about cows and horses. I submit that what we are examining here is whether these sheep were adequately paid for, and other allegations that have been made. Dr. Wells said this morning that the authority for the payment in respect of these sheep was section 12 (1) of the act. He said that very plainly.

I think it is beyond our scope of inquiry to keep talking about cows and horses and goats and everything else—and wheat. In our terms of reference there is an order of the House of Commons that we report during this session and none of us knows when the session is going to be over. It is our duty to sit morning, afternoon and night, and get our report in to the House of Commons. I do not think we can be asking Dr. Wells about these thousand-dollar bulls. I submit the question is out of order.

Mr. BRYSON: Mr. Chairman—

The CHAIRMAN: Are you speaking to the point of order?

Mr. BRYSON: No.

The CHAIRMAN: Well, I have a point of order before me. I think the point of order is well taken. The act is not really before us. We have a very specific reference, and I would like to ask everybody please to refrain from going too far away from our order of reference. Let us discuss the question immediately before us, which is the compensation for sheep. I do not see any relationship between horses and cows or cattle.

Mr. BRYSON: Mr. Chairman, I am concerned with the compensation paid, and the basis upon which it was paid. I am going to ask a question now, to settle in my own mind if Mr. Rock got paid a fair price for his sheep.

The CHAIRMAN: Well, go on.

Mr. BRYSON: On the basis of what I said in the first place, I am going to try to establish—and I hope when I am through that the committee may have some idea as to whether Mr. Rock was fairly paid or not. The question has been asked as to whether there was a fair payment made. Dr. Wells, if a registered bull worth \$20,000—

A Hon. MEMBER: Sheep.

Mr. BRYSON:—died of TB—

Mr. BENNETT: Again on a point of order, Mr. Chairman, I submit that is not a relevant question for the reasons I have stated.

The CHAIRMAN: Well, there is a point of order before me. I think the point of order is well taken. Why refer to cattle? Why not put a question on sheep?

Mr. BRYSON: I am going to make a comparison to see if there is any relevancy between what he is paid by way of compensation—

The CHAIRMAN: No; there is no question as to that. They are two separate cases altogether.

Mr. BRYSON: I will deal with sheep, then.

The CHAIRMAN: Good.

Mr. BRYSON: I will deal with sheep. I notice in the appraisal, in the valuation, Mr. Graham, that you made,—I notice that one Suffolk stud was paid for in the amount of \$2,500, and I am suggesting that—well, for argument's sake—let us say that is the best sheep that the Rock farm ever sold—\$3,350; is that correct?

Mr. ROCK: That is right—Oh, I beg your pardon?—

Mr. BRYSON: Just a minute—

The CHAIRMAN: Well, you have asked a question; let him answer.

Mr. BRYSON: I will give him the benefit of the doubt.

Mr. ROCK: I did not get your question clearly. The question you asked—what was it?

Mr. BRYSON: I understood that the best sheep, the best ram, whatever sex it was, that your farm has ever sold, was for the sum of \$3,350.

Mr. ROCK: Yes, the highest price we ever sold.

Mr. BRYSON: On the assumption that the sheep on which the payment by way of compensation of \$2,500 was paid to you—we will say that you could have sold that for \$3,350. We will say it is the best sheep you have, and it is on that basis that you were paid the \$2,500 by way of compensation.

Mr. ROCK: I will answer your question in this way: The ram that we sold for \$3,350 was one that we had sold. He had characteristics that we did not need to put into our flock to sire the lambs for us. The \$2,500 ram was one that was not for sale. We can go back a little bit. This ram question, of \$2,500, was sired by Badley Quinton. He left good sheep, whose weakness was that they were deficient in the leg mutton. In 1950 we borrowed 800 guineas from the Bank of Commerce—the equivalent of 800 guineas in Canadian funds—from the Canadian Bank of Commerce and sent to England to my cousin to buy us the best hind-ended ram in the Ipswich sale.

He selected the champion ram from that sale which, as events proved, was the highest priced ram in England that year. He came over in due course and was mated to daughters of Badley Quinton. He himself did not do so well as a sire of stud rams or males. The highest price ram sold from him for \$975. The female by him, out of Quinton, bred back to Quinton, produced this \$2,500 ram. That ram incorporated the best things of Badley Quinton and the hind-end of Abbott's Cup Winner. And, coming back, he gave us the bone of Badley Quinton. That was a ram that I thought a tremendous amount of because it was the best one that we had ever produced. And I will always feel sorry that his lambs were not allowed to grow to see what he himself would breed like.

Mr. BRYSON: That is very fine. In other words, then, you were compensated \$2,500 for a lamb which you said had no value. It was...

Right Hon. Mr. GARDINER: Oh no.

Mr. BRYSON: That you would not sell; it was too valuable to sell?

Mr. ROCK: Yes.

Mr. BRYSON: Pardon me; I think I understood you. You held this animal at such a terrific value that it was not for sale at any price.

Mr. ROCK: Yes.

Mr. BRYSON: But it was disposed of and you got \$2,500 by way of compensation. By the same token, Mr. Rock, I suggest to you that a bull of equal value dying of TB would only get a compensation of \$100.

The CHAIRMAN: There is no comparison.

Mr. ROCK: I would like to elaborate a little bit on that, to be fair to all purebred breeders.

These animals have a standard of excellence. The males sire lambs, calves or colts. They themselves may be superior individuals. The progeny that they leave is the mark that they will make in the industry. From the \$2,500 ram that you refer to, the lambs by him were less than a month old. No one will know whether they would have been the equal, the superior, or poorer than he was himself. Because we do not know the complete inheritance of that ram, to couple that with the complete inheritance of the ewes.

Mr. ARGUE: Mr. Chairman, in relation to the figures Mr. Rock placed on the record, I would like to ask as to his income. Do I take it that the \$42,600 referred to is the 1948 income from the sale of sheep,—entirely from the sale of sheep?

Mr. ROCK: Do you mean the figure I gave last night?

Mr. ARGUE: Yes.

Mr. ROCK: Yes; that was the sale of sheep; that was not farming.

Mr. ARGUE: How many sheep?

Mr. ROCK: I cannot offhand answer that question.

Mr. ARGUE: I think this committee should receive from you as quickly as you are able to get it, the figures. And, if I may complete my question of the number of sheep involved for each year in the figures referred to by you last night, and the information that we have been inquiring about since yesterday as to the identity and numbers and values of the sheep sold from your farm in 1954, 1955 and January of 1956. In other words, we want to get the picture of your income from sheep in relation to the numbers of sheep for all the years, together with the detailed information as to pedigrees and so on which we were told this morning you had in your brief case—for 1954, 1955 and January of 1956.

Now—

Mr. ROCK: Sir, with regard to the amount I gave you last night, the year 1948 was 676; 1949, it was 447; 1950, it was 661; 1951, it was 340; 1952, it was 238; 1953, it was 454.

Mr. ARGUE: Yes? And what about 1954?

Mr. ROCK: I do not have that in this auditor's statement.

Mr. ARGUE: So that 676 at \$42,000 in 1948—is that correct?

Mr. ROCK: Yes. And I might elaborate on that by saying—

Mr. ARGUE: No, I do not think it is necessary.

The CHAIRMAN: Well, he should be allowed to elaborate. Let us be fair about it. Just a minute now; you have asked the witness to give an answer.

Mr. ARGUE: Do not hold it against my time.

The CHAIRMAN: No, do not worry about that. As a matter of fact, there was a question in my mind when you asked the question, as to whether it was proper to ask a man to divulge all his personal income information, and publicly like this. Since he was willing to furnish the information, I did not object; but I think the committee should think about this—whether it is proper that the man should be asked to give this information.

Mr. CAMERON (Nanaimo): On a point of order—

The CHAIRMAN: Just a moment; I have the floor. The least you can do is let the man explain fully the figures that he gave. That is the point I am driving at.

Mr. ARGUE: On the point you have raised; I wish to give the reason for my asking the question—I wish to make the reason quite clear. I think it is

absolutely essential that this committee have the background information of the income per sheep for the years referred to in order that the committee may judge whether or not excessive payment was paid for compensation. And in the figures we now have before us—I have not done the arithmetic—but I can see by a very brief glance that the payments are less than 50 per cent per sheep as related to the compensation paid.

The CHAIRMAN: That is exactly the point that I was getting at. Now, in all fairness to the man—you are jumping at conclusions already.

Mr. ARGUE: No, I am not.

The CHAIRMAN: The figures have to be interpreted. Surely the man to interpret the figures should be the man who gave the figures. Surely you have to give the man a chance to interpret the figures, and tell the committee what the figures mean. That is the least we can do, surely.

Mr. ARGUE: I am quite happy.

The CHAIRMAN: Mr. Rock, go ahead.

Mr. ROCK: So in 1948 that 676—in those years we had a big business in Texas.

Mr. McCULLOUGH (*Moose Mountain*): Would you speak louder, please.

Mr. ROCK: In those years we had a big business in Texas. The largest number of female sheep in the United States are in the state of Texas. From 1948 to 1950, grass was good in that state, and there was a tremendous market for male sheep which would sire them heavier lambs. A poorer sheep in Canada was a good sheep in Texas. And in the 1948 figure of 676, there was a large number of sheep that I bought cheaply in Canada and sold dear in Texas. And the sheep that were sold of our own breeding were sheep that we could spare. When you destroy a flock you destroy a man's foundation. You destroy the factory by which he produces his livelihood.

Mr. ARGUE: For that year can you tell me whether on the other income side of your picture whether you purchased sheep in those years, and if so, what was the total value of the sheep purchased, and the numbers in each case?

Some Hon. MEMBERS: No.

Mr. ARGUE: Oh, I think this is completely relevant, because this is not your gross income, entirely from the sale of sheep, I take it, if you are in the sheep business, this is another factor to be considered; what is the number of sheep you have put into your flock, and the price paid, because I know that some can buy as many sheep as they are selling. So you may not have purchased any sheep. I am just asking; what are the number of sheep you purchased during each of these years, and the value of the sheep. Then we could see what the gross income was, in excess of the figure that has been produced.

Mr. ROCK: Sir, these figures were not made up for this committee. Those are my income tax figures. The only thing those people were interested in was, how many sheep I sold, and how much money I brought back to the farm for them. I do not have a breakdown of the sheep that I have bought, and the sheep I raised myself, sir.

Mr. ARGUE: Can you get that for the committee?

Some Hon. MEMBERS: No, no.

Mr. ARGUE: That is, the total value of the sheep which you have purchased during each of these years, and the number in each year?

Mr. ROCK: I would have to go home, sir, and dig through my files, because they are scattered through them.

Mr. ARGUE: The income tax people would not have that?

Mr. ROCK: No, sir.

Mr. ARGUE: As part of your breakdown of expenses?

An Hon. MEMBER: Do not do it.

Mr. ROCK: I reported, on my income tax form, the number of sheep I sold, for the amount of money I have. I do not have with me, the information of the number that I sold.

Mr. ARGUE: Would you be prepared to check?

Mr. ROCK: I would have to go home and get that.

Mr. ARGUE: There is no one out there that could obtain those figures?

Mr. ROCK: No, sir, because there are a very large number of files, and I do not have them with me. I would have to get them myself, sir.

Mr. ARGUE: I think that is the type of information that is essential to the committee.

Some Hon. MEMBERS: No, no.

Mr. ROCK: I am sorry, sir.

Mr. ARGUE: Do not think I am attaching any criticism to the fact that you do not have them here.

Some Hon. MEMBERS: Oh, oh.

Mr. ARGUE: I am not attaching any criticism to that. I did not expect Mr. Rock to bring all of his records with him, and I am not endeavouring to criticize you in any way at all.

Mr. ROCK: I was informed, at two o'clock, that I had to come here.

Mr. ARGUE: I was simply asking if this information could be made available to this committee.

Mr. ROCK: I have given you the information that I had. In respect to some of the information, actually I do not think it is fair that I should give that, and that that should be publicized all over Canada. The Imperial Oil Company, for instance, would not do that, as well as many other people.

Mr. ARGUE: I think you will agree, though, that you gave to us, not by question and answers, but voluntarily, a lot of information last night.

Mr. ROCK: I gave you that information voluntarily. This information I give you by question and answer. I was not trying to hold anything back last night. I can put it this way; I did not feel, last night that I should give those figures, for the simple reason, that it is private information.

The CHAIRMAN: Have you another question?

Mr. ARGUE: Yes. This question may be better directed to Dr. Wells, I am not sure. I would like to know the number of registered sheep that were exported to the United States, in each of the years we have been referring to, and the total values, if that information is available. I do not know whether that comes under D.B.S., or whether that is your department.

Mr. WELLS: Certainly, as far as values are concerned, I do not think that information is available. That is a matter of a man's own personal business, in so far as we are concerned. The number of purebred sheep exported, I believe could best be obtained from the D.B.S.

The CHAIRMAN: You mean for the whole of Canada?

Mr. ARGUE: Yes, exported to the United States, from the whole of Canada.

The CHAIRMAN: You could get that from the D.B.S.

Mr. ARGUE: You do not happen to have that?

Mr. WELLS: No, we have not got that figure.

Mr. ARGUE: Could you tell me, in general terms at all, the number of purebred sheep exported to the United States in 1955?

Mr. WELLS: No, I cannot, sir.

Mr. ARGUE: There was a substantial number?

Mr. WELLS: I cannot tell you, sir.

Mr. ARGUE: I will put the question in another way. To what extent has the appearance, or the suspicion of scrapie, in recent years, cut down the general number of sheep exported to the United States—purebred sheep, foundation stock?

Mr. WELLS: I would not know, sir.

Mr. ARGUE: Would you endeavour to find out whether or not that information is obtainable? I want the information for this reason, to see whether or not the appearance of this disease is not only hurting, and going a long way to destroying markets for a few people, and is generally making it more difficult, in actual results, for purebred sheep breeders, all across Canada, to export to the United States.

Mr. WELLS: In my opinion, it would not be fair to attribute the fluctuation in the export of sheep entirely to the appearance of scrapie in Canada.

Mr. ARGUE: I was just wondering if you had any information as to the fluctuation.

Mr. WELLS: No, I would not, as to the fluctuation.

Mr. ARGUE: I am asking you if you could obtain those figures.

Mr. WELLS: I cannot promise you.

Mr. BENNETT: Mr. Chairman, on a point of order again, I do not think the answer to that question will help us at all in our inquiry. We are here to see whether, the allegations, made by the hon. member, are true or false. We are all concerned about this dreaded disease, but we are not here to see whether we can combat it, or the effect of it. I think that question is out of order.

Mr. ARGUE: Mr. Chairman, on the point of order that has been raised, I would say the question is very much in order, because, in respect to the information I have been trying to get, if the appearance of scrapie, in a few flocks in Canada, has resulted in a very drastic, severe, and widespread curtailment of exportation of purebred sheep to the United States, then you arrive at the position, that the effect of scrapie is hurting the whole industry. It is removing the market from the whole industry, and it is not something that applies merely to the person, on whose premises scrapie may appear. If that should be the case, then, in projecting whether or not a large part of Mr. Rock's possible income has been lost, one would say "yes". The same applies to every sheep breeder in Canada, and the others get no compensation. If, on the other hand, the market in the United States has not been affected by the outbreak of this disease, and the affect of the disease only removed that market for a few, perhaps, then that is something else.

The CHAIRMAN: I do not see the relationship there. You are getting into a new field altogether, as to the propriety of the provisions made in the act. It is obvious, to anybody, what the purpose of destroying a flock is. It is for the specific purpose of protecting all the others.

Mr. KICKHAM: Mr. Chairman, on a point of order. As far as I can find out, and I have been listening pretty closely to the questions that have been asked of Dr. Wells, and I believe they are most irrelevant, and they do not concern—not one iota—the accusations that have been made by the member from Moose Mountain. I think it is your duty, as chairman, to call those, who are cross-questioning Mr. Rock and Dr. Wells to order.

Mr. McCULLOUGH (*Moose Mountain*): Mr. Chairman, on a point of order.

The CHAIRMAN: Wait a minute.

Mr. McCULLOUGH (*Moose Mountain*): The very fact that the hon. member for Assiniboia has raised this matter, is pretty relevant, because I think we have already had indications, that the basis of settlement was on the basis of the period when Mr. Rock was able to ship his sheep to the United States. I think, sir, if it could be established that there is a period in which sheep were not allowed to go to the United States, then every other sheep breeder in Canada would be in that same position, and would suffer in the same way. I think it is relevant.

The CHAIRMAN: Just on that one point. You are raising a very interesting point, and I agree with you, but it is an entirely different question, and is not the question we have been directed, by the House of Commons, to look into.

Some Hon. MEMBER: Hear, hear.

The CHAIRMAN: The question as to whether there should be a general compensation for all sheep breeders in Canada, is an entirely different question.

Mr. ARGUE: No one has asked about that.

The CHAIRMAN: Wait a minute. With all due respect to you, Mr. Argue, that is the point that Mr. McCullough was raising, and that is his argument. We do not want to get too far afield from the terms of reference. I have been asked, on two or three occasions, to hold the discussion down to our specific order of reference. I have attempted to do that. I have asked the cooperation of every member of the committee to address their attention to that particular point, which is before us, and not to stray into anything, or any other questions, however important, or however interesting they may be.

Mr. ARGUE: I would like to ask Mr. Rock, how he explains the very severe drop in his income, from \$45,000 in 1951 to \$17,000 in 1952.

An Hon. MEMBER: That was explained last night.

Mr. ROCK: As a result of the foot and mouth disease, sir.

Mr. ARGUE: Yes. Had the foot and mouth disease continued for ten years, would that have affected your income, in relation to your past income, throughout the period of the disease?

The CHAIRMAN: I do not think he would know that.

Mr. ROCK: I would answer that question in this way, sir: in Canada, livestock purchasers would have had a drastic curtailment of income, until the present time. At the present time we are almost—I am speaking of Canada—on the basis of being a net importer of meat. In other words, we are buying a little bit more meat than we are producing ourselves. By now, I think the foot and mouth quarantine, perhaps, would have worn off. The thing that caused many people a large cut in income, was not the disease itself, but the loose talk, and the rumours that affected the trade between the provinces. That hurt a great deal.

Mr. ARGUE: I am suggesting that the government of Canada was wise in 1952, in not compensating you, or other sheep breeders, or other purebred livestock owners, who suffered losses because of a loss in the export market, when their own herds were not infected, and that if it should be, that the export market to the United States has generally dropped for everyone, that that should be a definite consideration in deciding whether or not a single flock should be singled out for destruction, at a compensation rate ranging from \$25 per head to \$2,500 per head.

Mr. ROCK: Sir, I will put it this way: the best flocks in our province, when we could not export to the United States, had a field day, because our sheep, Rocksheep, were barred from export. Put it this way: you are raising

thoroughbred livestock to correct the faults in your flock, and you must have a sire that is strong, where your females are weak. When our sheep could not go to the United States, the blood lines that were in demand, were those from breeders in our province, and they had extra good sales because we could not ship. They had extra good sales in 1954, and 1955, sir.

The CHAIRMAN: Mr. Argue, I must point out in respect to your last remarks, and I am quite sure it was quite unintentional on your part, but I think you did leave the impression that Mr. Rock was compensated for economic reasons. Of course, we all know that this was not a factor in the compensation.

Mr. ARGUE: Economic reasons?

The CHAIRMAN: Economic losses.

Mr. ARGUE: It depends on your term, but I think the whole basis was placed on the economy, at least, as related to the market that they had experienced in the past in the United States. That was definitely an economic reason.

The CHAIRMAN: It was on the market value of the stock. I mean he was not compensated for any economic loss as such.

Mr. BENNETT: If we are all going to make speeches I would like to say that the man would be compensated as set out in the act, first, for the market value; I think we should get away from speeches. We will be making them at the end when we draw up our report. We all have opinions on this matter.

Mr. CAMERON (*Nanaimo*): You referred to the advice which you got with regard to the value of your stock from a Mr. Warrick and a Mr. Ewing. You got that advice at the time when your stock was quarantined or just before it; and it was due to be destroyed at that time, was it not?

Mr. ROCK: Yes.

Mr. CAMERON (*Nanaimo*): What was your purpose in getting that valuation at that particular time?

Mr. ROCK: Sir, I shall answer you in this way: when a Californian man lost his flock just a short time ago he wanted a valuation from an independent man who had no connection with the sheep business in the United States. He wanted such a man to give a valuation to him which he could show to the arbitrators. Accordingly I gave him a value and I based that value on four times his average gross income over the preceding five years. I have not seen that flock for many years. But I based his value at four times his average gross income from the sheep in the past five years. I was trying to be fair to the United States, I was trying to be fair to the man I was trying to help, and I was trying not to make a fool out of myself because I am supposed to know something about the sheep business.

Mr. CAMERON (*Nanaimo*): I presume the fact is that this value for the same purpose would be shown to the person who was appointed by the Department of Agriculture who valued your flock?

Mr. ROCK: Yes sir.

Mr. CAMERON (*Nanaimo*): You did show it to him?

Mr. ROCK: Yes.

Mr. CAMERON (*Nanaimo*): May I ask Mr. Graham a question then. I asked Mr. Graham this morning if he had ever heard of a valuation of the Rock flock of \$160,000 which was made by American valuers. At that time he told me that he had never heard of it. Did Mr. Rock not show this valuation to you?

Mr. GRAHAM: I think at the time we were in conference with Mr. Rock—that would be on the second day of the proceedings when we were in a

discussion and trying to get together on a reasonable value of the sheep—at that time the valuation which Mr. Rock showed to me was from Mr. Grenville. I was shown a letter from Mr. Grenville indicating a valuation of \$95,000; and he also showed me a statement from Mr. Warrick who had valued the Suffolk flock at \$138,000. I had that information when I came back to Ottawa.

Mr. CAMERON (*Nanaimo*): Then, Mr. Graham, you did actually hear of this valuation?

Mr. GRAHAM: Not of \$160,000, no.

Mr. CAMERON (*Nanaimo*): Mr. Rock has just told us that he showed you the valuation of \$160,000. Which of you is right in this case?

Mr. GRAHAM: The note I took at the time—and I have it here among my papers—indicates that the information given to me as that Mr. Warrick's valuation of the Suffolk flock was \$138,000.

Right Hon. Mr. GARDINER: There were two breeds of sheep. That was just for the Suffolks.

Mr. CAMERON (*Nanaimo*): I gather that the total valuation of the Rock flock by people that Mr. Rock consulted was \$160,000?

Mr. ROCK: I do not remember at the present time. I would have to check back. I do not remember. But I would presume that Mr. Graham told you the valuation of the Suffolks was \$138,000, or Mr. Warrick; but there was, in addition, the Hampshires and I do not recall the valuation which Mr. Warrick put on the Hampshires. I would have to say that I presumed the figure because I do not know for sure without checking my records.

Mr. CAMERON (*Nanaimo*): I wonder if you could tell me this: there is I believe a formula for income tax purposes, a basic flock formula for valuation. Is that correct?

Mr. ROCK: Yes.

Mr. CAMERON (*Nanaimo*): You employed it in making out your income tax return?

Mr. ROCK: Yes.

Mr. CAMERON (*Nanaimo*): Can you tell the committee what that basic flock valuation was in 1953, 1954 and 1955?

Mr. ROCK: Sir, our basic flock for income tax purposes was 125 units of sheep. I insisted that the Department of Agriculture designate the animals that would cover that 125 units, and the Department of Agriculture set out the basic flock so that I could go to the income tax people with the Department of Agriculture figures, because I thought they could argue better with income tax people than I could.

Mr. CAMERON (*Nanaimo*): What were those figures?

Mr. ROCK: I am speaking from memory, but I think they were in the neighbourhood of \$47,000.

Mr. CAMERON (*Nanaimo*): You are not sure?

Mr. ROCK: No. I mean it could be give or take \$1,000 or so one way or another. But I mean it is somewhere in that neighbourhood.

Mr. CAMERON (*Nanaimo*): And those 125 animals—how would they compare in value with the whole of your flock?

Mr. ROCK: There were not 125 animals; it was 125 units.

Mr. CAMERON (*Nanaimo*): I am sorry I misunderstood you.

Mr. ROCK: In a unit, you see, the income tax people include sheep. Lambs are not considered until they are two years old. They are not considered a unit.

In the case of cattle—I can be corrected on this because I am not a tax authority—but in the case of cattle I think that a mature female becomes a unit at three, or it might be two, but I think it is three; an animal under that age is classed as a half a unit.

Mr. CAMERON (*Nanaimo*): Can you tell me how many individual animals were included in those 125 units?

Mr. ROCK: No sir. Not off hand. I tried to figure it out on the long term age in the flock; in other words; you have so many young ones and so many lambs that you carry for a year that you wish to put in the flock, less those not up to your requirements at the time; they can die; you may have less two years olds because of natural mortality; and some may have been sold off; you may have less three year olds and less five year olds. I tried to do a fair average on the number of each age that would comprise our basic flock.

Mr. CAMERON (*Nanaimo*): You cannot tell me how many animals were included in it?

Mr. ROCK: Not off hand.

Mr. CAMERON (*Nanaimo*): Could you not make a rough estimate?

Mr. ROCK: No sir, I would rather not say because I do not want to tell you something that is not correct. I could say that I do not know. If I do not know, that is it.

Mr. CAMERON (*Nanaimo*): Can you tell me how many sheep were in your flock on March 26, 1954 when the disease was first suspected in your flock?

Mr. ROCK: Not off hand, sir. I think Dr. Wells would have the quarantine sheet which shows the number. I have it too, but as I said I had to leave in a hurry and I did not know what information I would need to bring. But I think Dr. Wells would have that figure.

Mr. CAMERON (*Nanaimo*): Could Dr. Wells please give me that information?

Mr. WELLS: I think I have already given it to you, sir.

The CHAIRMAN: Yes, I think it is already on the record.

Mr. WELLS: I am sure it is on the record

Right. Hon. Mr. GARDINER: Yes, it is.

The CHAIRMAN: Are there any other questions?

Mr. CAMERON (*Nanaimo*): What number of sheep were in the flock at the time they were destroyed? It was 495, was it not, or 497 or some such figure?

The CHAIRMAN: What was the figure?

Mr. WELLS: 654.

Mr. CAMERON (*Nanaimo*): That was when they finally were destroyed; but at the time the final quarantine was made you said it was 419, did you not?

The CHAIRMAN: You mean at the time of the appraisal?

Mr. CAMERON (*Nanaimo*): Yes, before they were destroyed. I wanted to know the number of sheep there were at the time they were placed in quarantine and the order for destruction went out. I have in mind something like 497 which was afterwards built up by reason of the lambs.

Mr. ROCK: Mr. Graham says there were 494 sheep at the time of the quarantine including the lambs; February 1st is the date, and there were 494 sheep and lambs. That is the information which he has given to me. I want to make it clear. When range cows calf in the spring, their calves are due the 1st April, and there are more range calves born in April than in any other month; there is less in May and there is less in June. But as I told you last night, in the development of our market we could sell a buck ram lamb for at least as much money as a yearling ram. Your buck ram lamb was born in January or in the first half of February and he is held from June to the

next October. In other words, I would have him on my place for six to eight months and he is gone. But the yearling ram would be born in March or April. He would not be large enough to sell as a lamb. He would not go to the market and by the market I mean the man who is going to use him to sire lambs—he would not go to market until the next September or October; so when he was sold he would be a minimum of 16 months of age. As you all know it does not cost as much, no matter how well you feed them or how much you feed them, to keep a sheep for eight months as it does for 18 months.

Mr. CAMERON (*Nanaimo*): Can you tell us if in the interval between March 26, 1954 when the disease was first suspected and the date of February 27 to March 2nd when the sheep were destroyed your flock was essentially the same flock? I mean to say: I understand there would be individuals gone. Did you have any sales from your flock in that period, or did you have any purchases into your flock in that period?

Mr. ROCK: During the time we were in quarantine there were absolutely no sales!

Mr. CAMERON (*Nanaimo*): Of course. I am not suggesting that at all. I am not suggesting that there was anything illegal. I simply asked you if in the period when the quarantine was lifted—it was lifted twice?

Mr. ROCK: Yes.

Mr. CAMERON (*Nanaimo*): Were there any sales from your flock or purchases by you as additions to your flock?

Mr. ROCK: There would be sales, sir. I am not sure about the purchases. The only purchase I would be making would be a stock ram. I am not sure whether I purchased any or not, or whether I got by with what I had. I think I got by with what I had because money was not plentiful. When your income is drastically cut you put your hands in your pockets and you keep them there. So that covers the purchasing end of it.

As to the sales, there were some sales. Some of the worst sheep were sent to the butcher because they cost me money. When sales are not brisk and you get into a bad deal, the first thing you try to do is to cut your loss and try to get out of the deal. The thing which has the lowest value is the first thing you sell because he costs as much to keep as the better one. So the better sheep is the last you sell on the list.

Mr. CAMERON (*Nanaimo*): You mention also sheep which were sent to the butcher. Earlier in your evidence you spoke of periodically shipping a number of animals to the butcher in Drumheller.

Mr. ROCK: Yes.

Mr. CAMERON (*Nanaimo*): Have you any figures on what you would market in that manner during the year, or have you any estimate of their average prices?

Mr. ROCK: Well, sir, I could not say exactly. I can answer you partly in this way. We got from 40 to 60 cents a pound dressed for those sheep. Some of them would weigh 50 pounds dressed, and some would weigh 80 pounds dressed. At 60 cents a pound for an 80-pound carcass, that would be \$45, and at 40 cents a pound for a 50-pound carcass would be \$20. They would sell in that range. And from that butcher in Drumheller I would purchase feed and other things and trade sheep for it. It would not be a money transaction. I would take the things he had to sell and I would take credit from him for the sheep against those things somewhat as the farmers used to do with butter and eggs many years ago.

Mr. CAMERON (*Nanaimo*): Did you make any sales of your animals to any other purchasers besides the Drumheller butcher?

Mr. ROCK: Yes sir, some would go to Burns and Company, or to Canada Packers, or to the Union Packing Company in Calgary. We did not like to sell sheep at the yards because when they went to the yards the packing company might or might not buy them. But if they went directly to the plant for immediate slaughter, that was it. I am not sure whether they all went to the packers or some went to the packers and some went to the yards.

Mr. CAMERON (*Nanaimo*): Is there any way in which you could get the information for the committee as to the average number you would sell in this manner in the course of a season?

Mr. ROCK: I could get it for you at home. I do not have it here.

Mr. CAMERON (*Nanaimo*): Could you give an estimate of the number?

Mr. ROCK: No sir, I would have to guess and you want definite information. You are not asking for my guesses.

Mr. CAMERON (*Nanaimo*): No. I am asking for the information and I suggest, Mr. Chairman, it is information which we should have.

The CHAIRMAN: I do not see the relevancy actually of this because it is certainly not a criterion.

Mr. CAMERON (*Nanaimo*): Dr. Wells quoted from the act that the compensation should be paid on the basis of the market value immediately before slaughter by order of the department. I want to find out what was the market value of the sheep that were marketed year by year from this farm and to do that I must have an idea not as to half a dozen in the high categories but some idea of the numbers in the low category prices.

Mr. ROCK: Sir, the fact that those in the low category went to slaughter raised the value of those that were left. Some gentlemen have spoken about questioning the use of United States figures. In 1952 we sent 10 ewes and 2 rams of Badley Quinton blood lines to England. Various regulations were not cleared so that when the sheep left home it was about the middle of January. I selected for the reestablishment of the Hayward flock the best females I had, bearing in mind they would be two months in transit. In other words the ones that would lamb late, and also two rams. When they arrived in England the lambs were born too late to be a factor in that year's market. The next year, 1954, a lamb out of one of the ewes we had sent to England sold for 360 guineas and another lamb sired by the ram we had bred sold for 340 guineas. A guinea is approximately \$3.20. The point I wish to make is England is the home of this breed. The English breeders are recognized as being the best breeders of Suffolks in the world. Those are not the highest figures in England but they are not the lowest. I wish to point out there were other values besides the Canadian market. That is what we are trying to bring out.

The CHAIRMAN: Mr. Cameron, you referred to a statement by Dr. Wells.

Mr. WELLS: Mr. Chairman, may I state I was misquoted, or should I say not misquoted but rather underquoted by the hon. gentleman. The hon. gentleman said I had stated that the animal would be compensated at the market value immediately before slaughter. He forgot to add that I stated and read from the act the words "had it not been subject to slaughter under the provisions of this act" which is in effect the principle which is involved.

Mr. CAMERON (*Nanaimo*): Mr. Rock, has the size of your flock varied considerably over the last ten years, would you say?

Mr. ROCK: Our low, I think, was in 1941 or 1942, following a period when we were almost completely hailed out three years in a row, and in order to realize money we had to sell sheep. That is the reason our flock went so low. The income tax people took the lowest number we had in spite of

the fact that from 1935 to 1955 our number was much larger than that. Their basic herd unit was based on that low. As prices improved, naturally I tried to keep more and more sheep in order to utilize the ground we had to the best of our ability.

Mr. CAMERON (*Nanaimo*): For the last few years has it remained in the neighbourhood of four or five hundred as it was at the time of the slaughter?

Mr. ROCK: We tried to keep around two or three hundred breeding ewes. Some years fall markets would not be what you might expect and we would carry over a few more than we had expected to carry over. Other years prices would be particularly attractive and we would market a few extra. However, we tried to run in that range of between two and three hundred ewes. Sometimes we sold a few too many one year and a few too few the next.

Mr. CAMERON (*Nanaimo*): Then I would presume in years when you maintained your flock in a fairly narrow range there would be approximately the same number of animals which you would market to the Drumheller butcher shops and packing houses, approximately the same?

Mr. ROCK: No, sir. That would vary with the numbers that were not up to the standard which we wished to maintain. In the year when we had two hundred ewes to lamb there would not be as many butcher lambs as in other years when our ewe flock was higher. It would vary as to the number of lambs we saved. You can take a figure of 200 ewes put to rams and some years they will drop maybe 175 per cent. The next year something goes wrong and you would only have born 135 per cent. What we were trying to do in our operations every year was to average 135 per cent saved. Some years we would do better than that; some years we would not do as good a job and would do worse than that. That is what we hoped to raise, around 135 per cent.

Mr. KICKHAM: On a point of order. I feel, as one member of this committee, we are now fully acquainted with the operations of the Rock sheep farm. I think it is high time for we, as members of this committee, to ask Mr. McCullough to give this committee some substantiation for the charges which he has made upon the floor of the House of Commons regarding implied substitution of sheep in the Rock herd and also the implications of skulldugger. I think it is high time now for us to demand that you, Mr. Chairman, call upon Mr. McCullough to give some proof of the charges which he has implied.

Mr. CAMERON (*Nanaimo*): Mr. Chairman, on this point of order. I would suggest that the revelations this afternoon call for apologies coming from a different quarter than Mr. McCullough. As there have been rumours and suspicions as Mr. Rock has admitted and as Mr. Smith mentioned in the house, then I think there is a very sound reason for believing those rumors and suspicions have arisen from the minister's misstatements of fact, ambiguities, contradictions, and the fact that we have never been able to get a plain statement as to the values of this flock.

Mr. BENNETT: Then is Mr. Cameron admitting the allegations have no ground?

Mr. CAMERON (*Nanaimo*): No. The allegations were a report of rumors and suspicions, and as Mr. Shaw pointed out yesterday one may indeed be inclined to believe suspicions even though later on they are proven to be unfounded. I suggest the source of those suspicions is sitting right at that table there.

Mr. BENNETT: Is the C.C.F. member willing to admit the allegations contained at page 2923 of *Hansard* have no basis in proof?

Mr. CAMERON (*Nanaimo*): What are the allegations?

Mr. BENNETT: That many lambs were born after the disease was diagnosed in this flock, and rumors persist that some of these sheep have been destroyed; also that some of the sheep were moved from P. J. Rock's flock to a farm in Manitoba. Then he says "I am inclined to believe these rumors". The substitution was the other allegation.

Mr. CAMERON (*Nanaimo*): This was not an allegation; it was a report of rumors, which is a very different thing.

Mr. BENNETT: But you are willing now to believe there is no foundation for the allegations?

Mr. CAMERON (*Nanaimo*): No. I have not been able to get to the bottom of it. We have had contradictions and misstatements from the minister, and definitely untrue misstatements or contradictions and ambiguities which might give rise to suspicion in this quarter.

Mr. GOODE: Will Mr. McCullough now agree, in the statement he made in the house when he said this man was a Liberal supporter and perhaps one of the greatest Liberal supporters in the province of Alberta, that the statement in view of the evidence we have heard was made in error. That is as far as I want to go.—Mr. Chairman, before anything else is said may I ask your permission to ask Mr. McCullough if he will now agree that that statement was incorrect?

Mr. McCULLOUGH (*Moose Mountain*): Mr. Chairman—

Mr. ARGUE: On a point of order.

Mr. GOODE: Let him answer.

The CHAIRMAN: I want to find out whether or not Mr. McCullough wants to answer now or reserve it until later

Mr. ARGUE: Mr. Chairman, on a point of order. This inquiry I realize is very distasteful to the members here. There will be a lot of further information, I have no doubt, come out in this committee, after which we shall be able to decide whether or not there was a substantial amount of fact in the rumors that Mr. McCullough has reported to the house. I have no idea, myself, from the question of the political affiliation or support or information of either the Mr. Rock who is here today, or the Mr. Rock senior. But, I have been informed by my colleague, and I have asked for permission to use his name—Mr. Quelch—that at a public meeting in the town of Morrin in Alberta, eight years ago, Mr. Rock, Sr., chaired a political meeting addressed by the Right Hon. Minister of Agriculture.

The CHAIRMAN: But that does not—

Mr. ARGUE: So that the minister in fact knew him; and I notice that on this point last night—and of course there is nothing wrong with being a Liberal—

The CHAIRMAN: I should say not!

Right Hon. Mr. GARDINER: But that does not say he is a Liberal, even.

Mr. ARGUE: But last night the statement was made, as I recall it, by Mr. Rock, that he had never been a member of the Liberal party, and he had never made a financial contribution.

The CHAIRMAN: What he said was that he had never been a contributor to any party.

Mr. ARGUE: Or to any party, that is correct.

The CHAIRMAN: And that includes the C.C.F. as well.

Mr. ARGUE: It includes the C.C.F. as well, yes.

The CHAIRMAN: Now, Mr. Argue, you raised a point of order; what is your point of order?

Mr. ARGUE: The point of order was raised by these other gentlemen as to whether or not some of these allegations—whether or not these rumors referred to in the house had been substantiated or whether adequate information had been brought to bear upon them. And I rose to say that there is other information that this committee should have. Some of it I have already related, through Mr. Quelch; and I certainly think that this is no time to discuss winding up this committee.

The CHAIRMAN: There is no question of winding up the committee. But I think that, as it was stated before earlier today, we have to be conscious of our time, whether we want to or not. If we want to bring this committee to a final conclusion, we have got to be realistic. I think it is in the interest of everybody here—everybody here—to try to arrange our time so to arrive. I now recognize Mr. Quelch, because he was mentioned.

Mr. QUELCH: In view of the fact that my name has been mentioned, I would like to make a few words of explanation. I probably know Mr. P. J. Rock better than any man here, with the exception of Philip Rock, his son. I have known him for 37 years, and I also know his brother-in-law, Mr. Arthur Grenville of Morrin, the late Arthur Grenville. These two men have brought, unquestionably, a great deal of fame to the Morrin district for the outstanding work that they have done in agriculture, and not merely in sheep. Long before they went into sheep they were prominent as seed growers, winning many of the prizes at various provincial exhibitions and they were prominent in hog raising, beef and cattle.

I have known the work that these two men have done for many years. Therefore last year when this question came up in the House of Commons, and some members seemed to think that this flock of sheep that we were talking about was just a common run-of-the-mill flock of sheep, I thought that I should say a few words regarding the work that had been done. And that is why I spoke the way I did on July 13th, referring to the fact that I thought that the compensation received by Mr. Rock was probably fair compensation.

I might say that I knew Mr. Arthur Grenville very well, and there is no man in the Province of Alberta held in higher esteem than the late Arthur Grenville. And if he evaluated the stock, and gave the valuation as mentioned by Mr. Rock, I would be satisfied that that valuation would be a fair one. Because that man's word was as good as his bond any day.

That is why I spoke as I did at the last session—to support, or at least to defend the reputation of Mr. Rock.

Now, at that time some irritation was caused to my friends to the right, and even to one or two of my own group, because they felt that by making a statement such as I did make—or, to use the expression that was used at that time, getting Mr. Gardiner off the hook—the reason I raised that was because I thought it was only fair for me to make that statement, to defend Mr. Rock.

Some jumped to the conclusion that Mr. Rock must be a good political supporter of mine. Well, let me make it quite clear that Mr. Rock has never been—and I am talking about P. J. Rock, not about Philip Rock. P. J. Rock has never been a supporter of mine. I knew Mr. P. J. Rock well in the days of the U.F.A. government, when that government was in Alberta. He was a prominent U.F.A. man. When the U.F.A. was defeated by the social credit party, Mr. Rock resented that fact very strongly. And he never did support the social credit movement.

And so when my friends to the right—and maybe one or two of my own party—were somewhat critical because I had defended Mr. Rock, and suggested that perhaps I was doing it because he was my political supporter, a political supporter of mine, I said that, on the contrary, Mr.

Rock is a damned good Liberal. And I say that for this reason—and I am talking about P. J. Rock—because so far as Philip Rock is concerned, I never felt that he had any strong political views, because he was so engrossed in his own work that he never took part in politics of any kind.

But every time I met Mr. P. J. Rock, in a friendly way, we would get into an argument about politics. Whether it was on the main street of Morrin or the main street of Drumheller or the main store, he would always jump on me right away and say, "The only trouble with you, Quelch, is that you are in the wrong party." And so I knew very well that Mr. Rock was a good liberal supporter. I do not suggest that he make contributions. But I do say that he was a good Liberal supporter. And, in fact, at the last election, four years ago, I knew he was quite active in campaigning against me, and he supported the Liberal candidate against me, and he made no bones about it, and I did not resent the fact in any shape or form, because I believe a man has a perfect right to support any party he wishes to support. But I did resent the fact that some of my friends just around felt that I was not being fair in defending Mr. Rock. I just wish to make clear that at that time the reason I had defended Mr. Rock was not because he was a political supporter of mine. So I pointed out that he was a darned good Liberal.

Right Hon. Mr. GARDINER: For what meeting of mine was he chairman?

Mr. QUELCH: That meeting was held eight years ago when Mr. Shaker, the mayor of Hanna ran as candidate, and you turned up about four hours late. I had gone home by that time. I went to the meeting, and Mr. Arthur Prouse was there, and Mr. Shaker was there, and I was sitting in the back of the hall, and P. J. Rock was acting as chairman.

Right Hon. Mr. GARDINER: Was it in Hanna?

Mr. QUELCH: No, in Morrin. You turned up about four hours late and I had gone—I had given you up for lost.

Right Hon. Mr. GARDINER: Which would indicate that I had nothing to do with the chairman.

The CHAIRMAN: Perhaps I should say this, at this stage—

Mr. McCULLOUGH (*Moose Mountain*): Are you still on the point of order?

The CHAIRMAN: We are still on the point of order, yes. I do not think that the function of the committee is to determine whether P. J. or J. P. Rock was a Liberal or not. The allegation made quite clearly by Mr. McCullough was that there was political favoritism. That is the inference of the remark. It is quite clear, because if I read Hansard, page 2923, I find Mr. McCullough saying this:

I refer, of course, to the compensation of over \$100,000 paid by the Department of Agriculture for 674 sheep slaughtered last year. To whom was the \$100,000 paid?

It was paid to Mr. P. J. Rock, a well-known breeder and one of the most prominent Liberal supporters in Alberta. The average price paid was \$150 per sheep.

And then this same tenor of argument reappears later on the next page. So that the inference there is quite obviously one of political favoritism. That is the point we have to decide, whether it was political favoritism or not, and whether Mr. P. J. Rock was a Liberal—and that would be to his credit—or not; that is another point.

Mr. BRYCE: Go easy, now.

Mr. GOODE: Now, Mr. Chairman—

Mr. HARKNESS: On this same point of order, rather than to determine whether there was political favoritism or not, is not the main thing to determine whether this was adequate and just compensation?

The CHAIRMAN: That is right.

Mr. HARKNESS: I do not think the matter of political complexion should enter into the matter at all. I think it is a matter, so far as this committee is concerned, to come to a decision on the evidence we have as to whether this was fair and adequate compensation, or whether it was too little or too much.

The CHAIRMAN: I quite agree with you. One follows the other. If it was fair compensation, then there was no political favoritism entered into the picture.

I recognize Mr. Goode.

Mr. GOODE: May I ask Mr. Rock some questions regarding this, because the hon. member from Calgary thinks these things are not tied together. They were tied together in the speech Mr. McCullough made. You have heard Mr. Quelch say that eight years ago Mr. Rock, Sr., was the chairman of a committee—and I am sure, knowing Mr. Quelch, that that is entirely correct.

Right Hon. Mr. GARDINER: Entirely correct.

Mr. GOODE: Within the last eight years, have you known of any political activities of your father? I think you should tell this committee regardless of whether I am a Liberal or not—you should tell the committee the truth: has Mr. Rock supported the Liberal party in the last six, seven or eight years?

Mr. ROCK: Sir, I will have to answer your question in this way; at the meeting Mr. Quelch referred to, I was not there. Sometimes at a meeting a chairman is elected from the floor of the meeting, and you are at that meeting, and you are elected chairman of the meeting. You do not have too much choice in the matter, except to accept. So that I personally do not know the circumstances of that meeting. I know that the statements Mr. Quelch has made about my father, and about Mr. Grenville, are absolutely correct; because when Mr. Quelch and my dad got together—it did not matter where it was—it was good for a half day of argument.

Then, about taking part in politics—well, I would have to say this, a man has a right to his convictions.

Some Hon. MEMBERS: Hear, hear.

Mr. ROCK: And he has the right to argue when he meets a neighbour. But as far as going to any rallies and speaking in favour of any candidate of any political party, to the best of my knowledge and belief, my father has not done so.

Then, so far as I am concerned, I take no part whatever, and never have taken part in politics. I reserve my right, as a Canadian, to support the man and the party that will do the most good for this country.

Mr. GOODE: I would like to make one suggestion, Mr. Chairman, that this Mr. Rock, Jr., may be quite correct. If this was a Liberal party meeting, our friend, Mr. Quelch, has told us that he was there some three or four hours before. So I would consider that it was not a Liberal party meeting, because I would not know of any Liberal meeting that Mr. Quelch would go to at this time.

Mr. QUELCH: Oh, just a minute; Morrin happened to be my home town, and I was not going to miss the opportunity of hearing what Mr. Gardiner had to say when he came to Morrin. So I turned up at that meeting in good faith, expecting Mr. Gardiner to be there. He was delayed—I think it was his plane that was delayed; but Mr. Harper Prouse was there and I listened to my political opponent, Mr. Shaker, who was running against me in the election. And after what he had to say, Harper Prouse said a few words, and then the meeting adjourned, because it had heard that Mr. Gardiner would be at least another three hours getting there. I chose to go home, and I went home.

Right Hon. Mr. GARDINER: Mr. Chairman, probably I should make a report on myself. As a matter of fact, this is another of those things that one forgets. I did not recall that meeting, and I would not remember who was chairman of the meeting because, as a matter of fact, I do not think I got to to the meeting. The meeting was held in Morrin, in the afternoon, and I was speaking at Hanna at night. I did not arrive at the meeting in Morrin in the afternoon at all. I arrived there about four hours late. If the meeting was called for three, that would make it seven o'clock. As a matter of fact, I think it was called for 2.30. Most of those meetings were called for 2.30, at that time. I do not know how the chairman was chosen, or even who the chairman was, because I did not get to that meeting. I met a small group in Morrin of which Mr. Rock was one. I did speak at Hanna that night, with Mr. Quelch's opponent.

Mr. McCULLOUGH (*Moose Mountain*): Are you through with the point of order?

The CHAIRMAN: Yes.

Mr. McCULLOUGH (*Moose Mountain*): I have some questions to ask of Mr. Rock.

The CHAIRMAN: Before you start, if you do not mind, I would like to point out that you asked to have Mr. Clark here. We have had Mr. Clark in the room all day. We do not mind holding him in the room, but it would be appreciated if you could indicate when you expect to come to him.

Mr. McCULLOUGH (*Moose Mountain*): The questions I have to ask Mr. Rock may not take too long, Mr. Chairman.

The CHAIRMAN: All right.

Mr. McCULLOUGH (*Moose Mountain*): First, I should like to ask Mr. Rock; how long have you and your father been in partnership?

Mr. ROCK: Sir, I will have to answer in this way: coming from farms, you know as well as I do, that boys grow up on the farm. They are part of that farm. The livestock was transferred to P. J. Rock and Son about 1940. I had money in the farm all my life. I have done everything I could on the farm all my life. I would have to explain it that way, sir.

Mr. McCULLOUGH (*Moose Mountain*): Have you had any financial interest in any other farm besides that one at Drumheller?

Mr. ROCK: Sir, we have our holdings, as Mr. Quelch knows, west of the Red Deer river, with our buildings. The land location is 4-31-21 west of the 4th. We have had, for many years, a half-section east of Morrin, the north half of 8-31-20 west of the 4th. I think that is correct. Those are all the holdings that we have, sir.

Mr. McCULLOUGH (*Moose Mountain*): How many quarter sections is that?

Mr. ROCK: Including deeded and leased land, it is somewhere in the neighbourhood of 3,300 acres.

Mr. McCULLOUGH (*Moose Mountain*): 3,300 acres?

Mr. ROCK: Yes.

Mr. McCULLOUGH (*Moose Mountain*): And there are 640 acres to a section. That would be about—

Mr. ROCK: A little better than five sections.

Mr. McCULLOUGH (*Moose Mountain*): Five sections. I wanted to say, as a member of the committee, that I appreciate you coming here. I think it is unfortunate that you, as a private citizen of Canada, had to come here to dispell some of the rumours, which I referred to in my statement in the House of Commons. We certainly appreciate the evidence which you have given before this committee. I agreed with members of the committee, that the most

important thing to settle, in this committee, are the rumours, which I referred to, and to dispell them if possible. If this committee could possibly agree that a fair compensation was paid to you, and also that the interest of the Canadian taxpayer was looked after at the same time, then I think this committee will have served its purpose.

Last evening, Mr. Rock, you, of your own volition, came to the committee with an income return for the sale of your sheep from 1948 to 1953. I think the members of the committee appreciated that. I think you will agree with me, however, that this is only income from the sales of your sheep. Sir, is it not true that it is customary for you to purchase fairly large numbers of sheep during every fiscal year?

Mr. Rock: When we were in business, yes. When we were in semi-quarantine or voluntary quarantine, and in the position of waiting for a decision as to the status of our flock, I saved my money, sir.

Mr. McCULLOUGH (*Moose Mountain*): Thank you for your answer.

Then, as I say, looking at the income return, on your sheep sales from 1942 to 1953, which you gave to the committee last night, it may look to be a very substantial figure. I think members of the committee will agree with that, but unless the expenditures you have made, for sheep, in each of those calendar years, which is your income tax year, I presume—

Mr. Rock: Yes.

Mr. McCULLOUGH (*Moose Mountain*): Your income tax year will be the calendar year, and I presume you calculated your income at the end of the year, and broke it off there?

Mr. Rock: It is a cash basis, sir.

Mr. McCULLOUGH (*Moose Mountain*): Yes. I think you will agree with me that, unfortunate as it may be—and I certainly have some reticence in digging into your personal business—if we are going to arrive at any fair conclusion as to whether you received fair compensation, and whether the Canadian taxpayer was equally looked after, you will have to bring before us all the sales, right up to the time of the destruction of your flock, and you will have to give us the record of the sheep, and the breakdown of the animals you sold, indicating whether they were sold on a purebred basis or on a commercial basis. Then we will be able to determine on what basis this should be made, taking into consideration the number of the sheep on the farm at the time of the slaughter, the number of matured animals, and the number of lambs, then taking your own figure of last night, which I think you indicated would be perhaps 10 per cent—the normal percentage—and compare it with the percentage which you sold over these years, as commercial, and as purebred, and then deduce whether or not the appraisal has been fair. Is that a fair assumption?

Mr. Rock: Sir, I will break into what you have to say in this way: when Mr. Graham came to our place to establish the value of our flock, I turned over to him the valuations of Mr. Grenville, Mr. Ewing editor of the "Sheep Breeder" from Columbia, Mo.—Mr. Warrick from Oskaloosa, Iowa, and the information from the auditors—Christian and Kergan. That information was all turned over to Mr. Graham so that he would be able to arrive at a value of the flock. I felt it was only fair to you, as members of this committee, that you should be given the same information that Mr. Graham was given. I must say that, as far as the public purse is concerned, Mr. Graham has a Scotch name, and in regard to my dealings with Mr. Graham, I believe that he lived up to that Scotch name. He was trying to trim off, as much as he could, the price I should get, and I was trying to get all the money I could, because that was our capital, it was our working capital. I think it would be fair that you should have all the information that Mr. Graham was given. If you folks decide it is necessary for me to go home and get that other information and come back, I will have to do it, but I cannot give it to you now, sir.

Mr. McCULLOUGH (*Moose Mountain*): You and Mr. Graham have both said that you think the figure has been chiselled down, or at least brought down to a figure which is fair. I want to say that I think it is a hell of a high figure for compensation.

Right Hon. Mr. GARDINER: You would not know.

Mr. ROCK: Sir, I must make this statement: last February, the HarMar flock of Suffolk, at Cromwell, Indiana, had a disposal. That flock was largely of our blood lines. He disposed of the flock as a result of ill health. Our name appeared on those pedigrees, and even with the black mark against our flock, which was attributed to scrapie, that flock sold for an average figure of between \$160 and \$165 per head. He bought sheep from us that we were able to sell, not our best ones.

Coming back to what you referred to sir. What I wanted to say was the HarMar flock was disposed of at approximately a higher average price than the government of Canada paid to us, for the foundation, and seed stock, from which flocks, such as the HarMar flock were built up.

Mr. McCULLOUGH (*Moose Mountain*): I can just say this, Mr. Rock. We have tried to connect the compensation paid out of public funds to similar compensations paid to other breeders of this country. I happen to be a Hereford breeder, and I think you are a Shorthorn breeder, are you not?

Mr. ROCK: Yes, sir.

Mr. McCULLOUGH (*Moose Mountain*): One of my neighbours lost his complete registered herd of Shorthorns some years ago, about 1950. They were completely destroyed by the health of animals branch, and I think his compensation was about \$100 a head.

Mr. LAFONTAINE: What was the disease?

Mr. ROCK: Pardon me for interrupting, but how many years back was that? Livestock prices have changed materially from 1952 to 1957, and you must mention the year that those figures came about.

Mr. McCULLOUGH (*Moose Mountain*): I can also bring before this committee, Mr. Chairman, figures of compensation, as a result of the foot and mouth disease, for a highly pedigreed herd of cattle. He was paid on the same basis, \$100 an animal, plus the slaughter value. If it happened that they were just tankage, then, of course, there was no further compensation. Generally speaking, we have got to consider, pretty carefully the payments made. I would suggest to you that it was very fair of you to submit, of your own volition, certain income tax figures for that year. I think you have to establish how many you bought during these same periods, and what kind of animals that you both bought and sold during those periods?

Mr. ROCK: Sir, I cannot give you a whole answer to your question. In other words, with cattle that you are discussing, I must ask if they had a national and an international reputation as being the best specimens of their breed; and I must ask you that question because it is only fair to those animals which have a national and an international reputation as being the best of that breed.

Mr. McCULLOUGH (*Moose Mountain*): They were cattle shown at the fairs held at Regina. They were purebred animals bringing high prices.

Mr. ROCK: Our animals have won championships at Calgary and Toronto which are considered the two best sheep shows in Canada; also at the Chicago international which is recognized as being the premier livestock exhibition of North America, as well as at other state fairs. Some were shown by us and others were shown by other people; I mean animals that they bought for us.

The thing which you have to have in order to determine a valuation of purebred livestock is the number of years of constructive breeding behind those

individuals which are sold on that pedigree, and the amount of good that those animals may do when put into flocks or herds where the quality is not as good as the female or the male that is added to that herd.

Mr. GOODE: Mr. Chairman, would you permit me to ask Mr. McCullough a question? He said, when speaking to Mr. Rock, that the figure of \$150 per sheep on the average was "a hell of a high figure". Let me ask Mr. McCullough what the proper figure should have been that was paid for those sheep?

Mr. McCULLOUGH (*Moose Mountain*): That is just what I want to find out.

Mr. GOODE: Mr. Chairman, Mr. McCullough expressed the view as his personal view, and just for the record, that it was a "hell of a high figure". Those are not my words but Mr. McCullough's words. I want to know what would be the proper figure that should have been paid in Mr. McCullough's opinion.

Mr. McCULLOUGH (*Moose Mountain*): That is just what we want to find out too.

Mr. GOODE: You must have based your opinion of "a hell of high figure" on something, if you did not base it on nothing at all.

Mr. ARGUE: I think he was basing it on the price of that bull.

Mr. GOODE: Mr. McCullough has stated to the committee and to the witness that he thought this was "a hell of a high figure". He must have had something to base that opinion on as a responsible member of parliament. And I want to know what he based it on, and I want to know what experts he can bring here in order to prove his statement.

Mr. ARGUE: He has knowledge which you have not got.

Mr. McCULLOUGH (*Moose Mountain*): I based it on the market value at the time of the destruction. That would be one thing.

Mr. GOODE: That is not the evidence here.

Mr. McCULLOUGH (*Moose Mountain*): An appraisal of \$150 would be a very high figure.

Mr. GOODE: What would be the proper figure that should have been paid instead of that \$150 as an average figure? I ask the question because I do not know anything about sheep and I am just trying to find out.

Mr. ARGUE: Bring us the records and we will give you an answer.

Mr. GOODE: I am not asking you, because you would not know. It was Mr. McCullough who made the statement and I want him to prove it.

Mr. McCULLOUGH (*Moose Mountain*): In my opinion I think it is a high figure on the basis of a market which no longer existed.

Mr. GOODE: Tell me what would be a proper figure? I want to continue this. If this was a high figure—I do not know anything about sheep, and I am trying to make by personal decision in the matter—but if this was a high figure at \$150, I want Mr. McCullough to tell me what he thinks would have been a proper figure.

Mr. ARGUE: He is not telling you!

Mr. GOODE: He is not telling me because he does not know, that is why!

Mr. ARGUE: And neither do I.

The CHAIRMAN: Order, order.

Mr. McCULLOUGH (*Moose Mountain*): We were told that the compensation paid was based on the American prices.

The CHAIRMAN: No, on the market price. Let us get it straight. It was on the market price.

Mr. McCULLOUGH (*Moose Mountain*): On a market price which for this flock no longer existed!

The CHAIRMAN: Order, order. I think for the purpose of the record we must get it straight. I do not think it is a fair statement, but we will clarify it to your satisfaction and to everybody's satisfaction. I think that is what the committee is here for.

Mr. CAMERON (*Nanaimo*): On a point of order, Mr. Chairman, this morning when I objected to the way in which the minister was answering my question, you told me that I had to accept his answer even if it did not satisfy me.

The CHAIRMAN: What is your point of order?

Mr. CAMERON (*Nanaimo*): You are insisting that the answer which Mr. McCullough has given is not a valid answer.

The CHAIRMAN: No. No. My remarks have nothing to do with Mr. McCullough as such. They have to do with the interpretation he placed on the act. I think that the interpretation of the act should be made clear on the record because there seems to be a misunderstanding in the committee on that point. Quite obviously the interpretation he placed on it is not a true interpretation of the act as administered by the officials of the government. That is the point I am raising.

Mr. McCULLOUGH (*Moose Mountain*): That may be your viewpoint.

The CHAIRMAN: I am not interpreting the act. I am not applying the act. We have people here who are applying the act and they can tell us how they are applying it. It is not a matter of opinion, but it is a matter of fact.

Mr. ARGUE: The record can speak for itself. It is not necessary for the chairman to clarify it.

The CHAIRMAN: I say that apparently there is need for me to clarify it because there appears to be a misunderstanding. I wonder if Dr. Wells would explain again that the compensation is not paid on the prices on the day the cattle are slaughtered. That is not the interpretation of the act, and that is not what the act says. Perhaps Dr. Wells would read it. That is the whole point. There is a misunderstanding, quite obviously.

Mr. WELLS: The act reads as follows:

12. (1) The minister may order a compensation to be paid to the owners of animals slaughtered under the provisions of this act.

(2) The compensation ordered to be paid under this section for an animal slaughtered under the provisions of this act shall be the market value that the animal, in the opinion of the minister or some person appointed by him, would have had immediately before slaughter if it had not been subject to slaughter under the provisions of this act. . . .

In other words, if the animals were not under a cloud of disease, that is the value that must be put on those animals.

Mr. CAMERON (*Nanaimo*): May I ask Mr. Rock two questions in order to clear this up? Mr. Rock I gather you have not brought with you any figures for your sales in the years 1954 and 1955? Is that correct?

Mr. ROCK: I am not sure!

The CHAIRMAN: Please give him a glass of water.

Mr. ROCK: Sir, you ask for figures for 1954 and 1955.

Mr. CAMERON (*Nanaimo*): Yes.

Mr. ROCK: I am not sure that I have the complete figures and the complete picture.

Mr. CAMERON (*Nanaimo*): Are you telling us that you did not bring your statement with you for those two years?

Mr. ROCK: Yes. I have a statement but I am not quite sure of the numbers.

Mr. CAMERON (*Nanaimo*): You have no idea of how many animals you sold?

Mr. ROCK: No, I could not be sure of it.

Mr. CAMERON (*Nanaimo*): I submit that until we have the figures of the number of animals sold in those years and the prices obtained for them, we have not got the relevant information required to enable us to determine whether or not the compensation paid was within the terms of this act; because the chairman has suggested that we have to take into account—and I shall take it into account—that had this flock not been subject to destruction, the market prices should be calculated on that basis. But now I suggest to you, sir, that the market value of the stock from your farm was affected not by the action of the government of Canada but was affected by the action of the American authorities and that the only way in which we can determine what was the market value of your flock prior to its destruction by the Canadian government is to know the sales and the prices that you got for the stock which you sold during those two previous years. It seems very strange to me that you should have brought your records for 1952 and 1953 but not for 1954 and 1955.

Mr. ROCK: Sir, I gave you and the members of this committee the information that I had turned over to Mr. Graham. I received word some time after 2 o'clock in the afternoon to catch a plane and to come to Ottawa that night. I have a four tier filing cabinet and a three tier filing cabinet, and I have a stack of papers which would weigh more than 40 pounds. I did not know what I was required to bring. Dr. Wells asked me to bring my sales statements and I brought the figures that I have given you. I have other figures, but I am not sure that they are correct and I do not want to give you any information that is not correct, sir.

Mr. CAMERON (*Nanaimo*): Well, Mr. Rock, when Dr. Wells asked you to bring the sales figures, did you not assume there would be at least an equal interest in your sales figures for 1954 and 1955 as there was in the sales records for 1952 and 1953?

Mr. ROCK: Sir, I brought you my income tax figures; the 1954 figures are in Drumheller and I did not have time to pick them up. The 1955 figures are also in the same place and I did not have time to pick them up. But I brought you what information I had which I thought was relevant.

When Mr. Graham was at our place, the 1954 and 1955 did not enter into the discussion. He was trying to establish what he considered to be a fair value for a foundation flock of sheep. That word "foundation" is most important because that is the very factor which produces your income and I was trying to get as much money as I could get, sir.

The CHAIRMAN: We shall now adjourn until 8.30 tonight.

EVENING SESSION

8:30 p.m.

The CHAIRMAN: The committee will come to order.

Mr. GOODE: Mr. Chairman, on April 1 on page 2923 of *Hansard* Mr. McCullough said that rumors persist that these substitutions have been made. He was referring to Mr. Rock's flock of sheep. During that same period he alleged through some rumors he had heard that substitutions had been made in the flock.

Mr. CAMERON (*Nanaimo*): He did not allege; he merely reported.

Mr. GOODE: Perhaps you were not here, but Mr. McCullough, in answer to a question of mine acknowledged responsibility for what he said in the house. This is what he said "Rumors persist that substitutions have been made." Mr. Chairman, I would like to ask Mr. McCullough whether or not he is now dropping those charges on that one particular point?

Mr. McCULLOUGH (*Moose Mountain*): Mr. Chairman, I am very happy to answer any questions but unless the questioner wants to put the question in a form in accord with what I said I do not intend to answer his question.

Mr. GOODE: What Mr. McCullough said was this: "Rumors persist that substitutions have been made." If he wishes me to continue, "also that some of the sheep were moved from P. J. Rock's flock to a farm in Manitoba". Those are two charges.

Mr. McCULLOUGH (*Moose Mountain*): Mr. Chairman, on a point of order. I want the hon. member to indicate exactly what I said: "Rumors persist". I never used any other phrase and I never alleged or made allegations that these things were done. I said rumors persist.

Mr. HANNA: Mr. Chairman, can the hon. member give us the source of these rumors so that we can track them down to see if there is anything to them.

Mr. McCULLOUGH (*Moose Mountain*): You gentlemen go out and track them down yourselves.

Mr. HANNA: I have and I never heard them except through you.

Mr. GOODE: Mr. Chairman, may I continue? I will read what he said: "Rumors persist that substitutions have been made and also that some of the sheep were moved from P. J. Rock's flock to a farm in Manitoba. I am inclined to believe these rumors." May I ask Mr. McCullough this question? Is he still inclined to believe these rumors?

Mr. McCULLOUGH (*Moose Mountain*): I would like to ask the hon member—

Some Hon. MEMBERS: Answer.

Mr. McCULLOUGH (*Moose Mountain*): The statement I made is "I am inclined to believe these rumors." I prefer to say I feel I have the right to my inclinations as I stated in the house.

An Hon. MEMBER: Are you still inclined?

Mr. GOODE: Mr. McCullough yesterday, or the day before, when I asked him if he accepted responsibility for the statements made in the house, said he did. Mr. McCullough is in an unenviable position and I sympathize with him entirely.

Mr. McCULLOUGH (*Moose Mountain*): I do not need your sympathy.

Mr. GOODE: You have it in any event. I think he should answer the question. Is he still inclined to believe these rumors? Just answer the question yes or no.

Mr. McCULLOUGH (*Moose Mountain*): When the hon. member wants to assist this committee in producing the evidence then I will have something further to say.

Mr. GOODE: It is not my evidence.

Mr. ARGUE: There is the question of the lost briefcase.

Mr. McCULLOUGH (*Moose Mountain*): There is plenty of time—

Mr. GOODE: I have not—

The CHAIRMAN: There is a point which I think should be cleared up. I do not know if the record got it. I am not sure I got it myself.

Mr. ARGUE: I was referring to the statement made by the minister this morning to the effect that the briefcase was missing this morning and has since been found which contained in it the information I was requesting at that time, namely the record in 1954 and 1955 of the sales that had been made from this flock. The briefcase has now been found but we are unable to get the information that the Minister of Agriculture this morning told us was in the lost briefcase. I would suggest that Mr. McCullough will be in a position to

say whether or not there is any substantial evidence for the rumors still persisting if the information is produced on these sales and only if it is produced. I suggest it is up to the committee to request that this kind of information be produced. I do not care whether it takes a wire, air express or anything else. Surely the people in charge of the study which was referred to, the people in charge of the income tax statements that were filed for that flock, should be able without too much difficulty to send down all the pertinent records.

Right Hon. Mr. GARDINER: With respect to the statement about the briefcase, this morning I just turned to Mr. Rock and asked him if he had that information and he said any information he had was in his briefcase which he had not been able to find. I understand it was found later. I would judge from the answers he gave he did not have the information in detail in the form in which you wanted it.

Mr. ROCK: That is correct.

Mr. ARGUE: I would say he did not have any of the information.

Right Hon. Mr. GARDINER: I have not seen the information.

Mr. ROBICHAUD: On page 2924, the fourth paragraph, Mr. McCullough said: "I do not believe that the minister can produce the registrations for all these sheep." The minister has said the registrations are in the hands of his department. Is Mr. McCullough satisfied that the registrations were all produced?

Right Hon. Mr. GARDINER: They were all produced.

Mr. McCULLOUGH (*Moose Mountain*): No.

Mr. ROBICHAUD: Mr. Chairman, the registrations have been produced.

The CHAIRMAN: Mr. Robichaud has the floor.

Mr. ROBICHAUD: The registrations have been produced for all the sheep except the lambs born after the order for slaughter had been given by the government. The application for those registrations has been produced and Mr. Wells has explained the reason why they did not proceed with the additional registrations was because they would have to pay a fee of 50 cents or \$1 each and there was no need to spend another \$200 or so.

Mr. McCULLOUGH (*Moose Mountain*): Mr. Chairman, in answer to that my statement was that I do not believe the minister can produce the registrations, and it arises out of further misstatements by the Right Hon. Minister of Agriculture. The minister said, on that same page, that the sheep were all registered. We have been told they have not all been registered. He says those sheep were all registered. We do not have before this committee the registrations which the Right Hon. Mr. Minister said we have. We have only applications for registrations. I am purebred breeder myself and in this case technically the minister is wrong. He made the categorical statement that all the sheep were registered. They were not registered; they were eligible for registration. He did not tell the committee that. The minister could have said that as far as the lambs were concerned if they were not registered, they were eligible for registration. Now we have found from the Canadian National Livestock Records that they are eligible for registration, but they were not registered. Therefore the Minister of Agriculture rather than telling the truth and rather than giving information to the committee, misled the house on this occasion.

An Hon. MEMBER: No.

Mr. BENNETT: I would like to hear the member for Moose Mountain tell us if he thinks now that there is no skullduggery at all about the registration. He is basing his case on a technical point, that is that there were applications for registration instead of registration. I want him to say if there is any skullduggery as far as the registrations are concerned.

Mr. McCULLOUGH (*Moose Mountain*): Mr. Chairman, in answer to the hon. member who has just taken his seat, this afternoon we had provided evidence that the minister of agriculture on more than one occasion made misstatements in the House of Commons and in the substance of those misrepresentations certainly there would be very many substantial reasons why there would be very persistent rumors of things such as I have said. The reason I am here, Mr. Chairman, and the reason for the statement I made in the house is to clear up the persistent rumors that are abroad in the country which were first brought to the House of Commons by the hon. member for Battle River-Camrose before I even introduced the subject in the House of Commons. This afternoon this committee sat here and listened to the Minister of Agriculture try to get from under the accusation that he misled the House last year and deliberately made misstatements.

The CHAIRMAN: Order. I must ask you to refrain from imputing motive. You do not know that. You cannot know whether or not it was deliberate. It is not permissible under the rules of the house to impute motive.

Mr. BENNETT: Mr. Chairman, I think the member for Moose Mountain could help this committee. Now he is trying to find an excuse for the allegations he made. As far as the registrations are concerned, regardless of what reason he had for making the allegations in the house, could we clear up this one point. Could he tell the committee now whether or not he is satisfied, in respect of the registrations, with the applications for registration. Would he state whether or not he believes there was any skullduggery instead of trying to give reasons why he made the allegations. He has the right to say why he made these allegations, but I would like him to help this committee on this point. Is he now satisfied there is no skullduggery in connection with the registrations and applications for registrations. I do not think he wants to have us pay another \$200 to have these sheep registered.

Mr. McCULLOUGH (*Moose Mountain*): Well, as I have indicated before, if anyone wanted to clear up the statement of the registers, then it should have been up to the minister to state that it was the case. Now, I would like to ask Dr. Wells if all the registrations are on the table at this time, and how many of them there are.

Mr. WELLS: There are 654, including the registrations and certified applications for registration—applications which have been certified and signed by the Canadian National Livestock Records.

Mr. McCULLOUGH (*Moose Mountain*): How many sheep were destroyed?

Mr. WELLS: 654.

Mr. CAMERON (*Nanaimo*): It was 674 last time.

An Hon. MEMBER: No, it was not.

Mr. McCULLOUGH (*Moose Mountain*): How do you account, Dr. Wells, for the statement of the Minister of Agriculture in the house. He states that it was 674.

Mr. CAMERON (*Nanaimo*): Darned right it was.

Mr. WELLS: I think that that has been explained by the minister.

Mr. McCULLOUGH (*Moose Mountain*): You are in charge of this; you picked them, did you not? How do you explain them?

Mr. WELLS: Explain what?

Mr. McCULLOUGH (*Moose Mountain*): Where does the 674 figure come from that the minister gave to the House of Commons last year?

Mr. WELLS: It is hardly the place of a civil servant to explain the speeches of the Minister of Agriculture.

Mr. McCULLOUGH (*Moose Mountain*): I can appreciate your difficulty in doing so. But I am asking you; can you account for it yourself? Can you account for the minister's statement that there were, in fact, 674 registrations which were in the hands of the health of animals branch?

Mr. WELLS: In my position I am not expected to account for the minister's statement.

Mr. McCULLOUGH (*Moose Mountain*): So you just say that you cannot account for what he said?

Mr. WELLS: I did not say that, at all. I said in my position I am not expected to account for the minister's statements.

Mr. McCULLOUGH (*Moose Mountain*): Dr. Wells, how many registrations have you on the table with you?

Mr. WELLS: In so far as I am aware, there are 654 animals listed there.

Mr. McCULLOUGH (*Moose Mountain*): There are 654?

Mr. WELLS: Yes.

Mr. McCULLOUGH (*Moose Mountain*): All registrations or—

Mr. WELLS: Registrations and applications which I have explained for the third time, or the fourth time—they have been checked by the Canadian National Livestock Records. They bear the stamp of the Canadian National Livestock Records, and each one of them has on it "eligible for registration; certified correct"—and they are signed by Mr. B. McCord, registrar, Canadian National Livestock Records.

Now, as I explained to you yesterday, if it is the wish of the department, we can have these handed over to the Canadian National Livestock Records and, by the payment of the required money, have them—have the certificates issued.

Mr. McCULLOUGH (*Moose Mountain*): Was this ever done on a previous occasion, Dr. Wells?

Mr. WELLS: This principle?

Mr. McCULLOUGH (*Moose Mountain*): Yes.

Mr. WELLS: This principle has been accepted previously.

Mr. McCULLOUGH (*Moose Mountain*): On what occasion?

Mr. WELLS: I am sorry, I cannot give you the actual occasion.

Mr. McCULLOUGH (*Moose Mountain*): Disease?

Mr. WELLS: Other livestock.

Mr. McCULLOUGH (*Moose Mountain*): What other livestock?

Mr. WELLS: Well, cattle, I presume—swine—I cannot tell you, personally. It is not a new principle.

Mr. McCULLOUGH (*Moose Mountain*): I think that you should be able to give us the information. You said that the basis of these—that these were paid on the basis, within the act, for the actual marketing value, which are registered animals. I am asking you on what other occasion was it done, and in connection with what other settlement to farmers, and in connection with what—whether they were sheep, cattle or what they were.

Mr. WELLS: I do not know. I am just assuming that this thing has been done before. The thing is quite legitimate, so far as we are concerned. We are concerned with the proof that the animal is in fact a purebred animal, the offspring of a registered sire and dam. And this represents that proof to us.

Mr. McCULLOUGH (*Moose Mountain*): The fact that the application is acceptable to the Canadian National Livestock Records—

Mr. WELLS: And signed by them.

Mr. McCULLOUGH (*Moose Mountain*): And on behalf of the Sheep Breeders' Association, in this case, is satisfactory to you?

Mr. WELLS: Yes; now when we we know that this has been accepted by them, and we can turn this in and get the registration certificates for them.

Mr. McCULLOUGH (*Moose Mountain*): That does clear up a matter. And the statement of the minister, then, was, in effect, wrong, that there was not registrations, and that there were just applications?

Mr. WELLS: I have already commented on that.

Mr. McCULLOUGH (*Moose Mountain*): I think it would be difficult for you, in your position, to make comment.

Right Hon. Mr. GARDINER: I would like to call the attention of the hon. member to the real official document which was printed in the record on March 8, 1956. He knows, and I know—and he knows that from experience today, and in fact any time, that speeches are being made, back and forth, and questions are being asked back and forth, thrown at one another, and there have been mistakes made in actual figures. He refers again to the house, and it is in the form of question and answer at page 2012 of Hansard for March 9, 1956, Mr. Quelch asked this question:

How many sheep were in the flock in Alberta recently condemned on account of scrapie?

And the answer to that question was "649". It is not any of the figures being dealt with. That is the official figure that was put on the record—not by me, but by the officials, in making the answer. It is under my name, of course. Then, it goes on to say in the question:

What compensation is being paid the owner of the flock?

And the answer to that is, "not yet determined", and so on. The figure is 649. That was available at that time, officially, and apparently I either used 674, and my five looked like a seven to Hansard, in writing it.

Mr. ROBICHAUD: Is it not also true that on top of the 649 there were four or five sent to Lethbridge, and to the Hull laboratory?

Mr. McCULLOUGH (*Moose Mountain*): What is that?

Mr. WELLS: 654.

Mr. ROBICHAUD: The minister says 649, which was the record then, at the time, plus the five sent to Lethbridge.

Mr. WELLS: Yes, to Lethbridge.

Mr. GOODE: May I ask—

Mr. McCULLOUGH (*Moose Mountain*): What is the correct figure?

Mr. WELLS: 654.

Mr. McCULLOUGH (*Moose Mountain*): What is the figure the hon. member now mentions?

Mr. WELLS: 649.

The CHAIRMAN: Plus the five, which makes 654.

Mr. GOODE: He said that the five went to Lethbridge, and there were the 649.

The CHAIRMAN: While we are at it, could not the committee clear this one point about registration. It seems to me that this is quite a clear case. Here is a department which, instead of actually paying a fee to get the registration certificate, got the applications for registration certified and accepted and, in fact, it has exactly the same value as a certificate. I cannot see any difference whatsoever. I think I am right in saying that this type of application which has been accepted and certified is more than an ordinary application. When we say that there was simply an application, it is misleading, because there

was more than an application. The application had proceeded to the stage where it was, in fact, accepted and—well, it has the effect of a certificate.

Mr. McCULLOUGH (*Moose Mountain*): I am going to ask you, Mr. Chairman, a question.

The CHAIRMAN: Good!

Mr. McCULLOUGH (*Moose Mountain*): You said there is a difference between the ordinary application and the applications here?

The CHAIRMAN: What I mean is that there is a difference between an application which has been submitted and an application which has come back certified and approved.

Mr. McCULLOUGH (*Moose Mountain*): One is certified and the other has not been certified.

The CHAIRMAN: That is right, and the one is certified.

Mr. McCULLOUGH (*Moose Mountain*): There is a difference between a baby that has not been born and one that has been born.

The CHAIRMAN: That is just it; that is the very point.

Mr. McCULLOUGH (*Moose Mountain*): And there is a difference between a good egg and a bad egg.

The CHAIRMAN: That is right.

Mr. McCULLOUGH (*Moose Mountain*): Would you explain what is the essential difference, in effect. What makes the difference between a person who makes an application—or, I will put it this way: in the case of Mr. Rock, he was going to make an application on one day, and he sends it in, and it is certified. Subsequently, next week, there are more lambs come to his flock, and, dropped by his ewes, and he sent them in. What is the difference between the one that has been certified and the other, other than the process of going through to get certification.

The CHAIRMAN: But he does not, with regard to the other one that he sent in—he does not know, for sure, that he will get it. Something could happen in the meantime.

Mr. McCULLOUGH (*Moose Mountain*): Will you agree with me that if the integrity of the breeder who makes application for registration is the only way that there is any guarantee, in fact, that the certified application is in effect a certification of the strain of a certain animal?

The CHAIRMAN: Well, surely, but let me say this—

Mr. McCULLOUGH (*Moose Mountain*): Only the integrity of the man making the application. In other words, an individual who may not have a sheep at all, if he has a registration could make a registration and put on it, perhaps, "K-5" for his sheep, and send it in, and he might get a registration for it.

Right Hon. Mr. GARDINER: It would not get by.

Mr. McCULLOUGH (*Moose Mountain*): Why would it not?

Right Hon. Mr. GARDINER: My hon. friend says that he has a herd that he registered. Has he never had any applications returned?

Mr. McCULLOUGH (*Moose Mountain*): No.

Right Hon. Mr. GARDINER: Then I do not think he has sent in many.

Mr. McCULLOUGH (*Moose Mountain*): Yes I have.

Right Hon. Mr. GARDINER: They come back quite often.

Mr. McCULLOUGH (*Moose Mountain*): I never have had one returned.

Right Hon. Mr. GARDINER: I register a lot myself.

Mr. McCULLOUGH (*Moose Mountain*): Why would there be returns of registrations without—

Right Hon. Mr. GARDINER: There can be returns because of mistakes made in them. And there are sometimes mistakes made. We are not all as sure that we are always going to be right as my hon. friend.

The CHAIRMAN: Mr. McCullough, I would like to pursue this one step further. Admitting that a certificate of application is based purely on the—how did you put it?—"integrity" of the raiser, is it not a fact that the certificate that will be issued as a result of the application will also just as well be based exactly on the same premise?

Mr. McCULLOUGH (*Moose Mountain*): Yes.

The CHAIRMAN: So, now, if you have an applicaion which is registered and approved, what in your experience as a breeder—what is the actual difference between the certificate and the approved application?

Mr. McCULLOUGH (*Moose Mountain*): I am quite prepared to accept the fact that the health of animals branch on behalf of the Sheep Breeders' Association says that these animals, these applications, are, in fact, registrations, and in fact certification of eligibility for registration. But that does not let the minister out of the fact that he said that he had the registrations. So I am quite agreed on that basis to accept it. But certainly we were misled in the committee when the minister said that he had registrations.

Mr. BENNETT: That is what we wanted, exactly that. You are giving the reason why you made the allegation. You say that you accept these certificates which say, "eligible for registration", and you say that one out of three or four applications you have made have no foundation, in the truth.

Mr. McCULLOUGH (*Moose Mountain*): No, no; I say that it has been cleared up and the statement that the minister made in the House of Commons—we now have cleared it up and in fact that he did mislead the committee when he said that they were registered.

Mr. BENNETT: You are giving reasons for your allegations. But you are admitting that there was no skullduggery so far as registrations were concerned? Let us be fair about it.

The CHAIRMAN: Yes, let us be fair about it.

Mr. McCULLOUGH (*Moose Mountain*): Where is the skullduggery, so far as registrations are concerned?

Mr. MANG: I would like to ask Dr. Wells this question: Is this regular or irregular procedure in handling cases of this kind?

Mr. WELLS: I cannot give you an instance, particularly, where this particular procedure has been in fact followed before. But I can tell you that we checked with the Canadian National Livestock Records and explained our difficulty and our problem to them, and they said that these were in fact acceptable for registration, and all we have to do is to pay a dollar and they will issue certificates. This, in fact, proves to us that these animals are, as I have said, the offspring of a registered sire and dam and are eligible for purebred registration, and therefore for purebred compensation.

Mr. MANG: Thank you, Dr. Wells; I think that is satisfactory to Mr. McCullough and certainly it is satisfactory to the committee.

Mr. BENNETT: Mr. Chairman, I would like to say one word. Mr. McCullough said:

The minister has said the registrations are in the hands of his department. I challenge him to produce them.

Certainly the inference is that there is skullduggery, because he goes on to say:

Even if he does the air will not be cleared of the suggestion of skullduggery.

The only thing I can suggest is that this one point has been cleared up; let us get on with the other evidence and let us continue to question the witnesses.

Mr. McCULLOUGH (*Moose Mountain*): That is what I would like to do.

The CHAIRMAN: Mr. Cameron?

Mr. CAMERON (*Nanaimo*): Mr. Rock, may I ask you a question. I believe that you—and I am speaking of the time when you were in business, while your flock was still in operation—in addition to your business as a sheep breeder you have been also buying stock for sale for customers in the United States, is that correct?

Mr. ROCK: Yes.

Mr. CAMERON (*Nanaimo*): Have you any idea how large a proportion of your income from sheep sales would come from those transactions.

Mr. ROCK: No, not without going home and checking my records. I would have to give you a guess, and you are not asking me for a guess. You want information.

Mr. CAMERON (*Nanaimo*): Now, then, I think you told us that your statements for 1954 were in the hands of your auditor in Drumheller, is that correct?

Mr. ROCK: Some of those statements are. That is the statement required for income tax purposes.

Mr. CAMERON (*Nanaimo*): That is what I am getting at.

Mr. ROCK: I want that clearly understood, because that is a different matter than in regard to all the records we have on a farm, as you well know yourself.

Mr. CAMERON (*Nanaimo*): Yes, it is a statement with regard to income tax. Mr. Rock, are you familiar with the method by which auditors draw up such statements?

Mr. ROCK: No, sir, for the simple reason that my business is raising sheep. I attempted, for a number of years to make out our income tax forms, and I was not able, without continual letters back and forth, to satisfy those gentlemen, that my statement was correct. When I put my revenue and expenditure problems in the hands of a chartered accountant, whose business it is to prepare this statement. I did not have any trouble.

Mr. CAMERON (*Nanaimo*): When your auditor, each year, is preparing to make up your income tax statement, he comes to you for relative information, and he drafts, what auditors, I believe, term as, their working papers. Is that correct? They get all the relevant information with respect to your business?

Mr. ROCK: Sir, I do not know the procedure of an auditor. That is not my business.

Mr. CAMERON (*Nanaimo*): I am not asking you that. I am asking you now, do you give to your auditor all the relevant information with regard to your business, so that he may draw up your income tax return?

Mr. ROCK: Sir, I give to my auditor a statement of the revenue and a statement of our expenses.

Mr. CAMERON (*Nanaimo*): If he is your auditor, Mr. Rock, surely you give him something more than that. Surely you give him statements of your transactions in the business, both in regard to the sales of your purebred stock and with regard to your purchases of stock for resale. Otherwise, how could he draw it up? The point I am getting at is this, Mr. Rock; while you yourself, if you wanted to dig the information out of your files at home, might have to go back there and do it yourself, I am suggesting to you that a telegram sent tonight, to your auditor, instructing him to forward his statements, that he drew up on your behalf for the years 1954-1955, plus his working papers, that would give us the information we require.

Mr. ROCK: Mr. Chairman, do I have to bring to this house, my income tax reports?

Some Hon. MEMBERS: No, no, never.

The CHAIRMAN: No.

Right Hon. Mr. GARDINER: You cannot even get that information on the floor of the house.

Mr. CAMERON (*Nanaimo*): Mr. Chairman, I want to point out to you that we are engaged in an examination of an expenditure of \$100,000 of public funds, which has been paid to Mr. Rock. We are surely entitled to full information.

The CHAIRMAN: Correct.

Mr. CAMERON (*Nanaimo*): With regard to Mr. Rock's business operations.

The CHAIRMAN: The point of this matter is, as I suggested earlier today; we are dealing with a very delicate matter when we inquire into the personal business of a man, and ask for a detailed statement of his operations, and bring that information publicly to a committee. It is very delicate. The first thing we must ascertain is this; is this information vitally relative to the subject before us.

Mr. CAMERON (*Nanaimo*): I submit that it is.

The CHAIRMAN: I cannot see how such information would be conclusive in any way. It would only prove that he made so much money on a different set of animals altogether. We would have to compare the value of those animals, with the value of animals that were sold now. The question before the committee has regard to the valuation of the flock that was destroyed and not a valuation of animals over the last two years.

Mr. CAMERON (*Nanaimo*): Mr. Chairman, I would point out, that we have already had a witness, who told us he valued the stock of the Rock farm on the basis of the sales that were made from that flock.

Mr. BENNETT: On a point of order. Mr. Graham clearly said that he valued the stock under, the act, on the basis of the actual value of the stock, prior to the time when the disease came into the stock, as if the disease had never been there. He said that very, very clearly. The authority for that is section 12 of the act.

Mr. CAMERON (*Nanaimo*): He stated this afternoon, Mr. Chairman, that he felt he was unable to refrain from considering the sales that had been made in the high price market in the United States. Therefore, we can only assume that that was, at least one of the basis upon which he made his valuation. Therefore, I submit, that the sales which have been made in 1954-1955 are also relevant to this question of the valuation of this stock. I am asking you, Mr. Chairman, to instruct the witness—I take his point quite well, that he is not obliged, and in fact we cannot press for it, although I do not know what the powers of a parliamentary committee are in regard to income tax returns and I am not suggesting we do need returns—that we need the working papers that his auditors used in the drafting of that statement. The point, Mr. Chairman, that we cannot delve into the personal private business, might have some validity, although very little. It does concern, however, an expenditure of \$100,000 of public funds. It might have some validity if Mr. Rock were still in business, but he is not. This business is finished. When he starts up again, it will be a new business.

The CHAIRMAN: That is not the point, Mr. Rock not being in the business at the moment. I am quite sure he intends to get back into business. As a matter of fact he has already started.

Mr. BENNETT: Mr. Chairman, before you decide upon the point of order, I submit that the sales made by Mr. Rock, whether to the butcher or to anyone, during the period when he was not quarantined, is not relative. The only issue, as far as valuation is concerned, is what stock did Mr. Rock own at the time of slaughter. That is what we have to determine. He has said in his evidence that he had sold the inferior animals, namely, to either butchers, or other places. He said this afternoon that a good animal in Texas was a poor animal in Canada. Surely that is not relevant. The thing we have to decide is: he had so many animals at the time of slaughter and under the act, he has to be paid the market value of those animals. Our minds must be focused on that point; are we giving him adequate consideration in respect of those animals, and whether he sold an inferior sheep for \$20 is not relevant. I submit, Mr. Chairman, that that evidence is not necessary in order for us to come to a conclusion, as to whether this man has been fairly dealt with.

Mr. CAMERON (*Nanaimo*): I must say, Mr. Chairman, that Mr. Bennett has made a most ridiculous conclusion here. You cannot possibly establish the value of an article unless it is based on the formula, that Mr. Graham agreed this morning, was the proper definition of the value of a farm animal—the price that can be got for that animal itself, or the price that can be got for its offspring. How can you determine whether the remaining sheep, in Mr. Rock's flock, had been undervalued or overvalued, unless we have the information as to how those sheep sold on the market? There is no possible way of doing it otherwise.

The CHAIRMAN: The point is, the flock came under suspicion in 1954, and any other value would not be a true value anyway, if you were to go by the actual sale at that time. I do not see that this information—

Mr. CAMERON (*Nanaimo*): I am coming to that particular question, Mr. Chairman, in my other questions to Mr. Rock. I do submit to you, sir, that it is necessary for this committee to have this information, which Mr. Rock unfortunately left behind, although he brought his records for two years previous. We must have that information before we can make any estimate whatsoever as to the validity of this valuation. Now, if I may proceed with my questions—

The CHAIRMAN: No, wait a minute. There is a point of order there.

Mr. CAMERON (*Nanaimo*): All right.

The CHAIRMAN: I am sorry, but I cannot agree with that view. I do not see that this information, that you request—that is, a detailed information of the personal business transactions of this many—would really add anything to the picture that we have before us.

Mr. McCULLOUGH (*Moose Mountain*): On a point of order, Mr. Chairman.

The CHAIRMAN: I do not think that we should put Mr. Rock in that position, when the benefit, from the information that would be produced, would not be sufficient to warrant that. I do not think it is relevant, to that degree. I cannot agree that we must ask Mr. Rock to submit that information.

Mr. McCULLOUGH (*Moose Mountain*): Mr. Chairman, on the point of order. As one member of the committee, I think I must insist on having this information. Some of us, I feel—

The CHAIRMAN: I am sorry, order.

Mr. McCULLOUGH (*Moose Mountain*): It is on the point of order.

The CHAIRMAN: I have considered the point of order, I am sorry.

Mr. McCULLOUGH (*Moose Mountain*): I have not spoken to the point of order.

Some of us may be reticent, as you have indicated, about going into his personal accounts but, of his own volition, Mr. Rock, last evening, put on the record his income for 1948, as \$42,000, 1949 as \$34,082, 1951, \$45,900, 1952, \$17,300 and in 1953, \$45,600. He did this of his own volition. I suggest that, in order to get a balanced picture of the market value of these animals, we must, sir, have the sales for the years 1954-55. We must get the number of animals sold, the classification of the animals, as to purebred and grade, for all those years. We should also have statements showing the amount of money paid out by Mr. Rock for the purchase of sheep, either as foundation stock coming into his flock, or for commercial. Is it true, Mr. Rock, you do purchase and sell quite a number of commercial animals?

Mr. ROCK: Sir—

Mr. McCULLOUGH (*Moose Mountain*): Will you answer my question?

The CHAIRMAN: That is what he is going to do.

An Hon. MEMBER: Let him answer. Sit down, sit down.

Mr. ROCK: Would you define what you mean by "commercial animals"? Are you speaking now of animals raised for meat purposes, or animals that are registered?

Mr. CAMERON (*Nanaimo*): Animals for meat purposes, without registration, and where you sold them without registration.

Mr. ROCK: Yes. Before I can answer your question, I must say that I am not sure what you are asking, when you refer to "commercial animals".

Mr. CAMERON (*Nanaimo*): I will clarify it for you. I understand, that on occasion you will sell sheep which are registered, and you will sell them as a pen of rams, for example, and the prospective purchaser will not care whether he has the registration or not, so you will take the ear-tags out of these animals and sell them as a sire for a flock, which are not registered is that true? That is one type. Another type will be, where you will send them straight to the abattoir, or to the butcher market for meat.

Mr. ROCK: Sir, I will have to answer that in this way: in your range flocks in Canada and in the United States, there are several hundred and they usually run as a unit of 1,000 ewes. Those ewes, generally speaking, are white-faced. They are of Rambouillet breed, Columbia breed, and Corriedale. They use black-faced rams to cross with those ewes, in order to produce a heavier market lamb. The terminology that is used among sheep breeders in respect of rams purchased by these ranchers is, range lambs, because these sires are purchased to produce commercial lambs. The sire may, or may not be eligible for registration. The dam definitely is not. As a result, the offspring is a cross breed.

Mr. CAMERON (*Nanaimo*): May I continue with my questioning, Mr. Chairman?

Some Hon. MEMBER: Oh, no.

Mr. CAMERON (*Nanaimo*): May I continue with my questioning, Mr. Chairman?

The CHAIRMAN: No. There is a point of order, and we have got to settle that once and for all.

Right Hon. Mr. GARDINER: Mr. Chairman, on the point of order. I would just like to point out that we are dealing with 654 sheep and no others. The 654 sheep were slaughtered by the government of Canada and it paid \$100,050. It is contended that that was too much. It is also contended that there were substitutions in that number, not in any number that was sold before that, or anything that had anything to do with anything that happened before that. There were 654 sheep there when the case was diagnosed as scrapie, and it is

only those sheep that we are dealing with. It is only those sheep that were paid for and were slaughtered. The suggestion was made, right from the beginning, on the 13th of July last, that some of those sheep were substituted. It is on that question that the registrations and applications for registrations arose. It was suggested the other day, that the government could not produce registrations which would show that the whole 654 animals were actually slaughtered and put in holes, and that they were animals on which registration tags had been placed. The registration tags are all here in that box, or at least the registrations or the certified applications for registrations are all here. They have all been presented, indicating that everyone of those animals had a tag on it, and that the tag was taken off.

Mr. CAMERON (*Nanaimo*): Mr. Chairman, what has this to do with the point of order? I submit that it has nothing to do with it whatsoever!

Right Hon. Mr. GARDINER: It indicates that none of the animals you are talking about have anything to do with this at all. These are the animals as to which we have got to determine if there was substitution. This proves that there was no substitution. Therefore the claim ought to be withdrawn without any further discussion at all, and it should not require our going into a lot of other sheep and the bringing in of sales in order to prove the point.

This whole paragraph has nothing to do with anything else but these 654 sheep. I have admitted several times that there was a mistake made in the number. The figure used here is 674 but the actual figure that has been established is 654, and that is what was being dealt with all the way through the picture.

It says here that "rumours persisted that substitutions had been made and also that some sheep were moved from P. J. Rock's flock to a farm in Manitoba". If it was some of the 654 sheep that were moved, then my friend would be quite right in asking for further information in regard to the sales of them and everything else. But if it was not those sheep, then it does not apply in connection with this matter.

Mr. McCullough stated:

"I am inclined to believe those rumours". In going through *Hansard* of last year I find that on July 13, 1956, on page 5960, the Minister of Agriculture was asked a question and gave the following answer:

Mr. Rock in 1955-56 had 674 sheep slaughtered and they were all registered.

That should have read "654 sheep slaughtered and they were all registered".

My friends are playing on the term registered, and the fact that the applications had not gone right through, and that you had a pedigree for them. They were all registered in the sense that there was a pedigree for all the older sheep. As for the lambs, they were tagged and the applications had been made and accepted. All that was necessary to do in order to get a pedigree was to pay \$1. The total cost would have been \$100 odd.

Mr. CAMERON (*Nanaimo*): Mr. Chairman, this is quite irrelevant to the point of order. It has nothing to do with it. You are allowing the minister to take up the time of the committee with something that is completely irrelevant. You should be calling the minister to order. Why do you not do your job, Mr. Chairman?

Right Hon. Mr. GARDINER: There is no question about their being slaughtered or of there being substitutions. That was my statement last July. The compensation paid was \$100,050. That was the statement that was made and there is no misrepresentation.

If someone wants to say "well, the term 'registered' meant that you had a pedigree which you could put on the table", no one going through a business of that kind is going to have pedigrees at that time. He would merely make

an application and if the application is admitted, he may get it, or he may transfer the animals somewhere else. None of them were transferred. They were all there. They were all put in a hole in the ground.

I submit there is no relevancy whatsoever to going back and talking about animals which were sold the year before or at any other time. That would have no relevancy to it. There may be something else which somebody may want to produce which has not been produced; but so far there is nothing to it.

I just want to say in conclusion that there is no way in which anything else can be shown in regard to it. If there was no substitution of animals for those which should have been there, and if those tags and everything else has been produced in evidence, then we ought to get on with the job of determining the thing. I had finally to put my signature to it. My hon. friends have that document with my signature on it. After having all the information produced by Mr. Graham and the others which has been referred to here, I had to say that this was a proper compensation for these animals and I signed it.

Now I did not sign anything with regard to animals that had been sold before, or animals that were going to be sold afterwards. I simply signed a statement in regard to these animals. What was the main consideration? The main consideration was for what is in this act to start with; and then beyond that was a fact with regard to this flock itself; and the fact was that these were sheep which Mr. Rock would not sell at any price. That is why he had them. Any breeder who breeds livestock to sell for breeding purposes does not sell the best stock he has. He would not have achieved the reputation of being the best breeder on this continent for this type of sheep if he had not been selling his scrubs to the butcher and selling his high class sheep to breeders. After selling those he had 654 of the best sheep that could be found anywhere in America of this particular breed. This is with regard to the point of order that we are talking about. In making a decision as to what the value really is, that is the one matter that is taken into consideration. As to the sheep you sell on the market for slaughter, and the sheep that you pass on to somebody else—who does not care what the blood line is. They do not come into this picture at all.

It was only the 654 of the best sheep that were on this continent that were the basis of the valuation. And this other material that is asked for—it should not be allowed to come into the calculation in any way whatsoever. It should never have been allowed to come into these discussions.

Mr. CAMERON (*Nanaimo*): We have already had evidence from Mr. Gardiner's own officials that they reached this valuation out of consideration of sales from this flock. Nothing could be more nonsensical than for the minister to suggest that he pulled this figure out of the air.

The CHAIRMAN: Order. There is a point of order. The appraiser used previous sales, but he did not use sales of 1954 and 1955 because of the obvious reason that the flock was already under suspicion of disease as of March 1954. So any figures produced during those two years are not, in my opinion, relevant to the actual valuation, and I so rule.

Mr. CAMERON (*Nanaimo*): Why are they not relevant?

The CHAIRMAN: I am sorry. That is my ruling. Now, Mr. Cardiff.

Mr. CAMERON (*Nanaimo*): If you want to cover it all up, that is the way to do it!

Mr. CARDIFF: I am not very much interested in what they paid for the sheep. Apparently what was paid for the sheep was not satisfactory to the man who owned them. He thought he should have had \$50,000 more. That is quite natural. I am not particularly interested in the amount of money.

However you have produced tags for those sheep. As far as I can figure it out, that is where all this squabble started in the first place. It was because someone thought there was something slipped over. If you have the tags for those sheep, why don't you let Mr. McCullough count them and put somebody there to watch the process. If you have 654 tags there, what are you talking about?

The CHAIRMAN: I was under the impression that we had cleared the air as far as registration was concerned. Am I not right? Can we all agree at least on that point, that the registration end of it has been cleared? Is that agreed?

Agreed.

Mr. CAMERON (*Nanaimo*): Before the next member speaks, do I understand that you rule that we cannot have the information about the sales from Mr. Rock's flock in 1954 and 1955?

The CHAIRMAN: I am not ruling that you cannot have it. I ruled that I did not think I was justified in directing Mr. Rock to produce it, because I did not think it was relevant.

Mr. CAMERON (*Nanaimo*): That is the same thing!

The CHAIRMAN: That is your deduction, not mine.

Are there any other questions?

Mr. ARGUE: Mr. Chairman, I would like to ask Mr. Graham, what, in his opinion, was the value of this flock immediately before the slaughter?

Mr. GRAHAM: I gave my valuation, sir, when I appraised them on February 1st.

Mr. ARGUE: You considered that that was their value immediately before slaughter even though there was no market immediately before slaughter?

Mr. GRAHAM: I explained how I based my decision.

The CHAIRMAN: Order!

Mr. GRAHAM: The valuations were based as though the disease had not been present in the flock and as though the United States had been Mr. Rock's main market.

Mr. CAMERON (*Nanaimo*): It was on those prices that you based your valuation?

Mr. GRAHAM: Yes.

Mr. CAMERON (*Nanaimo*): You said you did not do it just now.

Mr. ARGUE: Did you go over the record of prices received for any sheep sold during the period following March 26, 1954?

Mr. GRAHAM: Yes. The Rock sheep sold at the Royal Sale in 1955.

Mr. ARGUE: Then, with that information I would like to move that the record of sales from P. J. Rock's flock between the date of January 1, 1954 and February 1, 1956 be brought before this committee for examination.

The CHAIRMAN: What is that again, please?

Mr. ARGUE: I move that the record of sales from P. J. Rock's flock between the date of January 1, 1954 and February 1, 1956 be brought before this committee for examination.

The CHAIRMAN: Well, is that not exactly the same point I ruled on a moment ago? Surely it is!

Mr. ARGUE: You said you were not ruling that he had to bring them here.

Mr. CAMERON (*Nanaimo*): You ruled that you were not going to instruct him to bring them here.

Mr. ARGUE: I submit that the committee is master of its own destiny and that it can consider, approve, or reject the motion that I have presented.

The CHAIRMAN: Have you a copy of your motion for the record? You have moved that the record of sales from P. J. Rock's flock between the date of January 1, 1954 and February 1, 1956 be brought before this committee for examination.

Mr. ARGUE: I would like to speak to the motion.

The CHAIRMAN: This is not what the chairman just ruled on.

Mr. ARGUE: No. He accepts the motion as being a motion valid for discussion and a vote. I am moving this motion because of the very specific words contained in paragraph 2 of section 12 of the Animal Contagious Diseases Act. That paragraph reads as follows:

(2) The compensation ordered to be paid under this section for an animal slaughtered under the provisions of this act shall be the market value that the animal, in the opinion of the minister or some person appointed by him, would have had immediately before slaughter if it had not been subject to slaughter under the provisions of this act, except that the compensation shall not exceed

I think those words are very clear. They show that it is the value immediately before slaughter, and I take it to mean that there certainly should have been consideration given to the value of this flock, the sales that were made, and the prices that were received for the sales that were made in the period immediately before slaughter which would certainly include the period going back to March 26, 1954, but the interpretation that has been placed on the act is an extremely amazing one I suggest. The interpretation that has been made of the act is that immediately before slaughter is a period two years before the slaughter actually took place. I think that is a misinterpretation, a mangling of the provisions set forth in this act by parliament. It is not just that the act itself has not been followed up, but it is because the act has not been followed up that the public of this country, in our opinion based on evidence so far produced, and the lack of evidence, has very likely paid an excessive sum.

The CHAIRMAN: I do not want to interrupt, but there is a motion, your own motion.

Mr. ARGUE: I am entitled—

The CHAIRMAN: I know you are entitled to speak but you are not entitled to speak beyond your own motion. There is a motion before the chair.

Mr. ARGUE: I am giving the reasons why this whole committee would be made a complete farce if these records are not produced and because of the way some of the members are acting.

An Hon. MEMBER: You sure are.

Mr. ARGUE: An appropriation was asked for without adequate evidence being presented to the committee that such an appropriation was justified.

Mr. FORGIE: You are just a scandalmonger when you say that. He has no right.

Mr. ARGUE: The \$100,000 appropriated by parliament. It has already been demonstrated by the number of sheep sold in the years previous to the suspicion of the disease that even in the best years, in the years of the highest prices of livestock in this country, that the returns from sheep on the sales from the Rock farm were a great deal lower than the compensation that has been paid.

The CHAIRMAN: With all due respect, the motion deals specifically with the period from January 1, 1954, to February 1, 1956. Do not go all over the ten year period. Stick to your motion.

Mr. ARGUE: I think, Mr. Chairman, I am entitled to my right to discuss why, without this evidence being produced, and on the basis of the evidence so far produced, that we are being asked to approve something that was an excessive charge on the basis of the evidence. I suggest if there is anything to hide, then the record should be produced. I can see no reason why there should be such reluctance to produce these records. We are not asking for this man's income tax. We do not want his income tax, at all. We merely want to know the value of the sheep that have been sold within the period to which, I suggest, the provisions of the act apply, namely the period immediately before the slaughter. And unless the members of this committee agree that this kind of information should be brought, then this committee has been called for not other reason than to attempt to get the minister and the government off the hook created by them in paying excess payments, making excess payments on the basis of the value of the flock immediately before the slaughter.

I have used some very strong language. I had hoped and I had waited, patiently, listening, that the chairman would rule that this kind of information perhaps should be made available. It might even go farther and ask if this information would not be brought here. I do not think that parliament and this committee should become a farce even at this late date, probably in this session, because we are not unwilling that these records should be brought here, and I would hope that this motion would pass.

Mr. BENNETT: Mr. Chairman, I am not going to use any strong language. I think the thing we have to decide is whether these records will do us any good or not. Mr. Rock has already said that he has sold certain animals, the ones that he did not need in his flock. And the fallacy in the argument of Mr. Argue, and in that of Mr. Cameron, if I may say so—and I am not going to say to you, Mr. Cameron, that your argument is ridiculous; I think adjectives like that speak for themselves. They weaken a person's case.

I do think that such evidence—if we had evidence here that Mr. Rock sold animals at \$50 and \$80 and \$100 it would not help us in the slightest degree, to the slightest extent, because we are dealing with foundation stock. We have evidence of that. We have evidence from Mr. Graham, a respected and experienced man in the Department of Agriculture. He has been in the sheep business for 30 years, and he has gone out there and done his best, and has valued the stock. He had one or two or four men with him, and he has produced the valuation. Now Mr. Rock says that that valuation was not high enough, that he placed the stock at \$150,000 or \$160,000. There were two Americans who said the stock was worth more than \$100,000, and one Canadian. Surely if allegations are to be made in this committee, and if they are going to be proven, I would challenge the opposition to present a witness, an independent witness in the sheep business who will get up on the stand and say that he knows the Rock flock, and that it was not worth \$100,000.

Mr. Quelch has stated in the House of Commons that he is a neighbour of Mr. Rock, and he was—and he was talking from his knowledge, and the knowledge that prevailed in the district—and stated that it was generally conceded that this flock was worth \$100,000. Now, what good would it do us to have the sales records which showed that he sold some inferior animals to a butcher shop and to the Americans? Mr. Rock would just get up and say—and Mr. Graham—that those animals were not of the quality that were left. I submit that that evidence is not relevant, and that is why I am going to vote against the motion.

I would like to say that the C.C.F.er's are placing a very narrow construction on section 12 of the act. They are trying to place emphasis on the phrase immediately before the word "slaughter", which is not the intent of

the act, at all. Because if you carry that to its finality, this flock had no market in Canada. Mr. Cameron argued this morning that the American market was gone. When the stock is diseased in Canada it would have no market in Canada, either. And any time a flock is slaughtered, immediately before the slaughter it would have no value.

Surely the intent of the act was to compensate the owner for the flock, as if the disease had not gone into the flock, the actual market value. I suggest to you that this motion should be voted down, and I am going to vote against it.

Mr. SHAW: Mr. Chairman, last night Mr. Rock, of his own free will, without pressure of any kind—in fact, he seemed to secure some pleasure, even, out of having placed before this committee his total revenue from the sale of sheep—the gross revenue for the years 1948, 1949, 1950, 1951, 1952, and 1953. Those figures were discussed for a considerable period of time last night. I heard no one get up and say “stop this; it is irrelevant, and of no value to us”.

I have not heard Mr. Rock himself, offer any objection to providing us with similar information for the years 1954 and 1955. Personally, I do not care particularly whether those figures were produced at all or not. I do get suspicious when I listen to those people, who are quite against the presentation of similar information for 1954 and 1955. In fact, I just cannot understand it. Why was the same argument not used in those previous years? May I ask Mr. Rock, have you any objection to presenting figures for the years 1954 and 1955, similar to those which you apparently offered last night, for years 1948 to 1952?

Mr. ROCK: Sir, in answer to your question—

Mr. GOODE: I am going to rise on a point of order, Mr. Chairman. I do not think Mr. Rock should be included in this conversation, much as I would like to hear his answer, because we are now speaking to a motion. I have never heard of an occasion when a witness could speak to a motion in a committee.

The CHAIRMAN: Mr. Shaw, if you will allow me a moment. I must say, your question is not the question that is before the Chair now. It is an entirely different proposition. This motion is in respect to the record of sales for 1954-1955:

Mr. SHAW: Mr. Chairman, was this record of sales not given by Mr. Rock last night?

The CHAIRMAN: No. It was simply his income tax figures that were given last night.

Mr. ROBICHAUD: Is it not true that, as from 1954, the flock was under suspicion and it had lost its natural value?

The CHAIRMAN: That is right.

Is the committee ready for the question?

Mr. GOODE: No, Mr. Chairman. I would like to say something at this point. I want to put on the record again, the question I asked Mr. McCullough this afternoon. In view of the fact that the charges were made by Mr. McCullough, and he has agreed with me that—

Mr. McCULLOUGH (*Moose Mountain*): Mr. Chairman—

Mr. CAMERON (*Nanaimo*): This has nothing to do with this motion.

The CHAIRMAN: Order. I was just waiting to see how Mr. Goode would relate his remarks to that motion.

Mr. GOODE: He has taken the responsibility for the charges, and I asked him in the committee, and this is just following along with Mr. Argue's remarks, if \$100,000 was too much for these sheep, would the CCF party place a fair market value on them.

Mr. ARGUE: Give us the records.

Mr. GOODE: That is what was said this afternoon, and you know it.

Mr. McCULLOUGH (*Moose Mountain*): Give us the records.

Mr. GOODE: I would like to suggest to Mr. Shaw, that Mr. Shaw, on the same day as Mr. McCullough spoke, said that \$50 a head—

Mr. McCULLOUGH (*Moose Mountain*): Let us have the records.

Mr. GOODE: Just hold your horses. Mr. Shaw said that \$50 a head was a very high price for these sheep. You said that on page 2924 of *Hansard*.

Mr. SHAW: May I just point out to you, Mr. Goode, that is not what I said.

Mr. GOODE: That is what it says here.

Mr. SHAW: Could I tell you what I said? I had not seen that in *Hansard* until noon today. What I said was, and *Hansard* reports me as having said it, that \$50 a head was a very high price for those sheep. You realize, that there was a noise in the House of Commons, but I did interject and say that \$50 would be a very fair price for those sheep. That is the opinion I held at the time.

The CHAIRMAN: Is the committee ready for the question?

Mr. GOODE: I did want to answer Mr. Shaw. That is what it says here.

Mr. SHAW: I know, but I did not see it until this noon.

Mr. ARGUE: Mr. Chairman—

Some Hon. MEMBERS: Question, question.

Mr. ARGUE: Before the question is put, Mr. Chairman, I want to make a request for a recorded vote by names.

The CHAIRMAN: You want a recorded vote by names.

Mr. BRYCE: I would suggest that you get a seconder to the motion before you put the question.

The CHAIRMAN: That is not necessary in committees. I can easily get a seconder, no doubt, if you prefer.

Mr. ARGUE: Yes, Mr. Shaw.

The CHAIRMAN: Mr. Cardiff.

Mr. CARDIFF: I cannot see what benefit that evidence, or what benefit those papers will be to us if you are not going to count those tags in there. If you are going to take it for granted, that there are 654 tags in there, and you will not even count them, what good is the other information?

The CHAIRMAN: The committee would like the question put, so let us put it to a vote.

Mr. KICKHAM: Mr. Chairman, we do not want to vote, because the material that Mr. Argue is asking for is irrelevant. This committee is being asked to vote on something that has no relevancy to anything in the world. There is a political purpose, yes. The sheep were valued because of the fact that the health of animals division found they were diseased. This committee is now being asked to vote on something that is pure wash.

Some Hon. MEMBERS: Oh, oh.

The CHAIRMAN: Order.

Mr. CARDIFF: I will move an amendment to the motion before the motion is made. The motion is out of order.

The CHAIRMAN: Order, order.

Mr. SMITH (*Battle River-Camrose*): I would just like to ask a question for clarification only, on the vote, Mr. Chairman.

The CHAIRMAN: Yes.

Mr. SMITH (*Battle River-Camrose*): I am asking this: are we not seeking, through Mr. Rock, the identical information he gave last night?

The CHAIRMAN: No, no. You did not get that information.

Mr. SMITH (*Battle River-Camrose*): What is the difference?

Mr. ROBICHAUD: Because the flock was under suspicion in 1954.

Mr. SMITH (*Battle River-Camrose*): Are we not asking Mr. Rock to give us the total income from his sheep for the years 1954 and 1955, and the number of sheep sold in each of those years? That is all.

The CHAIRMAN: Those in favour of the motion will say yea; those opposed will say nay as their name is being called.

Order.

(At this point a recorded vote was taken.)

THE CLERK OF THE COMMITTEE: The yeas number 8; the nays number 23.

The CHAIRMAN: I declare the motion lost. Now, does the committee wish to adjourn until tomorrow morning?

Mr. McCULLOUGH (*Moose Mountain*): What time tomorrow morning?

The CHAIRMAN: 11.30 tomorrow morning after the orders of the day, of course.

Adjourned.

HOUSE OF COMMONS
Fifth Session—Twenty-second Parliament
1957

STANDING COMMITTEE

ON

Agriculture and Colonization

Chairman: RENÉ N. JUTRAS, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6

Circumstances surrounding the destruction of the P. J. Rock
and Son Flock

FRIDAY, APRIL 5, 1957
SATURDAY, APRIL 6, 1957

WITNESSES:

Dr. K. F. Wells, Veterinary Director General; Mr. J. W. Graham, Chief of Live Stock Division; Mr. Phillip J. G. Rock, Drumheller, Alberta; Mr. F. G. Clark, Assistant Director, Canadian National Live Stock Records.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1957.

THE HOUSE OF COMMONS
THE SELECT COMMITTEE

STANDING COMMITTEE

ON

Fortification and Colonization

Chairman: KING W. LEVING ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

IN A

Committee appointed by the House of Commons
in the year 1840

AND

REPORT

BY

THE SELECT COMMITTEE

PRINTED BY RICHARD CLAY AND COMPANY, BUNGAY, SUFFOLK.

ORDER OF REFERENCE

FRIDAY, April 5, 1957.

ORDERED,—That the name of Mr. Hardie be substituted for that of Mr. Murphy (*Westmorland*); and

That the name of Mr. Byrne be substituted for that of Mr. Pommer, on the said Committee.

ATTEST:

LÉON J. RAYMOND,
Clerk of the House.

REPORT TO THE HOUSE

The Standing Committee on Agriculture and Colonization begs leave to present the following as a

THIRD REPORT

Pursuant to the Order of Reference of Tuesday, April 2, 1957, your Committee has considered the evidence before the Committee relevant to the terms of the said Order of Reference, concerning the rumours, suspicions and allegations regarding the destruction of the P. J. Rock & Son flock, contained in the speech of the Hon. Member for Moose Mountain, as reported in *Hansard* of Monday, April 1, 1957, (pp. 2923 to 2926) and have unanimously concluded that these rumours, suspicions and allegations were completely without foundation.

A copy of the minutes of proceedings and evidence in relation to this matter are tabled herewith.

Respectfully submitted.

RENÉ N. JUTRAS,
Chairman.

MINUTES OF PROCEEDINGS

House of Commons, Room 277,
FRIDAY, April 5, 1957.

The Standing Committee on Agriculture and Colonization met at 11:30 o'clock a.m. The Chairman, Mr. Rene N. Jutras, presided.

Members present: Messrs. Anderson, Argue, Batten, Bennett, Bruneau, Bryce, Byrne, Bryson, Cameron (*Nanaimo*), Cardiff, Forgie, Gardiner, Goode, Hanna, Hardie, Harkness, James, Jutras, Kickham, Laflamme, Lafontaine, Légaré, Mang, Massé, Matheson, McCubbin, McCullough (*Moose Mountain*), Quelch, Roberge, Robichaud, Shaw, Smith (*Battle River-Camrose*), Stanton, Tucker. (34).

In attendance: From the Department of Agriculture: Dr. J. G. Taggart, Deputy Minister; Dr. K. F. Wells, Veterinary Director General; Dr. R. B. Catt, Edmonton Sub-District; Dr. R. Connell, Lethbridge Veterinary Research Station; Mr. J. W. Graham, Chief, Live Stock Division, Production Branch; Mr. E. G. Brimcombe.

Also, Mr. Phillip J. G. Rock, of Drumheller, Alberta; Mr. F. G. Hodgkin and Mr. F. G. Clark, respectively Director and Assistant Director, Canadian National Live Stock Records.

The Committee resumed from Thursday, April 4, consideration of the charges contained in a speech of Mr. McCullough (*Moose Mountain*), as reported in *Hansard* of April 1, 1957, pages 2923-26.

Dr. Wells, Mr. Graham and Mr. Rock were further questioned.

And the examination of these witnesses still continuing, it was adjourned until the next sitting.

At 1:00 o'clock p.m. the Committee took recess.

AFTERNOON SITTING

The Committee resumed at 3:00 o'clock p.m. The Chairman, Mr. René N. Jutras, presided.

Members present: Messrs. Anderson, Argue, Batten, Bennett, Bruneau, Byrne, Bryce, Bryson, Cameron (*Nanaimo*), Cardiff, Deslières, Forgie, Gardiner, Gingras, Goode, Gour (*Russell*), Hanna, Hardie, Harkness, James, Jutras, Kickham, Laflamme, Lafontaine, Légaré, Mang, Massé, McCubbin, McCullough (*Moose Mountain*), Proudfoot, Quelch, Roberge, Robichaud, Shaw, Smith (*Battle River-Camrose*), Stanton, Tucker, Villeneuve. (38).

In attendance: The same officials as are listed in attendance at the morning sitting.

The Committee continued consideration of the charges contained in a speech of Mr. McCullough (*Moose Mountain*), as reported in *Hansard* of April 1, 1957, pages 2923-26.

Dr. Wells, Mr. Graham and Mr. Rock were further questioned.

And their examinations having terminated the Chairman, on behalf of the Committee, thanked them for their attendance and co-operation.

In turn, Mr. Rock thanked the Committee for their kind consideration.

Mr. F. G. Clark, Assistant Director, Canadian National Live Stock Records was called, heard and questioned.

The witness was thanked by the Chairman and was retired.

On motion of Mr. Goode,

Resolved,—That the public hearings of this Committee having been concluded the Committee consider *in camera* the matters directed to it under its terms of reference.

The Committee then continued *in camera* to consider a report to the House.

After some discussion, it was agreed that the drafting of a report to the House be referred to a Subcommittee to be named by the Chairman to act with himself.

At 5:40 o'clock p.m. the Committee adjourned to the call of the Chair.

House of Commons, Room 277,
SATURDAY, April 6, 1957.

The Committee met *in camera* at 2:30 o'clock p.m. The Chairman, Mr. René N. Jutras, presided.

Members present: Messrs. Anderson, Batten, Bennett, Byrne, Bryce, Bryson, Cameron (*Nanaimo*), Gardiner, Goode, Gour (*Russell*), Hanna, Harkness, Hardie, James, Jutras, Kickham, Kirk (*Antigonish-Guysborough*), Lafontaine, Légaré, Mang, Massé, Matheson, McCullough (*Moose Mountain*), Montgomery, Richardson, Roberge, Robichaud, Shaw, Smith (*Battle River-Camrose*), Tucker, Villeneuve. (31).

The Chairman informed the Committee that a Subcommittee composed of Messrs. Bennett, Cameron (*Nanaimo*), Goode, James, McCullough (*Moose Mountain*), Quelch, Stanton, Tucker, and the Chairman himself had agreed to a draft report which he was now submitting for consideration by the Committee.

After some discussion, the said draft report, with three slight additions, was unanimously adopted, and ordered to be presented to the House.

At 4:00 o'clock p.m. the Committee adjourned to the call of the Chair.

Antoine Chassé,
Clerk of the Committee.

EVIDENCE

FRIDAY, April 5, 1957,
11.30 a.m.

The CHAIRMAN: Order. Gentlemen, we have a quorum.

May I suggest that we now call on Mr. Clark, who was asked to be here, and who has been in the room for two days now. If there are any questions to be asked of Mr. Clark we could have him now.

Mr. McCULLOUGH (*Moose Mountain*): Mr. Chairman, in view of the fact that we have been denied certain information which we asked for last night in connection with this whole matter, I personally do not see any point in calling Mr. Clark. I have no objection, however, if another member wishes to call him.

Some Hon. MEMBERS: Oh, oh.

The CHAIRMAN: On that very point, I understand that Mr. Rock, last night, in view of the strong feelings of certain members, communicated with his accountant. Exactly what information he has now, I do not know.

Mr. CAMERON (*Nanaimo*): Who was that, Mr. Chairman? I did not hear you.

The CHAIRMAN: Mr. Rock communicated with his accountant.

Mr. CAMERON (*Nanaimo*): Oh, yes.

The CHAIRMAN: What information he has now, I do not know. He may have some information to give, similar to that information he has already given. Personally, of course, I feel that the figures in respect of 1954 and 1955 mean very little, because the flock was under suspicion of disease at that time. However, if the committee wishes to hear from Mr. Rock further, you can ask Mr. Rock questions.

Mr. HANNA: Mr. Chairman, I think the discussions yesterday turned mostly on the evaluation of the sheep, and the value that was set on them. I personally would like to hear from Mr. Rock and, in particular, I would like to ask him if he would give this committee his views as to how officials of the Department of Agriculture carried out the evaluation, and also his own views on the figures which they arrived at. He could also give us any other information on that matter of evaluation, which he is in possession of, and which may be of interest to the committee.

Mr. TUCKER: I am in accord with the view that was taken by yourself and by the majority of the committee last night, that the amount of money he was able to obtain for the sale of the animals, after this herd came under a cloud, is not of great probative value, in estimating what they were worth. In view of the evident attitude that the C.C.F. party is taking this morning in trying to make use of the fact that information was not given, being an indication that they were not permitted to get all the information that was available, even though it was not of probative value, as an indication of what the flock was worth at the time, on the basis of the valuation provided under the act. I think it would be very good for Mr. Rock to be permitted to give any information that he may have in that respect. I certainly do not think that information indicates how much this flock was worth before it came under suspicion, or what it was worth on the basis of a proper evaluation

under the Act. Personally, I am rather surprised that representatives of farming constituents would attempt to destroy the value of this act, by placing the interpretation as to the proper basis of evaluation, the C.C.F. has done.

Some Hon. MEMBERS: Hear, hear.

Mr. TUCKER: That attitude does not serve very well, to get a fair deal for the farmers. I think it is a very shameful thing that the representatives of farming constituencies in Saskatchewan are trying to attempt to destroy this program, which attempts to secure proper pay, for animals destroyed, for farmers on the basis of what they were worth before they came under suspicion. This is obviously an attempt to destroy that program. That seems to be the whole purpose of the attempt here, unless it is a solely political one. One wonders how far the C.C.F. is ready to go in harnessing the farmers of Canada as a whole, as a result of their political motivation. We are ready to go to any length necessary to thwart this so I think this evidence of Mr. Rock's should be permitted.

Mr. ARGUE: Mr. Chairman, on that point. I can understand the change of attitude of the member for Rosthern, and other members of the Liberal party since last night. It is obviously apparent to me that they now feel they were unwise in attempting to fully cover up whatever transactions have been made in the two years in question. I resent the implication—

Mr. TUCKER: Resent it all you want, it speaks for itself.

Mr. ARGUE: —of the member for Rosthern. They are misleading and untrue.

Mr. ROBICHAUD: That is what you have been trying to do.

The CHAIRMAN: Order.

Mr. ARGUE: I could be—

Mr. TUCKER: It is as plain as the nose on your face.

Mr. ARGUE: It is as plain as the nose on the gentleman's face, and the face itself.

Mr. Chairman, I think it is the duty of all members of the House of Commons to look at every item of the estimates, in order to see if it is a fair appropriation. I am perfectly willing, after all the evidence has been divulged—if the minister and others will see that it is divulged—to give my opinion as to whether or not the amount paid to Mr. Rock was excessive. But, it leaves me suspicious of a great many things, when there is such a great hesitation, reluctance and opposition to bringing forth a full record of the transactions that have taken place over the whole history of this affair. During the foot and mouth disease inquiry—

The CHAIRMAN: Is that on the—

Mr. ARGUE: I am on the point as to whether or not—

Mr. CAMERON (*Nanaimo*): It is just as relevant as he was.

Mr. ARGUE: I am referring to the point, Mr. Chairman, as to whether or not I, as a farming representative, am interested in getting proper treatment for farmers in Canada. I take second place to no one in the House of Commons, as a man who puts forward the interests of agricultural producers in this country, in a fair manner.

Mr. TUCKER: Do you agree with the stand, taken yesterday, by the hon. member for Nanaimo, that after this herd came under a cloud, it should be valued on that basis? I am just curious to know if you will say you agree with that view.

Mr. ARGUE: I think that after this herd—

An Hon. MEMBER: Yes or no?

Mr. ARGUE: After this herd came under a cloud, I think that the records, and the prices of sales should be divulged to this committee.

Mr. TUCKER: Why do you not answer the question I asked you? Do you agree with this stand?

Mr. ARGUE: I agree with the stand that has been taken, that these things should be divulged.

Mr. TUCKER: Do you agree with the hon. member from Nanaimo?

Mr. ARGUE: Coming back to what I said a moment ago, if the member for Rosthern will stop trying to help others cover up the transactions that were made—

Right Hon. Mr. GARDINER: There has been no covering up. The only covering up has been a refusal on your part to call your own witnesses.

Mr. TUCKER: Mr. Chairman, on a question of privilege. I am not attempting to cover anything. However, there was a great attempt made last night to cover up a complete demolition of these charges.

Mr. ARGUE: How did you vote on the motion?

Mr. TUCKER: I am speaking about the fact that we were accused of denying evidence that was not relevant. If there was ever a case of attempting to cover up things, for political purposes, it was on the part of the C.C.F. party last night, and it ill behooves them to say that there was any attempt made to cover up any information that was available and relevant. It is a very shameful thing.

Mr. CAMERON (*Nanaimo*): Why do you not tell the truth?

Mr. TUCKER: I am telling the truth.

The CHAIRMAN: Order.

Mr. TUCKER: You may be an expert in not telling the truth, but I am not an expert in that regard.

Some Hon. MEMBERS: Hear, hear.

The CHAIRMAN: Order, order. May I ask—

Mr. ARGUE: Mr. Chairman—

The CHAIRMAN: Just a minute.

Mr. ARGUE: I have the floor.

The CHAIRMAN: Yes, you have the the floor, but just a minute. May I ask all members to refrain from talking at the same time. It is impossible for the reporter to take it all down when there is more than one conversation going on.

Mr. CAMERON (*Nanaimo*): On a point of order—

The CHAIRMAN: I am talking at the moment. May I, at this time, respectfully ask all members to refrain from speaking at the same time, and to control their feelings in this matter, in order that we can get on with this subject as objectively as is humanly possible. The only question here has regard to the calling of Mr. Rock to give additional information that he was able to get during the night or early morning.

Mr. CAMERON (*Nanaimo*): Mr. Chairman, on a question of privilege. I am suggesting to you, sir, that if you intend to achieve the purposes you outlined, you will call Liberal members to order for complete irrelevancy when they make political attacks on other members of this committee.

Some Hon. MEMBERS: Oh, oh.

Mr. CAMERON (*Nanaimo*): Those statements have nothing whatever to do with the subject at hand.

The CHAIRMAN: Order.

Mr. CAMERON (*Nanaimo*): Yet, every time they have done that, you have permitted them to go on.

The CHAIRMAN: I take exception to that. I have called Liberal members to order as well as members of other parties. As long as I am chairman here, I take no consideration of what party a member belongs to. All members of the committee are equal, irrespective of their party. I think my record will bear that out.

Some Hon. MEMBERS: Hear, hear.

Mr. ARGUE: Mr. Chairman, the member for Rosthern suggested that I might not be representing an agriculture constituency in permitting high payments for compensation—

Mr. TUCKER: Fair payments.

Mr. ARGUE: I think if you look over the record of the position I took when the foot and mouth disease inquiry was on, you will see that I took precisely the same attitude then as I am taking now, that there should be fair compensation, and there should be adequate compensation. Moreover, there should be equality of treatment amongst producers themselves. When I see one case, where a very large payment is being made, as compared to payments being made to other farmers who have had their flocks and herds destroyed, then I believe it is my duty to inquire into all of the facts surrounding the government of Canada's decision to make this very high payment to one person. I suggest, Mr. Chairman—

Mr. TUCKER: A fair payment.

The CHAIRMAN: Order, please!

Mr. ARGUE: I suggest again, Mr. Chairman, that no one in this committee can decide whether or not those payments were fully justified, until we have a record of the sales that took place in this flock of pedigreed animals, and the whole record for 1954 and 1955—the information we were asking for last night. When that information is available, I will be prepared to say then, whether I think the payments are excessive. In the meantime, it is very strange that one man should be singled out for this very exceptional treatment.

Mr. CHAIRMAN: Mr. Quelch.

Mr. QUELCH: I am very glad that it has been decided to provide the information that was asked for last night. I might state, that the only reason I supported that motion was, that I wanted to be in a position, when the final report is written, to say that everything possible was done to provide the information that had been asked for. I would like that information.

Mr. STANTON: Mr. Chairman, I have been listening for the last couple of days with a great deal of interest and amusement, I might say, to what has been going on in this committee. I have also been watching that pasteboard safe up there, with the ear-tag mark on it. I cannot, for the life of me, understand why somebody has not requested that those ear-tags be counted. I see it is just tied up with a piece of string, and surely somebody understands the combination of that pasteboard safe. It looks to me, very much, as though one party is afraid that there will be the right number of ear-tags in the box, and the other party is afraid there will not be enough ear-tags in the box.

Mr. ARGUE: You were afraid to vote last night.

Mr. STANTON: The people who are interested, would like to count those ear-tags. I appreciate the fact—

The CHAIRMAN: Order.

Mr. STANTON: We cannot expect the total number of ear-tags to be in that box; but I believe, now, in regard to the valuation of these sheep—well, I do not know, but we have had herds of cattle in my own district completely

eliminated as the result of TB tests, and I have never yet seen the farmers receive full compensation for that stock. I might say, too, that I have lived through a few years and, in my recollection, I have never seen this government give any farmer his full rights in anything.

I can appreciate the fact that, perhaps, at the time in question, Mr. Rock may have received more compensation than the valuation would indicate was right at that particular time. As has been pointed out today in this committee, according to the letter of the law perhaps he did receive a little more, under that act. But we must consider that a man who loses his whole herd of cattle or a flock of sheep has suffered a tremendous loss, not only from the standpoint of the financial value of it, but from the process of building up a flock that would be comparable to the flock he has lost.

I do not know—perhaps Mr. Rock has received more than he should, according to the exact valuation of that time. But I think that, perhaps, taking everything into consideration, his whole economic loss through the period of years would indicate that perhaps he has been slightly underpaid.

As I said before, I never saw this government throw very much to the farmers. However, I would like to see that safe with the ear-tag numbers opened up.

The CHAIRMAN: On that point, Mr. Stanton, and members of the committee, I can give you full assurance that every one of the tags has been accounted for, and if you care to hear the official doing it, he can do it, too. But they have been checked, every one of them; every one of the tags has been accounted for.

Mr. JAMES: I think it would be only fair, and I know the committee would appreciate it—and I appreciate the words of the hon. member who has just spoken, and his other colleague, who was the one most interested in the tags—but I would suggest that, due to this, he and his colleague take the tags and count them.

The CHAIRMAN: They have been accounted for. Now, Mr. Cardiff—

Mr. CARDIFF: How do we know they have? We are only taking somebody's word for it.

Mr. JAMES: That is the last thing they would do.

The CHAIRMAN: Speak a little more loudly; frankly, it is difficult to hear.

Mr. CARDIFF: All we are taking is your word that they have been accounted for, or somebody else's word. They have never taken anybody else's word for anything else. I do not know why they should take the word for that.

The CHAIRMAN: What would you suggest?

Mr. CARDIFF: Well, if I was accusing anybody I would go to work and count those tags, myself. And, certainly if I was a member of this committee—and I am—I would certainly appoint somebody else who is a member of the committee to see that they are counted right; and I make a motion to that effect.

The CHAIRMAN: That is exactly what I am saying. We have already done that.

Mr. ARGUE: Who did it—in order to allay the hon. member's suspicions—who made the actual count?

The CHAIRMAN: The Clerk of the committee.

Mr. ARGUE: And he is the man who should do it, I suggest.

The CHAIRMAN: You had better make a statement on that.

Mr. HANNA: My question still goes unanswered; may we hear Mr. Rock?

The CHAIRMAN: We will hear Mr. Rock.

Mr. ROCK: Mr. Chairman and gentlemen, I am here as a private citizen.

I was called at 2.30 in the afternoon to come to Ottawa to meet this committee. I was not told what I would require in the way of proof. I was not told what charges were laid before me. I had to drive 100 miles to get an aeroplane at 7.30 in the evening. I did not have very much time to prepare a case. I am not used to riding in aeroplanes and I did not get any sleep that night.

When I arrived here in the morning I walked through that door, and the first words I heard were those of Dr. Wells on the stand, saying words to this effect, "But, gentlemen, Mr. Rock is an honest man." I never felt worse in my life, because my mother taught me, as a child, that the way I should conduct my life was to do unto others as you would have them do unto you.

I have honestly and conscientiously tried to do that in my life. In the conduct of our business we went on the T. Eaton Company principle—"Keep the customer satisfied." We always tried, in everything we sold, to keep that customer satisfied, to make him money.

Through the years we established a clientele who bought our sheep at high prices and who bought them at low prices. We tried to improve our sheep, the sheep of Canada, the sheep of North America, so that when we left this world we left it with better sheep than were there before.

Our flock came up the ladder until, first, it had a Canadian reputation, and next a North American reputation and, lastly, a world-wide reputation. It was considered by competent authorities in the sheep business that our flock was one of the best in the world. On the markets we sold sheep for high prices in Canada. We sold them for high prices in the United States. The progeny from those sheep were sold at high prices. Our sheep went to England. The progeny from those sheep were sold at high prices in England, the home of the breed.

Now, gentlemen, in the valuation of our flock I believe it has been established that 654 sheep was the count, for which 654 pedigrees or certified correct applications for registration, certified by the Canadian National Livestock Records, were turned over. The figure has been given to you of \$100,050.

Now, to me as a sheep breeder, that is a large sum of money. But when you scrutinize the estimates of this government, it is a small sum of money as against billions. I realize that the duty of the opposition is to criticize money matters, to save the taxpayer money. I realize that. I did not realize—and I feel deeply about this—that to criticize money matters now before the House, it was necessary to use the term "skulduggery" about a man that some of these men did not know, but, one with a world-wide reputation. In their constituencies they must have found someone who could have given them a reference to our character.

Some Hon. MEMBERS: Hear! Hear!

Mr. ROCK: Now, taking the 654 number, and dividing it into the \$100,050, it comes to an average of over \$152, but not \$153. That is the compensation that we received for our seed stock, the foundation flock, the flock with the world-wide reputation, the compensation given us for its destruction, for the protection of all the sheep in Canada, and for the protection of markets for purebred and commercial sheep in Canada.

That was the compensation that was given us for that seed flock, for that foundation flock.

Yesterday Mr. Harkness asked me a civil question about a date. He asked me if Mr. Ewing, the editor of the Sheep Breeder, had been at our place but, for the life of me, on the spur of the moment, I could not remember the last

time he had been there. I came back to Mr. Harkness with a smart answer—"Where were you, sir, on such and such a date?" Now, Mr. Harkness, I apologize for that. I have checked. Mr. Ewing was last at our place in 1953, the year before our flock came under a cloud.

Yesterday I told you that the Har Mar flock from Glarmar, Indiana, was dispersed this year at a figure of between \$160 and \$165 per head; I was not sure. Now, here is a wire from Mr. Ewing, giving full information on that.

It says:

Mr. Philip Rock,
Care Minister of Agriculture,
Parliament Buildings,
Ottawa.

Har Mar Farms Suffolk dispersal sale January 19, 1957 averaged \$165.74 Rockville blood lines most preferred in Suffolk today.

And this is signed P. V. Ewing, Jr., Publisher of the Sheep Breeder magazine.

Now, gentlemen, the point I wish to bring out is that that flock was established from our blood lines. It was established from the sheep that were sold that, as I told you the other night, in our matter of building up our flock there were sheep I could spare, and females I could not spare at any price.

These from which that \$165.74 average was taken, were sheep I had sold that I could spare, that I did not have to have to keep in my flock, but still a standard of animal which kept me close to the top among Suffolk breeders on this continent. If you sell your seed stock it leaves you with nothing but a bunch of culls, and you cannot maintain your position. So that that is the figure, a dispersal sale almost a year after our flock was destroyed by scrapie. The American breeders knew only too well that our flock was destroyed by scrapie. They bought those sheep that came from our place, knowing full well they might contain in them the organism for the disease for which our flock was slaughtered.

I brought to your attention the case of the California breeder whose flock was destroyed, over 1,300 sheep, less than two weeks ago. He asked me to send a letter of evaluation which he could give to the men who valued his flock, just as Mr. Graham valued our flock.

I had not seen the sheep for several years. I tried to be fair to him, to be fair to the people of the United States, the United States taxpayers, and to be fair to the breeder whose work was being destroyed. So I set a value just over, not under, but just over four times his average gross sales, that is, his average sales in the preceding five years. That was my value on a flock that I had no interest in whatsoever.

It was one of the three best flocks in the United States. And sheep breeders who know their business will know full well that our flock was of a higher standard than that one because this man and his closest competitors were purchasing stock rams and ewes from us.

I want it to be clearly understood that our flock was the seed flock of this continent; possibly it could not have been bettered in England, because in England our sheep have obtained high prices. 360 guineas in England is not a small sum of money. It is not great, and it does not compare to \$5,000, but is it not a small sum of money for sheep.

Now, gentlemen, I have told you that we have always tried to be fair to our customers. When our flock was ordered to be slaughtered, I felt we were entitled to receive compensation. I felt we were entitled to a fair valuation.

I gave Mr. Graham the figures which I thought our sheep were worth. I had obtained independent appraisals from competent men in the industry, which I presented to Mr. Graham. I presented to Mr. Graham our figures for sales from 1948 to 1953. I presented the number of sheep to him—that is, the number of sheep concerned, to him.

When I was asked to appear here, I gave to this committee exactly the information that I gave to Mr. Graham. I felt it was only fair that this committee should have the information that Mr. Graham had in the appraisal of these sheep.

Mr. Graham is a public servant. Mr. Graham is working for the people of Canada. Mr. Graham was not working for P. J. Rock and Son. He was working for the people of Canada. He was the custodian of the public purse.

When he came to evaluate our flock of sheep, the first figures that he mentioned to me were a far cry, far lower, away in the depths below the figure that was finally arrived at.

I kept pleading with Mr. Graham. I said:

“Sir, you do not understand the situation. These are foundation sheep. These are the sheep which affect progress in the flocks of North America, and possibly England. There are no better ones in England.”

He said, “I am spending public money. These items have to be scrutinized by parliament. Never before has a sum of money like this been voted for the destruction of animals.”

But the point is, gentlemen, that never before had it been necessary to destroy animals of this quality.

In due course his estimates came up and mine went down. I was trying to be fair to the people of Canada.

Mr. Quelch yesterday eulogized Mr. Grenville, a man who was respected universally and whose judgment was fair and honest. He was a man to whom, whenever I got into difficulty I would go to for advice. Mr. Grenville's valuation was close to the figure which Mr. Graham finally gave. I knew that I was not getting the value of the sheep but I felt that as in past years I was trying to be fair to my customers. When the last sheep from that flock which had been built up over many years with C.P.R. stock and with various blood lines which had been coming into my hands for me to improve—when the last sheep from this blood line in my possession was to be sold, then I came down on my figure. I tried to be fair to the customer, my last customer, the taxpayer of Canada.

Mr. Graham kept impressing upon me as follows: he would say “Sir, these items will be scrutinized by parliament. You don't want to have your fair name go through parliament or come into parliament. This thing should be settled at a fair value or at a low value.”

Mr. Graham is a good talker. He is the finest salesman and the finest man in the world to save taxpayers money. I am not trying to belittle Mr. Graham I am trying to make Mr. Graham nine feet tall.

The point is that against my better judgment I kept coming down.

My dad is an old man. He is 79. He knew that he would never again in his lifetime have sheep of the quality, that were being destroyed. He knew that. He did not want his name to be dragged through the mud. We came down on our valuation. We came down! We finally accepted the price of \$100,050. We did that. Mr. Graham talked us into it. I still knew that we were not getting the value of our sheep.

I do not know what we will be doing in the future. I know that our money, our capital had to be transferred from sheep, which make a fast turning base. You buy a sheep and you sell its lamb in a year. You still have the sheep left and you have your money back. But if you buy a cow, it takes a year before she

has a calf. It takes two more years before that calf is a bull which you can sell on the market. With a cow it takes three years before you are able to get back only a part of your money; you do not get even the money that you spent. We have registered shorthorns. When our sheep came under a cloud, I went with our registered shorthorns down the west coast of the United States from Vancouver to Portland, Oregon, San Francisco, Los Angeles, California, and Ogden, Utah.

In my lifetime, in working at my business I know I have travelled between 100,000 and 300,000 miles in a box car with sheep or cattle taking them to show or taking them to sales. I travelled so much in box cars that the railroad officials all looked upon me as only one degree worse than a hobo. They could kick the hobo off the train but I had a contract and they could not kick me off the train. But many of them did not consider me at all.

I would point out that with sheep I had animals with which I could get my money back quickly. Now our sheep are dead and our money is spent. It is invested in cattle with a slower rate of return.

If at the end of two years when we want to go back into sheep, it may be that we cannot even borrow the kind of money that we will need to buy the best foundation stock that are then available, and which competent authorities will know are not of the quality that we lost.

With Mr. Harris' "tight money", it is much more difficult for me to go to the Canadian Bank of Commerce and obtain a loan today than it was five years ago. In two years it may be much worse, and it will be two years before I can replace my sheep or our sheep I should say.

My father is an old man. I just do not think it is fair under any circumstances that his name should be smeared in the mud by gentlemen with inadequate facts. They say they are scrutinizing the estimates but they are doing it with inadequate facts. They have said that we were up to skull-duggery and the substitution of animals.

The other night three gentlemen questioned me and asked me "What was the value of your sheep?" I replied that at a minimum it was \$150,000 or more, in my opinion.

If I had to do it over again, if those sheep were to be destroyed again, if I had to go through arbitration again, I would insist! I repeat, I would insist, gentlemen, that a court of appeal was brought in and that I got the last dollar to which I was entitled, because under the present scheme, in trying to be a gentleman I got too little money for my sheep and my name has been smeared in the mud.

(Great applause).

The CHAIRMAN: Have you got the figures there?

Mr. ROCK: Gentlemen, I am sorry. Last night I wired to our auditors for the figures on the income from sheep in 1954 and 1955. As you know, there is a time difference of two hours and I have not as yet received a reply.

The CHAIRMAN: Are there any other questions?

Mr. BENNETT: Might we hear from Mr. Clark now?

The CHAIRMAN: It is my understanding that Mr. McCullough got the information he wanted from somebody else. I think that disposes of all the witnesses.

Right Hon. Mr. GARDINER: We were asked to call Mr. Clark and Mr. Clark has sat around here for two days. If Mr. Clark has any evidence to give, I think we should hear it. These gentlemen have been accusing some of us of doing some things which should not be done. I rather hesitate to say that they can just tell Mr. Clark that he cannot be called now that he is here.

Mr. McCULLOUGH (Moose Mountain): Nobody said that. Go ahead and call him!

Right Hon. Mr. GARDINER: I understood that you got up and said that you did not want to hear him.

Mr. GOODE: Who requested that Mr. Clark be here?

Right Hon. Mr. GARDINER: Mr. McCullough did!

The CHAIRMAN: There was a motion made earlier in the debate by Mr. McCullough to the effect that he had certain questions to ask Mr. Clark. Accordingly, Mr. Clark is here. But now Mr. McCullough has said that he has no more questions to ask any of the witnesses. Perhaps Mr. Clark has a statement to make on his own, but I presumed he came here merely to answer questions.

Mr. BYRNE: Is it not important that some other members of the committee might want to ask questions of Mr. Clark?

The CHAIRMAN: Yes.

Mr. BYRNE: Mr. McCullough said earlier that he felt there was no point in getting any information from Mr. Clark because he had been denied other information which of course is a spurious argument. But there may be some indication that Mr. Clark does have information which would be of interest to the committee and for that reason I myself am interested.

The CHAIRMAN: That is a matter for the committee to decide. If there is anybody in the committee who wishes to ask Mr. Clark any questions, he is available right here.

Mr. CAMERON (Nanaimo): Let us hear from Mr. Clark, then. I have some questions to ask him.

The CHAIRMAN: Very well. I shall call Mr. Clark. Will Mr. Clark please come to the table.

Mr. F. G. Clark, Assistant Director, Canadian National Livestock Records, called.

By Mr. McCullough (Moose Mountain):

Q. I would like to ask Mr. Clark if he would explain the process of registration of a sheep through the Canadian Sheep Breeders Association?—A. The process of registration, I presume, is from the point of application?

Q. Yes?—A. The breeder fills out the normal application for registration. It is forwarded to our office and goes through the accounting where the money is deducted and added to our breeders' account. From that point the records for the sire and dam are drawn from our files for checking against the information provided by the breeder. If the information is in accordance with the records in our office the application is approved by the registrar and assigned a registration number. From that point on it is a matter of typing the identification or registration, having it submitted to the Department of Agriculture office for the approval and seal, and then the transmission to the breeder.

Q. Mr. Clark, what actually is placed in the ear of the sheep?—A. There are two methods of identifying sheep. In accordance with the constitution of the Canadian Sheep Breeders Association a breeder may have the alternative of either tattooing or ear-tagging.

Q. Would you know which method Mr. Rock used?—A. I believe the method of ear-tagging.

Q. Then there would not have been tattooing on at least most of his sheep?—A. Not necessarily.

Q. They would have a type of ear-tag like the ones in this box? Is that correct?—A. I have not seen the tags in the box.

Q. I suggest we open the box.

Right Hon. Mr. GARDINER: Do not take any of them out of that box.

An Hon. MEMBER: Watch him.

By Mr. McCullough (Moose Mountain):

Q. Is that a sample?—A. Yes.

Q. It is not difficult to open that. It is not a clincher tag?—A. That particular type, I believe, is a clincher tag. That particular type is a clincher tag and this one is known as tamper-proof or curl-lock.

Q. Is it true these clincher tags are quite often lost and are a poor type of tag?

Right Hon. Mr. GARDINER: Are you still insinuating he took them off?

The WITNESS: Occasionally an ear-tag may come out, but I would not say quite often.

The CHAIRMAN: Are there any further questions?

By Mr. Cameron (Nanaimo):

Q. Mr. Clark, perhaps you would explain—I do not know anything about the process of registration—would you explain to me whether you have in your records the records of any purchases made by a member of one of the breeders' associations whose records you keep?—A. The records are there, if you can provide us with the name and the registration number of the animal. I could not tell you if a particular breeder had purchased an animal.

Q. You would not be able to tell us that?

By Mr. Argue:

Q. I know nothing about this business, that is about the registration process for animals. If a man owning a registered animal sells to another man, is he required to have a transfer made; or if he forgets all about it, is that in order?—

A. If an animal is sold as purebred, or is represented as a purebred, the seller is required under the constitution, and I believe under the Livestock Pedigree Act to furnish the certificate of registration showing the purchaser's ownership, unless under written agreement to the contrary or some other agreement.

Q. But it might be possible—it is not illegal for an owner of a registered animal to sell that animal to somebody else who is not interested in, let us say, a registered animal, who perhaps has a commercial flock, and not report the transaction at all?—A. That is correct.

Q. And then you say if the man buying the registered animal wishes for his own purposes to have it in his name as being his registered animal then such a transaction would be recorded?—A. Yes.

By Mr. Byrne:

Q. Have you examined the records which have been produced before this committee by Dr. Wells?—A. Not personally, sir.

Q. Would you mind examining them?—A. Do you wish me to examine each one?

Q. Would you mind examining them, perhaps not at this moment, but run through them. Does there appear to be any evidence of those records having been tampered with in any way by any one other than those responsible for signing the records?—A. The lambs for which the applications are here—there is nothing wrong with those. The applications were received at our

office and they are eligible for registration, certified as such, and then transferred to the departmental office. There is no possibility of them being tampered with after they had been approved by our office.

Q. Were these records turned over to the treasury for the purpose of scanning them before payments were made? What was the purpose of turning them over to the treasury department?—A. At the request of the department they were turned over to the departmental officials.

Q. Would it have been possible for any member of parliament who was suspicious of the actual authenticity of those records to go to the Department of Agriculture and obtain them for his own perusal?—A. I don't think I could answer that question.

Mr. BYRNE: Could Mr. Wells answer that question? If a member of parliament had felt suspicious about the authenticity of these records would he have been in a position where he could have perused them at his leisure? Would you be able to get them for him?

Mr. WELLS: It is the policy of the health of animals division to provide any information that is requested through any reasonable channel. Had any member of parliament requested that he be allowed to examine in detail those records, we would have done the same as we have done today, that is we would have produced them from the treasury department, and provided the interested party with them as long as they were not removed from our office. We probably would have had someone sit with him while he was examining them—not casting any aspersions on the individual. It would have been possible for any individual to spend a week examining them as long as they were not removed from our office.

Mr. BYRNE: You had no such request?

Mr. WELLS: None, except when I was requested to bring them here.

Mr. BYRNE: Was it common practice to retain the tags that you have available here now, for accounting purposes in the department?

Mr. WELLS: No. As a matter of fact it was just most fortuitous that we happened to have these. They mean nothing to us as such. The use of those tags is for the identification of the individual with the pedigree. Had we not been concerned with the recovery of specimens for histopathological examination these tags would not have been cut from the animals' ears. It is just most fortuitous we have them. In the ordinary course of events they would have been incinerated by now.

Mr. BYRNE: We can generally accept the fact that there has been no inquiry made of any officials of the Department of Agriculture respecting this transaction since last July?

Mr. WELLS: None whatsoever, sir. We would have had the tags brought with us had the request been made earlier.

By Mr. Cameron (Nanaimo):

Q. Mr. Clark, can you tell us what will be the final disposition of these certificates of registration and application for registration? Will you have to have them in your possession later for the protection of your association?—A. I believe these will be retained by the treasury branch to substantiate the claim for payment of the sum of money.

Q. For how long?—A. I cannot answer that question.

Q. Eventually you have to have them back?—A. No, not necessarily. What will probably happen will be that we will obtain a listing of the names, identification markings and registration numbers, at which time we will indicate in our records that these animals have been slaughtered.

Q. You would have to have that information to protect yourselves and the membership of the sheep breeders association?—A. Not necessarily.

Q. You would have to have on record the fact that these sheep have been destroyed in order to keep your records straight?—A. Not necessarily. The registration for that pedigree just remains dormant in our files.

By Mr. McCullough (Moose Mountain):

Q. Would your records then show registrations or just certification of eligibility for registrations.—A. It would show certification. There is no possibility of those animals being registered at a later date.

By Mr. Byrne:

Q. I think it was on Wednesday Mr. McCullough said that it was relatively easy for breeders to make substitutions in registrations, and so on. Would you agree with that statement? I think he was referring to cattle.—A. I do not know what he means by the word "substitution". Does he mean, substituted another animal for the animal which was supposed to be registered?

Q. He is responsible for making proper statements.—A. The whole method depends on the integrity of the breeder. Of course there are certain checks which can be made perusing the applications to ensure that the information is authentic.

By Mr. McCullough (Moose Mountain):

Q. What were your last words?—A. Authentic.

The CHAIRMAN: Are there any further questions?

Mr. GOODE: Mr. Chairman, if there are no other questions, may I ask if there are any other witnesses to be called?

The CHAIRMAN: No, I do not think so. I have no reference to other witnesses.

Mr. GOODE: Mr. McCullough, have you further witnesses?

Mr. McCULLOUGH (*Moose Mountain*): No.

Mr. GOODE: Then, Mr. Chairman, I move, seconded by Mr. Bennett, that the public hearings of this committee, having been concluded, this committee consider in camera the matters directed to it under its terms of reference.

Mr. CAMERON (*Nanaimo*): On a point of order, Mr. Chairman. I would point out that Mr. Rock has already informed us that relevant evidence is on its way here, and I would suggest to Mr. Goode, that if he wishes to suspend the hearings of the committee at the present time, that would certainly be in order. I think that we should have this relevant information that Mr. Rock has been good enough to send for, and I think it would be improper for the committee to conclude at this time.

Mr. TUCKER: Mr. Chairman, before we take a vote in respect to this matter, I would like to draw to your attention the allegations made by the hon. member for Moose Mountain, and ask him again if he saw fit to besmirch the name of—I will not mention the name there—the good name of a farmer of this country, who is one of the most respected farmers in western Canada, without having any more evidence than he has seen fit to bring before this committee. If he has done that, without having any more evidence than he has seen fit to bring forward here—and I will not go into the question of his attack upon the minister, but having regard to the attack upon this farmer in western Canada, who has lived a lifetime there, and built up a fine reputation for himself, and I am sure all the members of the committee have felt very much moved by the remarks of his son here, in expressing the feelings of this

gentleman who has now reached the age of 79—that that attack apparently served some end of the member for Moose Mountain. This man having been besmirched, as he was, by the suggestions that the member gave expression to, and who indicated that he was inclined to believe the rumours, I think that the hon. member for Moose Mountain owes it, to regard for the decency of public life, to indicate—if he does not have any more evidence than he has brought forward up to now—that the rumours that existed, and to which this member of parliament gave his support, expressing the idea that they were true, were actually not true. Has he not got some evidence?

I would just like to indicate to you the things that he did venture to say. I would like to ask him if he thinks it is all right, under the guise of the protection given to a member of parliament, to get up and make suggestions likely to destroy the reputation of somebody else, and then say, "You prove it is wrong". I wonder if that is what he thinks is right and just and fair.

Here is one of the things he said. He is speaking of Mr. Rock;

—a well-known breeder and one of the most prominent Liberal supporters in Alberta.

This is a definite statement of fact.

Mr. BRYSON: Is there anything wrong with being a Liberal?

Mr. TUCKER: In connection with the allegations, he made that three times as much was paid to this man as the fair price. Then he says that this man is the most prominent Liberal supporter in Alberta. He then goes on to say, about the minister:

He tried to appear so naive as to leave the impression that he was not aware that this man was a Liberal supporter and perhaps one of the greatest Liberal supporters in the province of Alberta.

Mr. McCULLOUGH (*Moose Mountain*): He is still a Liberal supporter.

Mr. TUCKER: That is a definite misstatement of fact, which the member for Moose Mountain has not tried to substantiate in any way, shape or form. Does he think, as a member of parliament, that he is entitled to attack people, who value their reputations, in this way? I will say to the hon. member for Moose Mountain, and others like him who, for purposes of achieving their own political end, are quite ready to destroy the reputation of a fellow man—I just recall what happened to a fellow citizen of ours within the last 24 hours. There surely should be some regard for the good name of other people. Obtaining a little bit of political support should not outweigh the respect for a man's good name, which many people value more than life itself.

Some Hon. MEMBERS: Hear, hear.

Mr. TUCKER: Where is the evidence which was the basis of this innuendo and attack on the Minister of Agriculture, who has spent—

Mr. CAMERON (*Nanaimo*): There is proof that he lied.

Mr. TUCKER:—who has spent over 40 years in public life for this country? He was elected first in 1914, and he has spent 43 years in public life for this country. Does the member think it is quite all right, without any evidence at all apparently, to get up, under the immunity of a member of parliament, and try to destroy the reputation of the Minister which is as valuable to him as it is to any of the rest of us.

Some Hon. MEMBERS: Hear, hear.

Mr. TUCKER: I do not care whether a man is a political enemy or otherwise, there are certain things that should be sacred in public life, and certain things

should not be done to gain a political advantage. I think this is a good example of the things that should not be done in politics, in order to gain a little advantage—striking down the good name of your political opponent. I say to the member for Moose Mountain that it is a shameful thing for him to get up and make these allegations without any more evidence than he has seen fit to bring forward. Where is the evidence that indicates this man got three times as much as he should have got, because of the fact that he was the greatest Liberal supporter in Alberta? Where is that evidence? This is an absolute misstatement of fact.

Let the hon. member for Moose Mountain get up on his feet and say if he had any reason to say that he was not just a Liberal supporter, but the greatest, perhaps one of the greatest Liberal supporters in the province of Alberta. Where is that evidence? Or must he admit that he made these statements in order to besmirch the administration without a single vestige of fact to support them, knowing that he could not be called into account for it because he had the protection of a member of parliament.

Surely the people of Canada must resent that sort of use of the immunity of a member of parliament. That immunity was not given to them for that purpose. I ask him again: has he any more evidence to back up this, made as a statement of fact?

He then turns to men who spend their lives doing a good job in and for agriculture and building up good names for themselves.

As to them he does not say that this is a fact. He just says that rumours have been going around. If he let it go at that, it would have been bad enough. But he goes on to say "I am inclined to believe those rumours."

Where is the evidence which would give him the right to think that Mr. Rock was a criminal who could be sent to the penitentiary for what he was saying that he had done?

To me this is the most outrageous thing that could be done on the floor of the House of Commons. It is not good enough for him to say "Oh, I heard these idle rumours, and I thought it was all right to get up under the protection of a member of parliament and broadcast them all over the country and destroy this man's reputation."

Not only did he say that these are rumours, but he said "I am inclined to believe them."

Where is the evidence which gave him the right to do that? Where is the evidence which gave him the right to say that this man shipped some sheep to Manitoba, and that substitutions had been made? These are the things which he said "I am inclined to believe."

Then what of the suggestion that all the animals were not slaughtered? He said it was up to the minister to clear the air with regard to the allegations he was making with reference to the persistent rumours that there had been skullduggery with respect to this huge payment to this one individual. He said "I think that the wool has been pulled over peoples' eyes."

Let me carry this a step further. We know the fine type of people who go into the public service of our country. We know that very often they give a lifetime to the public service of the country, often without gaining very much recognition; often for less pay that they could get elsewhere, hoping that they will go out of that service without a black mark to their names.

It is incredible to think that a member of parliament would seek to obtain temporary advantage by indicating that these people were stupid, incompetent, or perhaps even worse, merely to try to get a little bit of political advantage. I wonder if that is their attitude toward their fellowmen? These people stand on the platform of humanity first. Is this their idea of humanity first, to trample on other people in order to gain some advantage to themselves?

Mr. CARDIFF: I do not think we have time to hear this—

Mr. TUCKER: Mr. Chairman, I am surprised—

Mr. CARDIFF: I am sick and tired of hearing both sides fighting—

Mr. TUCKER: I think the hon. member—

Mr. CARDIFF: I have been listening for fifteen minutes to political goof. I do not have to do it. I can walk out, but I belong to this committee and I would like to see peace and order. He has not any right to stand up here—

The CHAIRMAN: Order! Order! Order.

There is a motion before the chair. I did not have an opportunity to put it. I will give it now. Mr. Goode moves, seconded by Mr. Bennett, that the public hearings of this committee having been concluded, this committee consider in camera for matters directed to it under its terms of reference.

Mr. CAMERON (*Nanaimo*): Before you put the question, may I rise on a point of order.

The CHAIRMAN: I am not putting the question. The point of order raised is that the member for Rosthern was out of order in his remarks to that particular motion. I think it is quite obvious and that most will agree that Mr. Tucker is in order in giving his reasons on this particular motion.

Mr. CAMERON (*Nanaimo*): Mr. Chairman, I had a point of order on the motion itself, in that the motion contains a misstatement of fact in that the hearings have not been concluded.

The CHAIRMAN: That is a matter of opinion. On the motion itself you will have an opportunity to speak on the motion.

Mr. CAMERON (*Nanaimo*): We have been informed that there is further evidence coming.

The CHAIRMAN: That can be an argument for voting against the motion or for the motion. All these arguments can be brought forward on the motion. I think in all fairness Mr. Tucker's remarks are related to the motion.

I hear some members say one o'clock. It being five minutes after one we will adjourn and meet again this afternoon at three o'clock.

Luncheon adjournment.

AFTERNOON SESSION

FRIDAY, April 5, 1957.

3.00 p.m.

The CHAIRMAN: The committee will come to order.

Mr. TUCKER: Mr. Chairman, I do not intend to detain the committee more than a few minutes longer, and I certainly do not intend to go over the ground that I went over before the noon adjournment. However, there are a couple of aspects of this reference to our committee which I would like to draw to the attention of the committee, and particularly to the members of the C.C.F. party, who are members of this committee, and who all represent farming constituencies—except the hon. member for Nanaimo.

Mr. CAMERON (*Nanaimo*): I also represent a farming community.

Mr. TUCKER: You also do? Then I can say they all represent farming constituencies. The first thing I wish to bring to their attention is this: in the interests of making sure that the people of the United States might buy sheep, feeling that everything that modern science could devise, was done, to

make sure that this very bad disease of sheep would not be transmitted in the sheep that we exported from this country, the officials of the department and the Minister of Agriculture stepped in and arranged for this flock to be destroyed, and arranged for compensation to be paid for it, on the basis, as the officials said, of what they figured the flock was worth before it came under a cloud. It seems to me that everybody should admit that that was fair. I think the hon member for Nanaimo should admit that. However, his attitude was, apparently, that the valuation should have been taken on the basis of the depreciated value of that flock, after it had come under the cloud, and under suspicion, as a result of which there were no sales in the United States.

I myself want to express appreciation to the officials, and the Minister of Agriculture, for treating this farmer more fairly than the hon. member for Nanaimo suggested, in his questions, that he thought should have been done. I would have expected the member for Assiniboia, also, to have repudiated the position taken by the hon. member for Nanaimo. The C.C.F. were invited to do so, and they have not done so. The only inference we can take from that is, they think the farmer should have been paid on the basis of the depreciated value of animals, after those animals had come under a cloud. That was the whole basis of the repeated questions on cross-examination by the hon. member for Nanaimo of Dr. Wells. If this is not what he thought was right, why did he keep pressing the witness to try to get him to admit that he had not valued them properly in valuing. On that basis, I do submit, in the interests of the farming industry in this country, the livestock industry, that every single member of the C.C.F. party should get up and repudiate that position of the hon. member for Nanaimo, and uphold the attitude taken by the Minister of Agriculture, and by the representatives of that department.

Some Hon. MEMBERS: Hear, hear.

Mr. TUCKER: The next thing I wish to deal with is this: if we are going to command a good price for our products in the United States, and for our livestock products in particular, we have got to dispel any idea, that on the part of these officials there has been juggling of the livestock records, and that pedigrees cannot be relied on, also, that one of the outstanding livestock producers of this country would engage in this sort of thing, and could get away with it, because we have not got proper control over the situation. These suggestions, made by members of parliament, representing farm communities, with the responsibilities of members of parliament, will not go unnoticed in the United States, and the possible damage to our livestock industry in regard to exports—

Mr. ARGUE: Ha ha!

Mr. TUCKER: The hon. member for Assiniboia can laugh all he wants.

An Hon. MEMBER: That is all he can do.

Mr. TUCKER: I do suggest to you, that he is the last one that should laugh at that suggestion, being the alleged agricultural spokesman for the C.C.F. party on the floor of the House of Commons, presumably his word should carry more weight than any other hon. member of the C.C.F. party. Yet, he upholds these suggestions, apparently, or at least, he has not as yet disavowed them.

Mr. ARGUE: I discussed that already, and you apparently were not listening.

The CHAIRMAN: Order.

Mr. TUCKER: I have not heard you disavow the position taken by the hon. member from Nanaimo on that. I invited you to do so, but you did not. I do suggest that, when members of parliament, who know how our system works, get up and make these charges of rumours, and then when they get the facts

brought out, proving to the satisfaction, I am sure, of any reasonable person, that there is no foundation for these allegations, then if they really had at heart, the interests of the people that they are supposed to be representing here, they would be the first to get up and say, "I am glad that these rumours have been disproved, and we completely accept the fact that officials did a good job in making sure that these sheep were all destroyed, and that there were no substitutions." What do they want to do? By making the motion they did make, they want to make out that the whole case has not been put before this committee, although the evidence they want is irrelevant, in respect to whether there were substitutions, whether some of these sheep, that were infected with scrapie, are now at large. This has been disproved to the extent that anything can be disproved. I invite the C.C.F. members of this committee to get up and admit that the rumours were unfounded and incorrect.

Some Hon. MEMBERS: Hear, hear.

Mr. TUCKER: Otherwise, we will still have circulating these allegations and rumours, which they were inclined to believe. Having heard the evidence now, if they do not withdraw these allegations, they are implying that it has not yet been disproved that Mr. Rock smuggled some of these sheep elsewhere, and that today, they may be around unsuspected in some of the sheep flocks of the producers in Canada. If this is not accepted, practically unanimously, by these members representing farmers in western Canada, there is a danger, I am sure, that American buyers will be afraid to buy sheep from Canada. I invite them to admit that. The evidence was clear that there were no substitutions, and no sheep were shipped to Manitoba, and all these rumours were unfounded. I invite the members of the C.C.F. party, if they care about the people they are supposed to represent here, to get up and admit now that the rumours, about the sheep not having been destroyed, and that some of these sheep that were infected with this disease are still alive, perhaps in some flocks which may be shipped to the United States, are absolutely proven to be false.

Some Hon. MEMBERS: Hear, hear.

Mr. ARGUE: Could I interrupt the hon. member?

Mr. TUCKER: Yes.

Mr. ARGUE: Would the hon. member care to say whether there were sheep sold off the farm since the first quarantine was lifted?

Mr. TUCKER: The evidence has been given in that regard.

Mr. McCULLOUGH (*Moose Mountain*): Answer the question.

Mr. TUCKER: And you are aware of that evidence?

Mr. CAMERON (*Nanaimo*): Answer the question.

Mr. TUCKER: And that that is not the case?

Right Hon. Mr. GARDINER: He is not the witness any more than you are.

Mr. McCULLOUGH (*Moose Mountain*): The point is; answer the question.

Mr. TUCKER: I am not in the witness box. It would be a good thing if you, before trying to destroy the reputations of decent people, asked yourself a question or two about it.

Some Hon. MEMBERS: Hear, hear.

Mr. CAMERON (*Nanaimo*): He is here; he can answer the question.

Mr. TUCKER: I put this up to you people, as members of parliament representing farm communities.

Right Hon. Mr. GARDINER: May I be permitted, Mr. Chairman, to speak. Mr. Rock has wired home. While Mr. Tucker had the floor, Mr. Cameron was asking him to answer something that can only be answered by Mr. Rock, and trying to make out that the answers were not available.

Mr. CAMERON (*Nanaimo*): Mr. Rock has answered.

Right Hon. Mr. GARDINER: Mr. Rock has not answered it.

Mr. CAMERON (*Nanaimo*): If you had been listening you would have heard it.

Right Hon. Mr. GARDINER: You have got the figures? Mr. Rock has not answered it.

Mr. CAMERON (*Nanaimo*): Mr. Tucker does not want to admit that he has answered it.

Right Hon. Mr. GARDINER: When Mr. Rock was here the night before last, he told this committee that he had sold certain sheep to a lady in Manitoba.

Mr. McCULLOUGH (*Moose Mountain*): There, you see.

Right Hon. Mr. GARDINER: You do not have the information I referred to at all. That is not what you people were talking about. Mr. Rock is still here, with that information, and he can discuss that with you. You tried to leave the impression, with people outside this committee room, and elsewhere, that you were not getting answers to your questions. This further indicates that all Mr. Tucker is saying is correct.

Some Hon. MEMBERS: Hear, hear.

Mr. McCULLOUGH (*Moose Mountain*): Mr. Chairman, on a point of order. I say that what the Right Hon. Mr. Minister has just said is not true. The resolution which we moved last evening had regard to the records of sales, from the P. J. Rock flock, between January 1st, 1954 and February 1st, 1956, and that they be made available to the committee for examination. That resolution was turned down. We do not have a complete picture of this, and I suggest that we have not got all the information.

Right Hon. Mr. GARDINER: And there is a very good reason as to why that should not have been produced. It was irrelevant. They were not included in the 654 sheep.

The CHAIRMAN: I was going to explain before we started at three o'clock, that Mr. Rock had got a wire back. I was waiting for Mr. Tucker to complete his argument before calling on Mr. Rock to give that information.

Mr. TUCKER: I will just be a moment or two.

I would point out, in regard to the question put to me, that I did not profess to be in possession of all the facts in this regard, and obviously the C.C.F. party are not in possession of them, or they would not have made these unfounded charges. All I am inviting them to do now, is to try to undo some of the damage they did, by admitting that there was no skulduggery, that there was no substitution of records, that there was no concealment of sale of sheep, which might turn up later on, and which might be anywhere. It is one thing to know exactly where the sheep are that were sold, and it is another—

Mr. McCULLOUGH (*Moose Mountain*): You have already admitted that we have not got that information.

Mr. TUCKER: It is another thing for members of this committee to persist in the attitude that there has been concealment, law breaking, wrong doing on the part of Mr. Rock, in that some sheep have been substituted, and may be anywhere in Canada, and may turn up later on. Now, there is not a jot, or a tittle of evidence to indicate that there was any crooked deal like that, which would throw the sheep population in Canada under a cloud. I am inviting the

C.C.F. party, if they care about the people they represent, or the people they pretend to represent here, to get up and admit that there is absolutely no evidence of wrong doing on the part of Mr. Rock.

This is another thing. I ask them also to admit that, in putting the valuation, as was done, on these sheep, before they came under that cloud, that the officials of the Department of Agriculture, and the Minister of Agriculture, acted properly, and not illegally as the hon. member for Assiniboia tried to say.

Mr. ARGUE: Pure nonsense.

Mr. TUCKER: So I suggest—

The CHAIRMAN: Order.

Mr. TUCKER: I suggest that—

Mr. ARGUE: I never suggested anything of that kind.

Mr. TUCKER: Yes. You asked under what authority the minister paid as much as he did.

Mr. ARGUE: That is right.

Mr. TUCKER: When it was pointed out to you, by the Minister of Agriculture, that it was done under the authority of an item in the estimates, you professed to regard that as quite illegal.

Mr. ARGUE: I did not say that at all. I said it was a contravention of section 12 to pay more.

Mr. TUCKER: And I asked you if you had been drawing expense monies that were authorized in the estimates, in the same way.

Some Hon. MEMBERS: Hear, hear.

Mr. TUCKER: What I am suggesting to the C.C.F. is this, that they are the ones who, through their pursuit of votes, and at the expense of the reputation of good and law-abiding citizens, and at the expense of the reputation of people who have been in public life, and who have tried to keep their records clean—just as the Minister of Agriculture has been—

Some Hon. MEMBERS: Oh! Oh!

Mr. TUCKER: Well, hon. members there can laugh at that, if they like.

Mr. CAMERON (*Nanaimo*): They can, after yesterday.

Mr. TUCKER: And I would like to know where there is any proof of anything by way of improper action, anything but proper action on the part of the minister, to suggest there is by sneering and laughing on no foundation whatsoever, simply indicates how far they are prepared to go.

Mr. CAMERON (*Nanaimo*): There is foundation.

Mr. TUCKER: There is no foundation of any charge of wrong doing whatsoever, of anything which was not in the best interests of the farmers and in the best interests of the stock breeders of Canada. I am inviting hon. members of the C.C.F. party to try as much as they can to undo the aspersions against one of the outstanding citizens of Canada, Mr. Rock, and his son, and the aspersions against devoted civil servants of this country, and the aspersions against the minister who took the responsibility of authorizing the payments—which were high, but I think everybody now knows were less than were coming to this man; and the aspersions upon the administration of their registration system, and the aspersions upon the health of the sheep population in Canada.

They have the chance, not to undo all the harm they have done to these people, and to our country, but in any event they can minimize it by getting up honestly now and admitting that their case has been completely destroyed and that there was no foundation whatsoever for these rumours, and that they now admit that to be the case in the interests of fair play and decency and the best interests of the farmers of Canada.

The CHAIRMAN: I think we might break in at this point and have Mr. Rock give this information, the information that he has.

Now, Mr. Rock has just handed me a telegram which he just received and which reads as follows:

"Sheep revenue figures, 1954, \$12,026.76; 1955, \$14,127.07".

Mr. McCULLOUGH (*Moose Mountain*): How many sheep in each case, Mr. Chairman?

The CHAIRMAN: That is not indicated in the telegram. I do not know if Mr. Rock is in a position to give that. Was that given along with the other one?

Mr. ARGUE: Yes, at a later time.

Mr. ROCK: Sirs, at all times here I have tried to stick to the facts. I can guess as to the number of sheep. I cannot give the exact number without going home and consulting my records.

Mr. ARGUE: Can you give us an approximate number?

Mr. GOODE: No, no, no—on a point of order; if Mr. Rock cannot answer the question correctly with the records at his command, I would oppose his making a guess.

Mr. ARGUE: Can Mr. Rock say the highest price received for sheep during that period?

Mr. ROCK: I cannot answer that question, sir.

Mr. ARGUE: Would it be over \$300 or over \$400?

Mr. ROCK: I cannot answer that question now.

Mr. ARGUE: You do not remember?

Mr. ROCK: No.

Mr. McCULLOUGH (*Moose Mountain*): Would you know the lowest price?

Mr. ROCK: I would have to guess, again.

Mr. GOODE: No, no, no, do not guess.

The CHAIRMAN: No; I think that the witness has admitted that he needs his records to be able to give information that will be of any value. There is not much point in trying to give figures that will not mean anything.

Then, shall the motion carry?

Mr. GOODE: Mr. Chairman—I cannot speak to the motion but I will speak, if I have the permission, to a matter of personal privilege.

I want to address my remarks—and they will be brief—to Mr. McCullough. He has heard the evidence in this committee, and he has heard what Mr. Tucker has said, which reflects the views of the majority of this committee.

Some Hon. MEMBERS: Hear! Hear!

Mr. GOODE: And, as one man to another, I would suggest to the hon. member that he at least do this, before we take a vote—that he will release Mr. Rock from any allegations that have been suggested to this committee. I do not expect him to do anything on political grounds. I do not ask that; but I do sincerely, from one man to another, ask him to take the allegations away from the reputation of a man who is 79 years of age, and I give him that sincerely, and I hope he will answer it.

Mr. McCULLOUGH (*Moose Mountain*): Mr. Chairman, I am prepared to make a statement. I think that I have just as much feeling about the situation as anyone else. I am regretfully sorry that Mr. Rock, either the gentleman here in this committee, or his father, had to in any way be reflected upon, or have their integrity reflected upon by the suggestion that in any way they could have got payments which were out of line with the act, and in justification of the whole situation.

But I am not satisfied that no substitutions were made in the flock between March 20 and the date of slaughter in 1956,—and I am not referring to illegal substitutions but rather to legal substitutions which may have been taken during the period that the quarantine was lifted. And, as I say, if we are not in possession of the information which would enable us to determine whether such substitutions did take place, then all I can say is that I am not satisfied that none did take place, and I am very sorry that this is the outcome of this committee. I had hoped that we would be able completely to clean it up, in the interests of Mr. Rock and the government itself and the members of this House of Commons and, indeed, the public. Unfortunately I still think that there are some things to be cleared up.

Mr. GOODE: I ask you to put my motion, Mr. Chairman.

The CHAIRMAN: Mr. Shaw?

Mr. SHAW: I do feel that I should take advantage of this opportunity to make some observations on behalf of the Social Credit members of this committee. It was not my privilege to be present in the House of Commons last year when this debate took place. Had I been here on July 13, chances are that I may have asked some questions, as others did.

The information which I received at that time with respect to the appropriation of \$100,050 to be paid to J. P. Rock because of a number of sheep which it was found necessary to destroy, came from newspapers. I did not have too much in the way of information at that time. I did not know J. P. Rock or his son, Philip, except by reputation. And I knew, of course, that they were recognized as outstanding sheep breeders, not only in Alberta but in Canada and probably on the North American continent.

I gave no further thought to this matter until early in January, when it did, Mr. Chairman, come to my attention that certain rumours were being spread.

Now, there is no denying that fact and there is no use of our trying to deny that fact—that certain rumours did spread. Now, rumours can be very nasty things. And I presume few of us escape rumours of one kind or another in the course of a life-time. I was advised of certain things—rumours, it is true—which disturbed me. And I make no hesitation whatsoever in suggesting that had the matter not been brought before the House of Commons, as it was brought before the House of Commons, I may have done so myself—although probably—and quite likely—in a different way. I frankly say that.

Mr. Chairman, rumours which I heard, and which were prevalent in that section of the community in which I reside were of the character, let us put it, of those which were repeated in the House of Commons.

Now, I do not easily become the victim of rumours, if I may put it that way. So far as the political part of the rumours was concerned, after all I gave very little thought to that, because a man's politics are his own business. And I knew that if settlement had been made on the basis of politics, that surely it would come out sooner or later.

As a matter of fact, I was grateful that the Minister of Agriculture made the move to reconvene the committee on agriculture and colonization. I thought that was the proper course of action to pursue. I would probably have recommended the same sort of thing, and I would not have been doing it with the idea of gaining political advantage, at all,—and I do not think anyone could say that.

But I am one who always believes that when this kind of situation arises it is necessary to clear it up. I rather regret the extent which politics have come into this committee. I do regret that very much. And I can be the first to say to Mr. Tucker, for example, that I would like to have had a tape recording of speech a year ago last spring. I would say the shoe was on the

other foot at that time, when it was the Liberals who were guilty of what had been described as character assassination, which could not be substantiated even before a royal commission, and for which we are still waiting for an apology.

I would like to have had a tape recording, in the province of Alberta. I would like to bring that in. I do not like to see politics brought into this sort of thing, at all. Now, Mr. Chairman—

Mr. TUCKER: I think the hon. member should not leave it at that.

Mr. SHAW: I will be glad to elaborate.

Mr. TUCKER: I would like you to, because I do not engage in character assassination.

The CHAIRMAN: Order, order.

Mr. TUCKER: I challenge you to prove that statement.

Mr. SHAW: I simply said that I would like to have had a tape recording.

Mr. TUCKER: Just a dirty insinuation, and I would like you to back it up!

Mr. SHAW: I would like to ask the hon. member to restrain himself—I did, while he was speaking.

I said I would like to have a tape recording of his speech here today in order to play it back to those who did engage in character assassination, Liberals in my own province. That is what I said, and that is what I repeat.

Now, Mr. Chairman, I cannot understand—

Mr. ROBICHAUD: On a point of order; the hon. member is absolutely out of order, altogether.

Mr. SHAW: I will admit that maybe I was out of order. I will now come back in order.

Now, Mr. Chairman, I suggest that there were grounds for rumours, even though such rumours may be wholly untrue, or may have been wholly untrue.

It was in the spring of 1954 that the first quarantine was imposed upon the Rock flock. Following the lifting of the quarantine—and I say the quarantine was before; I do not question that—but following the lifting of the quarantine there were certain sales of sheep in Canada, and there were certain sales made in the United States, subject to the lifting of the ban.

There were people who knew the quarantine had been imposed. But, for some reason or another, they did not know that it had been lifted.

Now, naturally, that could contribute towards the spread of rumours—naturally that would; rumours which had no basis in fact, I admit, because the ban, the quarantine had been lifted.

Now, I am suggesting to you that there was another thing which caused rumours. It was on January 18, 1956, I believe it was, following the examination of a carcass at the laboratory in Hull, that it was positively established that one of the sheep from the Rock flock was inflicted with the disease of scrapie.

Now, about a week—or perhaps six days, I believe it was—before the flock—it was about a week before the flock was quarantined. Now, there were some people—and these are things which were mentioned to me—some people wondered why the lapse of six days between the positive establishment of the affliction and the application of the quarantine.

Then, of course, on January 26, 1956, the flock was quarantined.

Now, a month went by. Dr. Wells explained why it took a month—frozen ground and so, and you can understand the position of the public when they thought of a month elapsing from the date of the application of the quarantine until the actual destruction—the last of the month, particularly, when during that time ewes were dropping lambs worth \$50 a piece.

We have had evidence—and I will tell you what our own views are in a moment—that led to certain rumours. Now there were other things. Last year the Minister of Agriculture stated on the floor of the house that 674 sheep had been destroyed. I am not questioning the minister's honesty for one moment. We have all made mistakes. We have all said things that maybe we wished we had not said, but we were conscientious when we made those statements.

There are some people in my part of the country, who knew—because they are sheep men themselves—that there were not 674 sheep, but that there were 654. Therefore, when they read in *Hansard* the figure of 674 and learned later that 654 had been destroyed, naturally they began to wonder where the other sheep were. That is an understandable thing. It is quite understandable!

Then there was the minister's statement about the fact that appraisers were brought in from the United States of America. In other words the government knew and the minister knew that if his own officials did the appraising, they would be subject to severe criticism.

It is true that a number of interpretations can be put on the minister's words, but the layman reading it would say that this was not done by an official of the Department of Agriculture, but rather we brought in experts from the United States of America who appraised the flock.

There were some people in the sheep breeding business who had evidence sufficient to establish the fact that that is not what occurred. They may have secured information by means of letters from sheep men in the United States, and they also had ways of finding out that the government did not employ, and pay, and bring in expert appraisers from the United States of America to establish the valuation of the flock, therefore, in itself, this created certain rumours.

Last year the minister said that all sheep which were sold from the Rock flock prior to the time when the first quarantine was imposed in June—the first word of sheep that had been sold from the flock—were all traced, and it was proven that there was no scrapie carried along with them into any of the other flocks.

Now, there are breeders of purebred sheep in Alberta who know enough about scrapie—at least they know as little as most of us know—and they realized that the sheep sold between 1954 and 1956 out of the Rock flock could not be proven to be free from scrapie.

When they read the minister's statement—one of the very outstanding sheep men said to me: "Why did the minister say that? There is not enough known about scrapie, especially about the incubation period being from 18 months to three years, to be able to make an accurate statement of that kind." Therefore rumours spread again.

Of course there are often very technical points which in themselves may cause rumours. It was said that all the Rock sheep were presumed to have been registered. We know that they were eligible for registration and we also know that as far as the lambs were concerned, only applications for registration went in. That is all right. That has been explained. They were eligible for registration and we could even obtain registration certificates now.

But there were sheep men in Alberta who knew that according to practice, and the necessary lapse of time, it was not a fact that all the lambs had been registered.

Therefore many of the people who read the minister's statement in *Hansard*—especially men interested in sheep—said that it did not add up. And that started rumours.

Now it does not surprise me one bit that there were rumours and lots of rumours. It is most unfortunate. It is very unfortunate! I am going to suggest

to you also that when qualified sheep men, men who probably have had as much experience as the Rocks as far as breeding of sheep is concerned—maybe not the same success but still outstanding sheep men say to me—when such qualified men as that say to me “This cannot be the case. This cannot be the case!” well then, I am likely to find myself believing some of those rumours.

Even though they said that everything was smashed to smithereens they may not have believed it to be true. But let me say this: nobody can accuse me of having gone around saying anything about it, because I did not. I fully intended to raise the matter on the floor of the House of Commons, because as a responsible member of parliament, I felt, or I would have felt that it was my duty to do so.

But let me point this out: we have found no evidence to back up the assertion that there was substitution after the flock was condemned on January 26. We have no evidence to prove that it occurred. We have no evidence to prove that sales occurred after January 26, when the flock was condemned.

Now, as far as price is concerned, does anybody here think for one minute that any two groups of people, any two individuals, could arrive at the same valuation of that herd of sheep?

It may be that Mr. Rock took a terrific beating. He says he did and I am not denying it.

There are men who say—and they are quite honest in their assertions—that he was overpaid if you take the exact valuation without considering what they had earned for him before, or what they might have earned for him in the future. There are people with honest convictions in that regard.

It would be utterly impossible to find two groups of people who would come to the same valuation of that flock of sheep. Even after taking the same facts into consideration I would be very much surprised if they should arrive at the same answer.

So I submit that as far as the price paid is concerned, it may be that Mr. Rock was underpaid, and it may be that he was overpaid. In any event, that is a matter of opinion.

I do not think on the basis of any evidence presented to this committee that anyone can say that this or that figure is absolutely correct. If the minister feels that it is right, and he is the responsible party, then I am prepared to leave it at that, even though the evidence, as far as sales are concerned, would not come anywhere near the average of 1948 to 1953, taking Mr. Rock's statement that they did not sell their best but held them. That was a natural thing to do. It would improve his herd and it would bring up the average valuation of the herd. So let us not say that rumours should not have started. There was every reason in the world for rumours to start, unfortunate as it may have been. And I am the first to admit my deep feeling when one—no matter who he is; I do not care what his politics are or anything else—is falsely accused. That is a pretty rough experience for any man to have to face. The fact is you cannot actually face it because it is always about 60 jumps ahead of you.

So I suggest to the minister—or we suggest to the minister—that in the future it would be better that such estimates be referred to the Committee on Agriculture and Colonization before the house deals with them. We probably could have escaped a lot of the trouble if we had had Dr. Wells and other officials of the department give evidence before us at that time. It is unfortunate that it had to come at this time. Therefore I suggest that in future whenever a flock is to be condemned or destroyed that a group of responsible, qualified, independent appraisers be brought in and paid by the government, and that it not be left on the doorstep of the civil servants.

I think it was very unfortunate! I submit that my suggested procedure should be the practice followed in future.

Thirdly I am going to recommend that in regard to cases of expropriation, be it of a right of way or anything else, or when a flock is condemned and destroyed, that there be a right of appeal, let us say, to the Exchequer Court of Canada. I am not too sure whether there is any right of appeal at present other than, it may be, to the board of public opinion. But I rather feel that from the government's point of view or from the standpoint of the Canadian taxpayer, and for all concerned, if those three procedures were followed, we would not have a repetition of the sort of thing we have had here.

I repeat that as far as evidence of substitution is concerned, I do not think we can find any evidence of it. As far as evidence of substantiating any sales after the flock was condemned on January 26, my colleagues and I feel that we have not found any evidence of it. And as far as the price is concerned, that is just a matter of opinion. Anyone may give an opinion. We know there was a great difference in the figures recommended, between those of Mr. Graham and those of Mr. Rock. Mr. Rock said \$152,000 I think.

Mr. Rock: No, I said at least \$150,000.

Mr. SHAW: You said at least \$150,000. That is right. Now I say to you in conclusion that I felt very sorry for Mr. Rock. I have never met him before. I would not like to be put in a similar position. Unfortunately circumstances forced him into that position.

I do not think all the guilt lies on any one person's shoulders or on the shoulders of any one group of people. I think there was plenty of cause for rumours. After all, Mr. Rock might have been closer to the right figure than any of the rest of us should have been.

Right Hon. Mr. GARDINER: What about the skullduggery?

Mr. SHAW: We, as Social Credit members of the House of Commons, did not use the word "skullduggery" at all or at any time. We assume no responsibility for it. We know the meaning of it, and I am sure that if we were to use it, we would have the evidence to back it up. That is all I have to say.

Mr. BYRNE: I have been of the opinion that the Liberal members of this committee have charged the Social Credit group with having taken the same stand as that which Mr. McCullough took. I have listened to every word of this committee since it began its sittings on Wednesday morning as well as having read the speech which Mr. McCullough made in the house.

Normally when listening to a speech in the house, if I should feel it was one which was not a fair type of speech, I would be inclined to interject. But I felt that this member was going so far beyond what is generally considered appropriate in the house that I did not want to get into the discussion at all. It was for that reason that I did not do so.

It is quite true that there has been a basis for rumours. No doubt those who, like ourselves, were uninitiated in the process of the breeding of sheep and other livestock to the position that Mr. Rock had brought his flock, would wonder at the approximate price of \$153 that was paid. But there is a difference between rumours and actual charges by a member of parliament who has access to the actual records and the facts within the department.

I asked Dr. Wells today whether it would have been possible for a member who was suspicious of a transaction taking place under the Animal Contagious Diseases Act to avail himself of the records for his perusal. I am sure that if Mr. McCullough had gone to the department and perused those records, he could have allayed the suspicions he had regarding the transaction.

Also, there may have been some grounds for rumours, as Mr. Shaw pointed out, with respect to the amount that was paid and the possibility of substitution. There certainly were no grounds for Mr. McCullough's charge that a high price was paid because of the political affiliations of Mr. Rock. There were no grounds for it whatsoever!

It was not entirely suspicion on the part of Mr. McCullough because he on two occasions in that speech said he believed what was supposed to have been said was true. In one instance he said it was skullduggery, and when there is skullduggery—

Mr. CAMERON (*Nanaimo*): On a point of order. Mr. Chairman, if the hon. member will look at *Hansard* he will find Mr. McCullough reported a rumour of skullduggery. He made no charge of skullduggery and it is quite improper and unethical of you to suggest he did.

Mr. BYRNE: In one instance he said "I am making reference to the persistent rumours that there has been skullduggery in respect of this huge payment to one individual. I think the wool has been pulled over people's eyes and it is up to the minister to follow the suggestions I have indicated." That is an indication he believes there has been skullduggery, and for skullduggery to have taken place that would mean the officials of the department must, in some way or other, have misrepresented the facts as to the number of sheep and the amount of money that was being paid.

I happen to have spent four years in the home of Mr. Graham when I first came to Ottawa. I have known him for the past eight years as an honest outstanding gentleman and I certainly, as a friend of Mr. Graham, resent very much the inference that he would stoop to skullduggery with anyone in order to either enhance his own position or that of anyone else.

Mr. McCullough, as I have said, on two occasions said these rumours were persistent and he was inclined to believe them. It is my opinion if he were not using this matter for ulterior motives and motives entirely apart from saving the taxpayer money he would have gone down to the department, determined the facts, and then have gone to the minister and told him.

Mr. McCULLOUGH (*Moose Mountain*): On a point of order.

Mr. BYRNE: He would have determined the facts in this matter.

Mr. McCULLOUGH (*Moose Mountain*): Mr. Chairman, are you going to stop him on a point of order.

The CHAIRMAN: Order.

Mr. GOUR (*Russell*): Take it!

Mr. McCULLOUGH (*Moose Mountain*): I can take it. My point of order is this, the hon. member is imputing to me motives which I did not have. I said I was making reference to the persistent rumours that there had been skullduggery in respect of a huge payment to one individual. The only other time I used the word skullduggery was when I said if the minister will not take action to clear up this matter there is a certainty that rumours will persist that some skullduggery has taken place involving the misappropriation of public funds. That is all I said.

Right Hon. Mr. GARDINER: There is one more.

Mr. PROUDFOOT: There was the allegation that this man was supposed to have been known as a great supporter of the Liberal party.

The CHAIRMAN: Order.

Mr. BYRNE: The hon. member is asking that I withdraw the statement I made—

Mr. McCULLOUGH (*Moose Mountain*): I just wanted to put you straight.

Mr. BYRNE: There was the suggestion that this was a political matter. He brought the question of politics into it. I see no reason for changing my attitude. He said the suspicion at least would remain with him even if he withdrew the implication.

Mr. CAMERON (*Nanaimo*): Mr. Chairman, I think Mr. Shaw has very effectively disposed of most of the rhetoric we heard from Mr. Tucker with regard to my colleague Mr. McCullough having been responsible for having spread and having created a rumour in respect of Mr. Rock. It is perfectly obvious from the evidence of Mr. Shaw, who lives in that part of the country, that there have been widespread and ugly rumours and no responsible member of parliament could without evading his duty avoid bringing the existence of those rumours to parliament.

However Mr. Shaw did not dispose of one thing Mr. Tucker said, and I think it was the most contemptible thing I have ever heard a public man say when he dragged in for the cheapest political reasons the name of the man who has suffered a grave tragedy in the service of Canada in his suggestion when Mr. McCullough reported to parliament the existence of the rumours which have now been proven that he was in the same category with the contemptible swine who drove Mr. Norman to suicide. That was I think the most contemptible thing I ever heard a public man say.

Mr. TUCKER: You are the one who is naming the name. I just said we had in the last twenty-four hours—

Mr. CAMERON (*Nanaimo*): You would do it by inference and insinuation. You would refrain from saying it clearly. That has always been your line. Had I not had four years experience of Mr. Tucker as a chairman of a committee and as a member of the House of Commons I would have been surprised at this contemptible position he took this afternoon.

With respect to the case we have before us it has been suggested by Mr. Shaw there was possible foundation to rumours with respect to substitution on account of the fact that the quarantine was imposed and lifted, imposed and lifted again and during those periods it may have been that Mr. Rock quite legally and within his rights made sales from that flock.

Now, I suggest to you, sir, not only did that quite likely give rise to the rumours that there were illegal substitutions, but it also gives rise in my mind to a doubt as to whether or not the flock which was finally slaughtered was essentially the same flock in which scrapie had been first suspected two years earlier. That is an important point, Mr. Chairman, because we have had it repeated again and again that the basis of valuation for compensation was that this flock was a premium breeding stock flock in Canada. Now I am suggesting to you, sir, we have had no evidence presented to us that would enable us to know whether or not the flock which was destroyed in 1956 was in essence the same flock.

Some Hon. MEMBERS: No, no.

Mr. CAMERON (*Nanaimo*): I am not suggesting anything illegal Mr. Rock may have done, but I am suggesting we have had no proof as to sales during 1954 and 1955. We have had no statement of purchases during that period, and until we do have such statements we are not in any position to say whether or not this basis of valuation was a valid one; we are in no position to do so.

Now I suggest, Mr. Chairman, that out of this thing we have discovered one thing, and if Mr. Goode is anxious, as apparently he is, to wind up the investigation and proceed to the report I would suggest to him he make very sure that the one fact which has been determined at the hearings be made known to the House of Commons, and that fact is that the Minister of Agriculture by a long series of contradictory, evasive, misleading statements in the House of Commons has created in the minds of the people grave doubts in respect of the valuation of this flock and, not content with suppressing information—he suppressed the information that his officials had done the

evaluation—not content with that he came out with a categorical statement in the House of Commons that the evaluation had been done by three evaluators from the United States.

Right Hon. Mr. GARDINER: At no time did I say we accepted an evaluation made by evaluators from the United States.

Mr. CAMERON (*Nanaimo*): There is the minister again. He stated in the House of Commons—

Right Hon. Mr. GARDINER: And they will hear him speak again.

Mr. CAMERON (*Nanaimo*): He stated in the House of Commons that the evaluation was done by three United States evaluators. It is quite true he said they did not accept that evaluation, that they cut \$60,000 off it, but the clear statement was made it was evaluated by three United States evaluators. He made no mention of his own officials. Later on he, in another speech, clearly suggested that he had to keep his own officials out of the thing for fear of an attack that might be made on his impartiality.

Now I suggest to you, sir, when the minister yesterday convicted himself out of his own mouth of having made a statement to the House of Commons which he knew to be untrue, that that is the most important matter which has come out of this committee and which should be the main feature of the report.

Right Hon. Mr. GARDINER: I am just going to read one question. I will not take the trouble to follow up everything my hon. friend has been saying. I have been following him ever since I was in politics and I know something about him.

Mr. CAMERON (*Nanaimo*): And I have been following you, too.

Right Hon. Mr. GARDINER: And you will be following me for a long time yet.

Mr. CAMERON (*Nanaimo*): I doubt if you will be worth following much longer.

Right Hon. Mr. GARDINER: This is what I said on July 13, 1956. It is true—

Mr. CAMERON (*Nanaimo*): What is the page?

Right Hon. Mr. GARDINER: This is page 5965. It is true some other things were said. This was in answer to Mr. McCullough's rather long questions:

As to the price, I quite admit that I do not know very much about the price of sheep; but my hon. friend who lives near Mr. Rock says he did sell sheep for as much as \$1,000. We certainly did not take that price to reckon what should be the value of these sheep. I stated some time ago that we did not take our own valuation at all.

Mr. CAMERON (*Nanaimo*): Will you finish that quotation?

Right Hon. Mr. GARDINER: I have finished that one.

Mr. CAMERON (*Nanaimo*): It is not finished at all.

Right Hon. Mr. GARDINER:

We had them valued by the best valutors that could be found, and we even went outside the country to get them.

That does not mean we brought them in and had them feel all the sheep and take a picture of them.

Mr. CAMERON (*Nanaimo*): What does it mean? It means you brought in evaluators from outside the country.

Right Hon. Mr. GARDINER: It means what I told you and what I told the house a year ago. It means we did not depend only on the evaluation presented to us by our own people without obtaining other evaluations. There is no

question about that. I made one error. It was this, that I suggested before I got through answering questions that three evaluations came from the United States. One of them was apparently made by as capable an individual who lived in the province of Alberta. But there were three evaluations and we did not accept one of them. One of them was for \$95,000, one for \$123,000, and another for \$160,000. I merely mentioned the highest one and said we did not accept those evaluations.

Mr. McCULLOUGH (*Moose Mountain*): Would you give the committee the names of the different people who made the evaluations?

Right Hon. Mr. GARDINER: It was obvious from that I accepted the evaluation of my own department, of which I am the head and for which I had to take the responsibility, and that was \$92,100 plus the value of the lambs. There has never been any question about that in the discussions.

I understand there can be rumours. Anybody in politics, so long as I have been in politics knows there are rumours. If I had listened to all the rumours I have heard, took the responsibility for them and said I believed them, I would not have been in politics for ten years and if everyone else in this committee, assumed rumours are sufficient to bring them into the house without evidence and base long discussions on them and require committees to investigate rumours we would be sitting around investigating rumours all the time instead of carrying out the duties we are given when we come here. I say again, that so far as my hon. friend Mr. Cameron is concerned, he lives a long piece away from the sight of this thing—

Mr. CAMERON (*Nanaimo*): This took place right in the House of Commons and I was there, a few feet from you.

Right Hon. Mr. GARDINER: I know this took place in the House of Commons, and you said a lot about it, and so did the others, at the time.

Mr. CAMERON (*Nanaimo*): I never mentioned it.

Right Hon. Mr. GARDINER: There has never been anything brought out in this committee that is any different, except the correction of a few figures that might have caused some rumours, I admit. That kind of thing goes on continuously. We have to correct, and explain figures every day in the House of Commons. That is done continuously, but that is not a sufficient reason for a member of the House of Commons to get up and say that I am guilty of skullduggery, and that a man he never saw, or knew, was also guilty of skullduggery.

Mr. CAMERON (*Nanaimo*): Who has said that, Mr. Minister?

Mr. McCULLOUGH (*Moose Mountain*): I did not say that.

Mr. CAMERON (*Nanaimo*): I would request that you retract that, please.

Right Hon. Mr. GARDINER: You said a lot more things about the minister in that statement.

Mr. CAMERON (*Nanaimo*): Mr. Chairman, I do not think that—

The CHAIRMAN: Order. Wait a minute. Mr. Cameron, when you spoke a moment ago, you made some pretty strong statements relating to the Minister of Agriculture.

Mr. CAMERON (*Nanaimo*): Yes.

The CHAIRMAN: He did not interrupt while you were speaking.

Mr. CAMERON (*Nanaimo*): All right, I will not interrupt.

The CHAIRMAN: Although he had very good grounds to do so.

Mr. CAMERON (*Nanaimo*): All right.

The CHAIRMAN: He is trying to make his point now, and I would suggest that you let him make his point.

Mr. CAMERON (*Nanaimo*): Quite right.

Right Hon. Mr. GARDINER: On page 2924 of *Hansard* of this session, of April 1, this is the summing up of what my hon. friend had to say.

I should like to make several suggestions. First, a special investigating committee of the house should be established to investigate thoroughly everything connected with this matter.

Now we have the committee. I would like to say, for my hon. friend's correction, if he wishes it corrected, that he had a reason for calling Mr. Clark, which he did not explain to this committee, either previously, or this morning when he did not want him called.

Mr. McCULLOUGH (*Moose Mountain*): Mr. Chairman, I did not want him called for the simple reason that Mr. Wells explained the question in regard to the registration certificates.

Right Hon. Mr. GARDINER: He did not answer the question that you got the answer to from the records branch, when you were going around the cafeteria, and everywhere else, boasting about what you were going to do to me.

Some Hon. MEMBERS: Oh, oh.

Right Hon. Mr. GARDINER: I have a few friends around this place as well as you, and there is no rumour about this. This is actual fact.

Second, the minister should table in the house immediately the 674 registrations.

I know that he can go out in the country and say that there were 674, and now there are only 654 but that is playing with figures again, and playing with words. He could go out and say that, and he will say that. I know him well enough to know that. The member for *Moose Mountain* continued:

I do not believe that the minister can produce the registrations for all these sheep.

Mr. McCULLOUGH (*Moose Mountain*): He did not either.

Right Hon. Mr. GARDINER: Just wait until we get on to see how much worse it gets than that.

While I do not believe the minister can produce the actual registration certificates, even if he does the air will not be cleared of the suggestion of skulduggery.

An Hon. MEMBER: There, you said it.

Right Hon. Mr. GARDINER: That is the statement which he made—"It does not make any difference how much evidence we produce, the minister is guilty of skulduggery anyway."

Mr. McCULLOUGH (*Moose Mountain*): No.

Right Hon. Mr. GARDINER: It cannot mean anything else.

Mr. McCULLOUGH (*Moose Mountain*): He probably is, but I did not say that.

Right Hon. Mr. GARDINER:

Third, the minister should be able to table all the correspondence between government officials, P. J. Rock and the appraisers to show, among other things, the date on which the first inspection of the flock was made and the date on which the flock became subject to scrapie.

That is what we were asked to do. We have brought the witnesses here, who have produced that information. There is one thing, which is said, that has not

been given. They say we have not given the numbers of the animals that were sold in the period before the flock was declared to have scrapie in it. It is true, that while we were investigating at first, they were under quarantine for a short time—six weeks. It was determined then that we could not find scrapie located in the flock. Mr. Rock was permitted to go and sell, and buy, if he desired to do so, during that period. There was another short period of quarantine in December, I think, of that year. He was allowed, after we could not prove scrapie in his flock, to carry on. What is being suggested is, that we did not give the information with regard to these two periods in between. I am not saying that we cannot give most of that information, but I am saying that it will injure far more people than Mr. Rock, if we do give that information. There are three people in Manitoba who bought sheep. Mr. Rock gave information about that the other evening without anybody asking him. He gave all the information except the name of the individual.

Mr. CAMERON (*Nanaimo*): We did not want that.

Right Hon. Mr. GARDINER: I am sure that my friend sitting down here Mr. Bryce knows who Mr. Rock was talking about. Anyone from Manitoba who knows anything about the sheep business could very easily check as to whom the individual was, because those sheep were shown at the exhibitions. Mr. Rock did not attempt to withhold that information, but did not give the name, nor the pedigrees of those animals. To do that, would have been to ruin the business of that individual, and made it impossible for them to sell sheep anywhere, for the time being. The only fair thing, for the government of Canada to do, under those circumstances, would have been to go there and buy them too, and slaughter their sheep. We have no proof that that is necessary. We may have to do that. The suggestion was made a few moments ago that one of the reasons for the rumours was, that I had said we had followed all the sheep that had been sold by Mr. Rock during those periods, and that we were satisfied that none of them had scrapie. That is the effect of the statement.

Mr. SHAW: You used the word "proven".

Right Hon. Mr. GARDINER: None of them had been proven to have scrapie, that is right. I do not know that any other statement could have been made. I am quite prepared to admit that that might have started some rumours with some people.

Mr. SHAW: Pardon me, Mr. Gardiner, what you said was, to be fair to you, that they were all traced, and it was proven that there was no scrapie carried along with them. That is the point I raised.

Right Hon. Mr. GARDINER: Yes. I can quite understand that, because, as my hon. friend would admit, and as I said back on July 13, 1956:

In other words we have not been able to discover, any more than they have in Britain, or elsewhere up to now, just what is the cause of the disease. I think that answers the question which was in the hon. member's mind when he wanted to know if the cause had been traced. It also answers the suggestion that the disease is hereditary. No one has been able to tell us that it is hereditary, and all the checks that could possibly be made have been made in connection with these sheep.

In other words, we followed the sheep—our officials followed the sheep; I did not follow the sheep around, and you would not expect me to—and the American officials, in cases where we could not follow the sheep ourselves, and where the Americans required a record, those records have been made available to them, and they have kept a check on them. Just as was said by

Mr. Rock here a few moments ago, he himself was called upon to go down into the States in mind at least to evaluate one of these flocks of sheep in California. That indicates the Americans, as well as ourselvese, are still following these flocks.

Someone asked me in the house the other day, and I have been surprised I have not been asked it here again, because again I gave an answer which my friend would say was misrepresenting, because I did not know what they were talking about. Someone got up and asked me, and I think it was Mr. McCullough, but I would not swear to that, if there had been any other flocks in which we had found scrapie recently. I answered, "not to my knowledge". There was not, at that time to my knowledge but I have found out that there was one. I am not going to start into another investigation as to what we are going to pay for that flock. At least, I am not going to start into another discussion here. We have already started investigating it. These sheep are being followed in the other flocks that they went into, and as we discover scrapie in different places here and there, we will have to deal with that situation that develops. That is being done. I do not want anyone in Alberta, and I do not care how good a sheep breeder he is known to be in the province of Alberta, or anywhere else, to come to the conclusion that those sheep are not being followed, and a record kept with regard to what is happening to them.

Mr. SHAW: On a point of order, Mr. Chairman. Just to keep things perfectly straight. No sheep breeder in the province of Alberta said to me that you were not doing that, but what they did take exception to, was the statement that said it had been proven they were free from scrapie. They know, of course, that no such proof could exist.

Right Hon. Mr. GARDINER: Probably a more exact statement to that would have been, that it had been proven that scrapie had not yet been found. If you give the helpful interpretation, which is possible, to that statement, that could be it.

I quite agree that I have not been trained in the use of words to the extent that some of my legal friends have been, in that you have got to be very careful about every little bit of meaning that is put into an expression. Just to illustrate that, I might say, I was in Mr. King's office one day, before I became a member of this House of Commons, or a member of the government, and he was sending a certain wire, with regard to a man who had died a tragic death, somewhat similar to the one that was spoken of here today, but over an incident similar to this. It was a wire to the man's widow. When we got ten feet out of the office he turned around and walked back. I went along with him. He said to his secretary, change that word to this word. It was a word which, to me, meant the same thing. I have turned that over in my mind many times. If I could be just as careful in the exact meaning of a word, when I use it, as Mr. King always was, possibly I would not get into some of these difficulties.

What my hon. friends are trying to represent to this committee is, that I deliberately went out and misrepresented something to the House of Commons.

Mr. CAMERON (*Nanaimo*): And so you did.

Mr. SHAW: Mr. Gardiner, when you say "my friends" we hoped that you would be more specific.

Right Hon. Mr. GARDINER: I will be more specific. I am saying that, with regard to two members out of the bunch that are in the committee.

Mr. CAMERON (*Nanaimo*): I did, and I still do.

Right Hon. Mr. GARDINER: Yes you did, and you still do, and I know you always will.

Mr. CAMERON (*Nanaimo*): I certainly will, so long as you behave this way.

Right Hon. Mr. GARDINER: You belong to the same nationality as I do—

Mr. CAMERON (*Nanaimo*): Every time you lie, I will point it out.

Right Hon. Mr. GARDINER: You belong to the same nationality that I do, and if you told me I was lying, outside these halls, you would not repeat it the second time.

Mr. CAMERON (*Nanaimo*): I will take the records of this committee—

Right Hon. Mr. GARDINER: —and I have physically whipped many better men than you.

Mr. ARGUE: Let us adjourn the bout!

The CHAIRMAN: It is not proper; and Mr. Cameron knows as well as anybody that there is a golden rule in the House of Commons in all the debates that you cannot question the motives of a man—of another member, and that you must accept his word for what he says. You say to or tell another member that he has lied. You must accept his word—and that is the very basis, the very foundation, of our rules in the House of Commons.

I must ask Mr. Cameron not to use that expression, and refrain from doing it.

Right Hon. Mr. GARDINER: I am quite sure he will not withdraw, so I will not ask him to.

The CHAIRMAN: Mr. Cameron should indicate that he is not actually accusing the minister of deliberately making a misstatement—in other words, deliberately lying in the House of Commons. That is not at all proper. And as is well known to all members, surely Mr. Cameron should modify that statement.

Mr. CAMERON (*Nanaimo*): It puts me in a very awkward position because *Hansard* tells me one thing—

Right Hon. Mr. GARDINER: *Hansard* does not tell you any such thing.

Mr. CAMERON (*Nanaimo*): I am prepared, if you wish, Mr. Chairman, to state—

The CHAIRMAN: Order.

Mr. CAMERON (*Nanaimo*): If you wish me to do so, I am prepared to state that the minister made statements in the House of Commons which were not in accordance with the facts.

Right Hon. Mr. GARDINER: That is good enough.

The CHAIRMAN: That is your privilege.

Right Hon. Mr. GARDINER: That is quite all right. As a matter of fact—

Mr. CAMERON (*Nanaimo*): I am not through with you yet, though.

Right Hon. Mr. GARDINER: As a matter of fact, after having a year's further experience to look into some of them, I have told you that three or four times since this committee met—there were some things said which were not quite in accordance with the facts. But there was no intention of misrepresenting anything to the House of Commons when I stated them. And could have been no reason for there being any intention for me to have said, in going along, as we are going along now—to have simply said, "Well, we have three American investigators who looked into this thing, and recommended the price or indemnification" at so and so, to have said that was an attempt to misrepresent is not stating the facts as they are.

I am not so much concerned about Mr. Cameron from a distance as I am about his friend who has been sitting beside him, and no doubt one of them is responsible for some of the things the other has said. Because they have been keeping their heads very close to one another.

Mr. CAMERON (*Nanaimo*): Please don't blame anybody else for what I said, or what I shall say later.

Right Hon. Mr. GARDINER: But I do say to Mr. McCullough that he has been much closer to me than most members of this committee have. As a matter of fact his brother-in-law ran my farm for some time; the family were friends of mine. I represented his constituency when I came to this house first; and not only that, but Moose Mountain is the place I lived first in the province of Saskatchewan. If he tells people in that area that I deliberately got up and lied—well, I hope he will try it, because I am sure it will not get him votes.

Now, so much for that side of it. On the other side, which is much more important—and that is what I was speaking about a moment ago—you cannot go on telling the names of people that the Rock herd or the Rock flock had been distributed to, and giving names of them, without hurting the sheep industry right across this country, right across the United States. No members in this committee should insist upon that kind of information being produced here—and that is what the resolution meant that was voted down last night. The hon. member who moved it might not have had that intention, but to give that information in full, as it was required there, would have required that that information be spread all over the country. And it just could not be done. I am sure that any member in the house who stops to think about it would feel the same way about it.

Now, the other information which can be got or could be got is quite different, and what was suggested anyway by Mr. Shaw when he was speaking before the vote was taken last night was that if we could get the same information which Mr. Rock volunteered when he was here with regard to the other two years, that he would be satisfied.

Mr. SHAW: I had in mind the fact that I did not want to leave any room anywhere for anyone to say that certain information was withheld.

Right Hon. Mr. GARDINER: Well, he brought that information as far as he could, and he said he was quite prepared to get it, and make a guess at the number of animals, which would have made it possible to divide the number into that figure and find out what the average animal was sold at.

However, the members of the committee thought that would not be helpful, and it was not given. I hope there is no intentional effort to spread the rumour that we did not give out all the information that there was any opportunity of getting out in the time we were here. To have followed in detail the meaning of the resolution that was passed would have meant that there would have been no report during this session, to start with. I am quite sure that members of the C.C.F. party do not want deliberately to prevent the report coming down this session. The order for this committee asked for a report during this session. To have delayed, to send Mr. Rock to dig up all these figures, and numbers and names, and bring them back—apart from the fact that he should not give them here—would have taken so long that it could not have been done during this session.

Now, I think that is all I need to say with regard to the matter. Someone has already referred to it. I have been in politics for 43 years; I have run in other elections, and I am going to run another one. People do not vote 12 times for a person they think lies. And if there is anybody in this committee does think that, anybody who does think he can prove that I do, then let him hop to it, and see who will get elected.

Mr. CAMERON (*Nanaimo*): My point of privilege is this, that I have accepted the minister's statement that the report in *Hansard* does not indicate that he deliberately misled the House. Therefore, I think it is up to the minister now to answer the question I asked him last night, to tell this committee why,

when he was asked about the evaluation of this flock, he did not mention at any time the fact that his own officials had valued it, and that they had valued it at \$92,000; and that, instead of that, he told the House of Commons that he had brought in three American evaluators who valued it at \$160,000 and stated that they did not take that evaluation, that they paid \$100,000.

It think he owes it to the committee, since I have accepted his statement that he was not attempting to mislead the house—he owes it to the committee to explain why he did not explain the circumstances surrounding this evaluation.

Right Hon. Mr. GARDINER: Well, I just read you the answer to it a few moments ago. Apparently you do not listen.

Mr. CAMERON (*Nanaimo*): Oh, I listen all right.

The CHAIRMAN: Order.

Right Hon. Mr. GARDINER: It says:

We certainly did not take that price to reckon what should be the value of these sheep.

We take the responsibility—"we" being headed by myself, and those officials of the department who have been on this platform for the past three days—we take the responsibility for the amount that was paid; and that is what we were discussing. We were discussing the \$100,050 in the estimates at the time, and I said that we take the responsibility for that figure being there. The estimate itself is the basis of the whole discussion, from one end to the other, if my hon. friend wishes to dig into it, as I said last night, in answer to the same question. If on the other hand he will find we were choosing no other evaluation but mine last July he wishes to dig into it and take statements out of the context, without reading the full text, when members are just firing questions at you, and you are answering them, the answer to the question does not necessarily mean what my hon. friend says, at all, as every member of this committee knows.

The statement made there, where I took a column and a half of *Hansard*, to answer a question from Mr. McCullough, was indicating definitely that, as to price—

"—I quite admit that I do not know very much about the price of sheep; but my hon. friend who lives near Mr. Rock—"

and that is Mr. Quelch—

"—says he did sell sheep for as much as \$100,000."

That is one bit of evidence I did not have at the time we made the evaluation but it does justify what we had done. As a matter of fact, I think in another place he said that he did not think \$100,000 was too much. We gathered all the evidence of that kind that we could. Then, I went on to say:

We certainly did not take that price to reckon what should be the value of these sheep. I stated some time ago that we did not take our own evaluation at all meaning only.

That is the evaluation of our own officials. We did not take that. Mr. Graham suggested here this morning, and others suggested—I think Mr. Rock suggested it—that the first figure presented to him by Mr. Graham was not \$92,100. I knew that at the time this statement was being made. It was a lower figure, and the figure was discussed; and if we had had the deputy here—and the deputy is still here, and he can be called, if you wish to hear him—if we had

had the deputy as a witness, he would tell us that the only time that I ever interfered with the discussion was to tell him that I thought the payment was pretty high, and that—"you had better get every bit of evidence you can with regard to it, in order to prove it ought to be that high."

These other things came about as a result of my expressing an opinion of that kind. These men who were actually working on it will tell you, if you wish to call them, and get them to tell you—that never at any time did I discuss the question with them at all.

They came in with their recommendation which I agreed to and placed in the estimates to be dismissed in parliament. True, I did not go into all the details every time I spoke about it. But that is there. And then:

We had them valued by the best evaluators that could be found,

That means in Canada, or anywhere else—

—and we even went outside the country to get them.

Now, that is to get the evaluations. I was not going around getting people and bringing them here. But we certainly got evaluations from outside of the country—and, as a result of that, we came to the conclusion that \$92,100, plus the price of the lambs, was the proper recompense to pay; and we paid it.

The CHAIRMAN: Mr. Harkness.

Mr. CAMERON (*Nanaimo*): I submit that the question has not been answered.

The CHAIRMAN: I am sorry, but—

Mr. CAMERON (*Nanaimo*): The minister has made a statement.

Right Hon. Mr. GARDINER: No answer will satisfy him.

The CHAIRMAN: Mr. Cameron, with all due respect, I was going to recognize Mr. Harkness when you rose, and raised a question of privilege.

Mr. CAMERON (*Nanaimo*): And I am still on the question of privilege.

The CHAIRMAN: You raised a question of privilege.

Mr. CAMERON (*Nanaimo*): And I am still on it.

The CHAIRMAN: There is obviously no question of privilege involved at all. You are just asking for clarification of the minister's statement.

Mr. CAMERON (*Nanaimo*): No; I am asking for an explanation of a statement that was untrue, and I want to have an explanation of why the minister, not wishing to mislead the house, made a statement which was untrue.

The CHAIRMAN: Order; that is only in your opinion; you are asking for a further—

Mr. CAMERON (*Nanaimo*): From the evidence he gave himself.

The CHAIRMAN: You are asking for a further clarification of a statement which, in your opinion, is so and so. That is not a question of privilege. I have recognized the members from various parties, and Mr. Harkness has been trying to get the floor, and so I was about to recognize him when you raised the question of privilege. But I must say that there is no question of privilege involved.

Right Hon. Mr. GARDINER: I must ask my hon. friend to withdraw. He might say that I made a statement which was incorrect, but to say that I made a statement which was untrue requires some action on my part.

Mr. CAMERON (*Nanaimo*): The statement may be untrue—and I can say it was an untrue statement—I have accepted the minister's statement that he

did not—and it is quite parliamentary to do it—I have accepted the minister's statement that he did not do it deliberately. I am now trying to find out why he did it, and he has not yet given us an explanation—none whatsoever.

Right Hon. Mr. GARDINER: I just got through giving a ten-minute explanation, that I was not going to allow anyone to say we had no opinion but our own.

Mr. CAMERON (*Nanaimo*): You just got through giving your speech—just your usual weaving of words, and you never answered the question at all.

Right Hon. Mr. GARDINER: I answered the question six times already, and it was that I thought that the third man whose opinion we had obtained was an American. I found out later he was not.

Mr. CAMERON (*Nanaimo*): I must ask you to correct that, because you told us you officially did not get information from them.

Right Hon. Mr. GARDINER: Certainly; I did not get any of this information directly or officially from the three outside evaluators. My officials got it.

Mr. CAMERON (*Nanaimo*): That was not the story you told us yesterday.

Right Hon. Mr. GARDINER: Yes it is. When I get information from my officials, I am the head of the department and when I accept the recommendations they become my opinions.

Mr. HARKNESS: Mr. Chairman, we seem to have reached the point this afternoon where people generally are giving their general statements in a sort of summing up of their impressions.

I rose for that purpose. To begin with, I must say that I deplore what has been the general tone, and the way in which this committee has been carried on. In saying that I mean absolutely no reflection on the chairman. As a matter of fact the chairman, I think, has been in a very difficult position, because of the sort of feeling which has been apparent in the committee, and I sympathize with him. But when this committee met I came to it hoping and expecting that there would be a fair and impartial investigation of the matters which were brought up in the speech which Mr. McCullough had made. By the very nature of the terms of reference this committee was meeting in a quasi judicial manner, and I would certainly expect that there would be some judicial calm or impartiality in its proceedings. But on the contrary there has been overt and in evidence less of that in this committee than in any other committee in which I have ever sat during the twelve years I have been here.

Whenever a witness made a point which Liberal members thought was favourable as far as they were concerned, or when a Liberal member made a speech which they thought was telling, or made a point, there was loud applause, with pounding on the table and things of that sort.

On the other hand whenever the C.C.F. members made a point which was favourable to them, there were loud boos and cries of "No, no" and so on. Therefore I deplore very much the way in which this committee has been carried on.

Mr. GOODE: Mr. Chairman, on a point of order, I wonder why Mr. Harkness is saying this. The representatives of his party were not even here last night when the vote took place. So how could they be impartial when they were not even here at the committee meeting?

Mr. HANNA: Let me say, Mr. Chairman, that there were no boos for anyone. I know that as a fact, because I have been here for all the sessions.

The CHAIRMAN: Order, order!

Mr. HARKNESS: I submit that I am entitled to make my remarks in the same way as other members have been heard. Mr. Goode said something about

my not being present last night. Let me say that I was in the House of Commons last night where I spoke for an hour in regard to a health insurance measure. Therefore I have no apology to make.

Mr. GOODE: I was not referring to Mr. Harkness personally. I just said that the members of his party were not in this committee at the time of the vote last night, and that is true.

Mr. HARKNESS: Mr. Goode knows very well that the House of Commons was meeting at the same time as this committee and whether a member is there or at this committee is his own business. He attends where he thinks it is most important for him to be at any particular time.

As far as the evidence we have had before this committee is concerned, I think that three points really have been established, or you could put it under three main headings as follows: first, the matter of whether or not adequate compensation was paid for these sheep. Mr. Rock believes there was not adequate compensation paid. He believes that the flock should have been worth \$160,000 or something in that neighbourhood. Let me say quite frankly that if I had been in Mr. Rock's position I would have taken exactly the same attitude in regard to it, in view of the earning power of those sheep, or what the earning power of the flock had been in the past. I do not think that anybody in this room would blame Mr. Rock for taking that position.

On the other hand we have had a considerable amount—I do not know whether to call it evidence or not; some of it would come under that heading, while some of it was merely in the form of statements—that other sheep breeders and cattle men have been compensated at a very much lower rate.

As a result I agree with Mr. Shaw that the evidence in connection with the compensation was far from conclusive. I do not think on the basis of the evidence we have had here that I would be in a position or that perhaps anyone else would be in a position to say whether or not Mr. Rock received adequate compensation. I mean, whether he received too little compensation or whether he received too much compensation. We just have not had enough definite evidence on the matter put before us really for us to be able to determine that question. Perhaps it was one of the most important questions that the committee should determine. It certainly was the point of view from which I was personally most interested in this whole question and the one which from the very beginning of this case I was most anxious to see satisfactorily settled.

A second thing is the charges or the statements, the rumours or whatever you want to call them in connection with skullduggery, substitution, and things of that sort. As far as I am concerned I have heard no evidence whatever of any substitution or any skullduggery that took place in connection with the flock of sheep after they were condemned. And there is no evidence of any before they were condemned. Of course, before they were condemned there was no question of any skullduggery because Mr. Rock was quite free to sell his sheep any place he wanted to sell them. So any question of skullduggery would only enter into the matter, I think, as from the time the sheep were condemned; and we have had no evidence whatever that there was any substitution or any skullduggery of any sort.

Certainly, from that point of view, I think we all must adopt the general position that every man is innocent until he is proven guilty; and certainly we must look on him from that point of view. There was absolutely no evidence that Mr. Rock was guilty of any dishonest practices of any sort in connection with those sheep.

Thirdly, the general evidence which we have secured, the third point that has come out of this inquiry is that the minister's statement in the House of Commons in connection with this matter was definitely wrong. I am

not accusing the minister of having deliberately misled the House. I want to make that clear. But I think there is no question—the minister has admitted it himself—that the evidence which we have heard shows that the statement that the minister made in connection with these sheep and in regard to the bringing in of evaluators from the United States, and his overlooking to tell the House that his own evaluators had put a price of \$92,000 on these sheep and so forth—that those statements of the minister were misleading and that they gave the house a wrong impression of this whole situation. And for that I think the minister has to assume responsibility.

In my view, if there had been a full, complete, and frank statement at the time this matter was brought up during the estimates last year, from the minister in connection with the matter, then most if not all of the further talk and the speech which Mr. McCullough made and so on probably could not have taken place.

Therefore I say that in my view I think the minister has to assume a considerable amount of responsibility for the unfortunate developments we have had as far as this case is concerned.

In conclusion I would like to say that I sympathize most thoroughly with Mr. Phillip Rock and with his father Mr. P. J. Rock for the fact that they have been subjected to the bad effect of the rumours which have been talked about. They have undoubtedly suffered very considerably mentally as well as, probably, financially as a result of the "to do" there has been in connection with this matter.

I want to say as far as the rumours which people talked about are concerned, that I personally did not hear any of them during the Calgary stampede where I sat on the board of the stampede along with Mr. Rock's father, and in the various meetings which took place as far as the stampede executive was concerned, and the stockholders meetings and so on which I attended. I heard none of these rumours.

The only place where I heard any of those rumours was right down here in and around the House of Commons. Therefore I think, as the thing has turned out, it is unfortunate that this committee had to meet and in doing so to give a large amount of publicity to a lot of these rumours which otherwise very few people, I think, in our part of the country ever would have heard. And if they did hear of them, knowing the Rocks, most people would have laughed at them!

The CHAIRMAN: Is the committee now ready for the question? Those in favour of the motion will please say yea, those opposed will please say nay.

In my opinion the yeas have it and I declare the motion carried. We shall now go into camera.

The committee adjourned.

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