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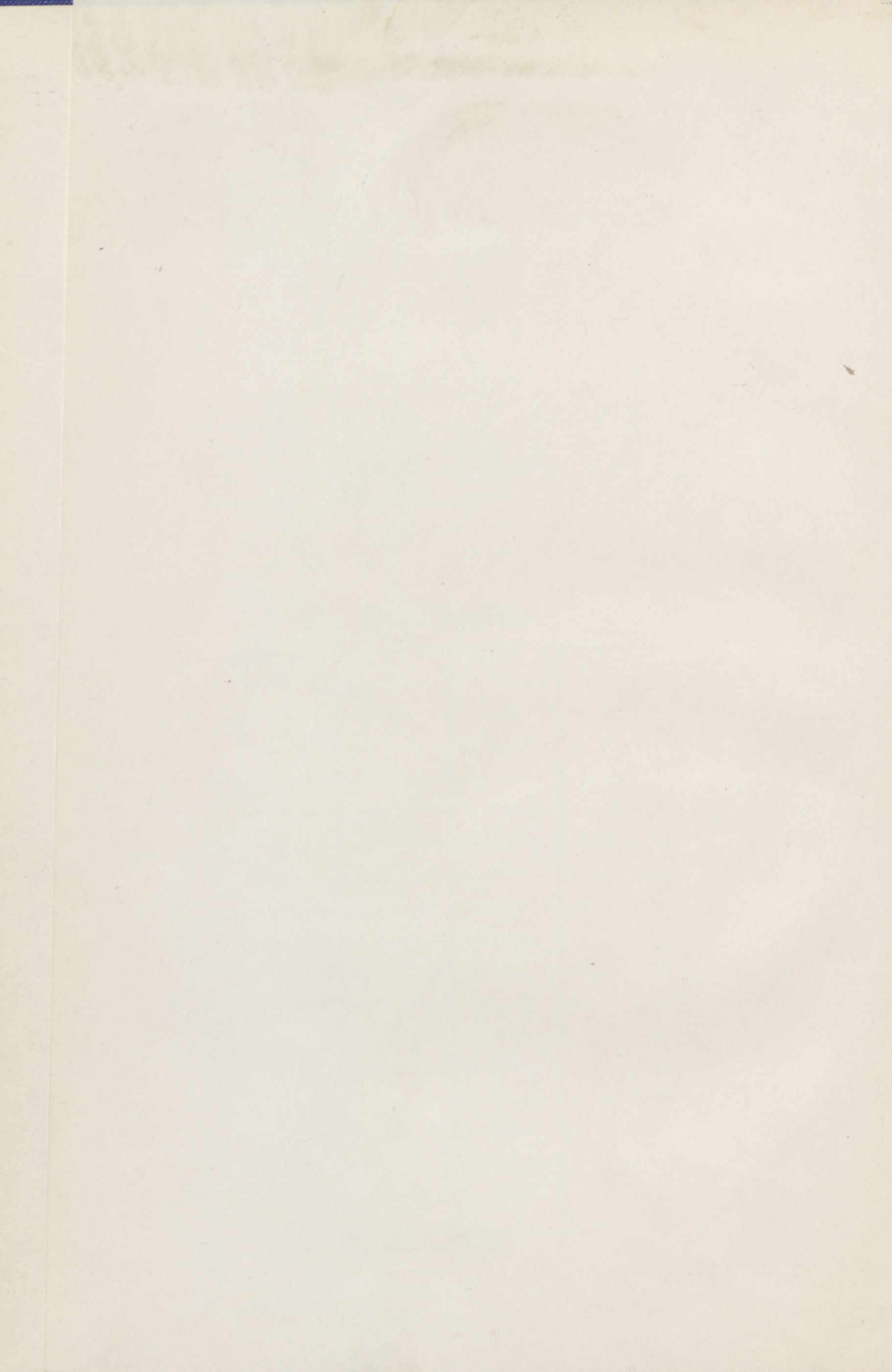
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HOUSE OF COMMONS
Second Session—Twenty-seventh Parliament
1967

STANDING COMMITTEE
ON
**Agriculture, Forestry and Rural
Development**

Chairman: Mr. EUGENE WHELAN

PROCEEDINGS

No. 1

THURSDAY, JUNE 1, 1967

INCLUDING

Appendix A:

Main Estimates 1967-68, Department of Agriculture.

Appendix B:

Main Estimates 1967-68, Department of Forestry and
Rural Development.

HOUSE OF COMMONS
Second Session—Twenty-seventh Parliament
1967

STANDING COMMITTEE
ON
AGRICULTURE, FORESTRY AND RURAL DEVELOPMENT

Chairman: Mr. Eugene Whelan

Vice-Chairman: Mr. Herman Laverdière
and

Mr. Asselin (<i>Richmond-Wolfe</i>),	Mr. Godin,	Mr. Olson,
Mr. Beer,	Mr. Grills,	Mr. Peters,
Mr. Berger,	Mr. Herridge,	Mr. Pugh,
Mr. Choquette,	Mr. Honey,	Mr. Rapp,
Mr. Clermont,	Mr. Hopkins,	Mr. Ricard,
Mr. Comtois,	Mr. Horner (<i>Acadia</i>),	Mr. Roxburgh,
Mr. Côté (<i>Nicolet-Yamaska</i>),	Mr. Johnston,	Mr. Schreyer,
Mr. Crossman,	Mr. Jorgenson,	Mr. Stafford,
Mr. Danforth,	Mr. Lefebvre,	Mr. Stefanson,
Mr. Ethier,	Mr. MacDonald (<i>Prince</i>),	Mr. Tucker,
Mr. Faulkner,	Mr. McKinley,	Mr. Watson (<i>Assiniboia</i>),
Mr. Forbes,	Mr. Moore (<i>Wetaskiwin</i>),	Mr. Watson (<i>Château- guay-Huntingdon- Laprairie</i>),
Mr. Gauthier,	Mr. Muir (<i>Lisgar</i>),	Mr. Yanakis—45.
Mr. Gendron,	Mr. Neveu,	
	Mr. Noble,	
	Mr. Nowlan,	

THURSDAY, JUNE 1, 1967

Michael B. Kirby,
Clerk of the Committee.

INCLUDING

Appendix A:

Main Estimates 1967-68, Department of Agriculture

Appendix B:

Main Estimates 1967-68, Department of Forestry and
Rural Development

MINUTE ORDERS OF REFERENCE

FRIDAY, May 19, 1967.

Resolved,—That the following Members do compose the Standing Committee on Agriculture, Forestry and Rural Development:

Messrs:

Asselin (Richmond-Wolfe),	Grills,	Olson,
Beer,	Herridge,	Peters,
Berger,	Honey,	Pugh,
Choquette,	Hopkins,	Rapp,
Clermont,	Horner (Acadia),	Ricard,
Comtois,	Johnston,	Roxburgh,
Côté (Nicolet-Yamaska),	Jorgenson,	Schreyer,
Crossman,	Laverdière,	Stafford,
Danforth,	Lefebvre,	Stefanson,
Ethier,	MacDonald (Prince),	Tucker,
Faulkner,	McKinley,	Watson (Assiniboia),
Forbes,	Moore (Wetaskiwin),	Watson (Châteauguay-Huntingdon-Laprairie),
Gauthier,	Muir (Lisgar),	Whelan,
Gendron,	Neveu,	Yanakis—(45).
Godin,	Noble,	
	Nowlan,	

THURSDAY, May 25, 1967.

Ordered,—That, saving always the powers of the Committee of Supply in relation to the voting of public monies, the items listed in the Main Estimates for 1967-68, relating to the Department of Agriculture and the Department of Forestry and Rural Development, be withdrawn from the Committee of Supply and referred to the Standing Committee on Agriculture, Forestry and Rural Development.

Attest.

LÉON-J. RAYMOND,

The Clerk of the House of Commons.

REPORT TO THE HOUSE

JUNE 1, 1967.

The Standing Committee on Agriculture, Forestry and Rural Development has the honour to present its

FIRST REPORT

Your Committee recommends that its quorum be reduced from 23 to 15 members.

Respectfully submitted,

EUGENE WHELAN,

Chairman

MINUTES OF PROCEEDINGS

TUESDAY, May 30, 1967.

The Standing Committee on Agriculture, Forestry and Rural Development having been duly called to meet at 10:00 o'clock a.m. this day, for the purposes of organization, the following members were present: Messrs. Choquette, Crossman, Faulkner, Gauthier, Herridge, Hopkins, Jorgenson, Lefebvre, MacDonald (*Prince*), McKinley, Moore (*Wetaskiwin*), Olson, Rapp, Roxburgh, Schreyer, Stefanson, Watson (*Châteauguay-Huntingdon-Laprairie*), Whelan Yanakis (19).

There being no quorum present by 10:30 o'clock a.m., the members present dispersed.

THURSDAY, June 1, 1967.

(1)

The Standing Committee on Agriculture, Forestry and Rural Development met this day at 11:05 o'clock a.m. for organization purposes.

Members present: Messrs. Beer, Berger, Choquette, Clermont, Crossman, Danforth, Ethier, Faulkner, Gauthier, Gendron, Godin, Grills, Herridge, Johnston, Jorgenson, Lefebvre, MacDonald (*Prince*), McKinley, Moore (*Wetaskiwin*), Neveu, Noble, Olson, Rapp, Roxburgh, Schreyer, Tucker, Whelan, Yanakis (28).

The Clerk of the Committee presiding and having called for nominations to elect a Chairman Mr. Lefebvre moved, seconded by Mr. Choquette, that Mr. Eugene Whelan be elected Chairman.

On motion of Mr. Faulkner, seconded by Mr. Berger,
Resolved,—That nominations be closed.

It was then resolved *nemine contradicte* that Mr. Eugene Whelan be Chairman, Mr. Whelan then took the Chair and thanked the Committee for the honour bestowed on him.

The Chairman called for nominations for Vice-Chairman and Mr. Choquette moved, seconded by Mr. Cross that Mr. Herman Laverdière be elected Vice-Chairman.

On motion of Mr. Tucker, seconded by Mr. Schreyer,
Resolved,—That nominations be closed.

The Chairman declared Mr. Herman Laverdière elected Vice-Chairman.

On motion of Mr. Ethier, seconded by Mr. Rapp,
Resolved,—That a Sub-Committee on Agenda and Procedure, comprised of the Chairman and six members to be named by the Chairman, be appointed.

On motion of Mr. Ethier, seconded by Mr. Tucker,
Resolved,—That the Committee print from day to day 850 copies in English and 350 copies in French of the Minutes of Proceedings and Evidence.

The Chairman then read the Committee's Order of Reference.

On motion of Mr. Faulkner, seconded by Mr. Danforth,
Resolved,—That the items listed in the Main Estimates for 1967-68 relating to the Department of Agriculture and to the Department of Forestry and Rural Development be printed as appendices to this day's Minutes and Proceedings (*See Appendices A and B*).

On motion of Mr. Herridge, seconded by Mr. Danforth it was
Agreed,—That the Chairman be authorized to request that the Minutes of Proceedings and Evidence receive a higher priority for printing.

On motion of Mr. Lefebvre, seconded by Mr. Clermont,
Resolved,—That the Committee be given leave to reduce its quorum from 23 to 15 members.

Mr. Crossman then asked that the Sub-Committee on Agenda and Procedure discuss the possibility of the Committee holding hearings in the Atlantic provinces. Mr. Danforth requested that the Committee make the Department of Forestry and Rural Development Estimates the Committee's first order of business. After discussion, it was

Agreed,—That both matters be referred to the Sub-Committee on Agenda and Procedure.

At 11.40 o'clock a.m. there being no further business, the Chairman adjourned the Committee to the call of the Chair.

Michael B. Kirby,
Clerk of the Committee.

AGRICULTURE

No. of Vote	Service	1967-68	1966-67	Change	
				Increase	Decrease
		\$	\$	\$	\$
(S)	Minister of Agriculture—Salary and Motor Car Allowance (Details, page 11).....	17,000	17,000		
	ADMINISTRATION				
1	Departmental Administration including the Canadian Agricultural Services Co-ordinating Committee, contributions to the Commonwealth Agricultural Bureaux, and a contribution to the Agricultural Economics Research Council in an amount equal to one-half the contributions to the Council from other sources during the fiscal year but not exceeding \$50,000 (Details, page 11).....	6,652,800	5,234,100	1,418,700	
	RESEARCH				
5	Administration, Operation and Maintenance including Canada's fee for membership in the International Society for Horticultural Science, an amount of \$625,000 for grants in aid of agricultural research in universities and other scientific organizations in Canada and the costs of publishing departmental research papers as supplements to the "Canadian Entomologist" (Details, page 15).....	33,845,800	30,771,700	3,074,100	
10	Construction or Acquisition of Buildings, Works, Land and Equipment (Details, page 18).....	6,000,000	5,387,000	613,000	
		39,845,800	36,158,700	3,687,100	
	PRODUCTION AND MARKETING				
	Administration				
15	Administration, Operation and Maintenance including the administration of the Agricultural Stabilization Act, and contributions to assist in the Marketing of Agricultural Products subject to the approval of Treasury Board (Details, page 18).....	3,161,200	2,850,100	311,100	
17	Grants, Contributions and Subsidies as detailed in the Estimates (Details, page 21)...	109,000,000	1,813,500	107,186,500	
(S)	Contributions to the Provinces under the Crop Insurance Act (Details, page 22).....	5,000,000		5,000,000	
		117,161,200	4,663,600	112,497,600	
	Animal and Animal Products				
20	Administration, Operation and Maintenance including Canada's fee for membership in the International Dairy Federation (Details, page 22).....	7,950,300	7,410,100	540,200	
25	Grants, Contributions and Subsidies in the amounts and subject to the terms specified in the sub-vote titles listed in the Details of the Estimates (Details, page 27).....	12,922,200	13,182,100		259,900
		20,872,500	20,592,200	280,300	

No. of Vote	Service	1967-68	1966-67	Change	
				Increase	Decrease
		\$	\$	\$	\$
PRODUCTION AND MARKETING (Continued)					
Plant and Plant Products					
30	Administration, Operation and Maintenance (Details, page 29).....	8,271,900	7,719,500	552,400	
35	Grants, Contributions and Subsidies as detailed in the Estimates (Details, page 32).....	268,000	13,562,001		13,294,001
		8,539,900	21,281,501		12,741,601
HEALTH OF ANIMALS					
40	Administration, Operation and Maintenance including Canada's fee for membership in the Office International des Epizooties, and authority, notwithstanding the Financial Administration Act, to spend revenue received during the year from packers requiring special services (Details, page 34).....	16,132,800	15,048,900	1,083,900	
45	Grants, Contributions and Subsidies as detailed in the Estimates (Details, page 36).....	1,381,000	1,048,600	332,400	
		17,513,800	16,097,500	1,416,300	
BOARD OF GRAIN COMMISSIONERS					
(S)	Salaries of the Commissioners (Details, page 37).....	53,000	53,000		
50	Administration, Operation and Maintenance including Canada's fee for membership in the International Association of Cereal Chemistry and authority to purchase screenings (Details, page 37).....	8,128,200	7,451,600	676,600	
51	Construction or Acquisition of Buildings, Works, Land and Equipment (Details, page 40).....	2,267,000	1,165,400	1,101,600	
		10,448,200	8,670,000	1,778,200	
LAND REHABILITATION, IRRIGATION AND WATER STORAGE PROJECTS					
Irrigation and Water Storage Projects in the Western Provinces including the South Saskatchewan River Project, the Prairie Farm Rehabilitation Act Program, Land Protection, Reclamation and Development—					
55	Administration, Operation and Maintenance including Canada's fee for membership in the International Commission on Irrigation and Drainage (Details, page 41).....	9,688,000	9,757,400		69,400
60	Construction or Acquisition of Buildings, Works, Land and Equipment (Details, page 43).....	14,645,000	22,961,000		8,316,000
		24,333,000	32,718,400		8,385,400
CANADIAN DAIRY COMMISSION					
65	Administration, Operation and Maintenance (Details, page 44).....	208,700		208,700	

No. of Vote	Service	1967-68	1966-67	Change	
				Increase	Decrease
		\$	\$	\$	\$
FARM CREDIT CORPORATION					
70	Estimated amount required to provide for the operating loss of the Farm Credit Corporation for the fiscal year ending March 31, 1968 (Details, page 44).....	3,900,000	3,900,000	
SUMMARY					
	To be voted.....	244,422,900	145,363,001	99,059,899	
	Authorized by Statute.....	5,070,000	70,000	5,000,000	
		249,492,900	145,433,001	104,059,899	

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
Approximate Value of Major Services not included in these Estimates				
		Accommodation (provided by the Department of Public Works).....	3,239,400	2,897,800
		Accommodation (in this Department's own buildings)...	3,898,900	3,339,100
		Accounting and cheque issue services (Comptroller of the Treasury).....	1,068,900	929,100
		Contributions to Superannuation Account (Treasury Board).....	4,696,800	3,259,000
		Contributions to Canada Pension Plan Account and Quebec Pension Plan Account (Treasury Board)	727,900	804,800
		Employee surgical-medical insurance premiums (Treasury Board).....	464,300	279,300
		Employee compensation payments (Department of Labour).....	148,400	102,500
		Carrying of franked mail (Post Office Department)....	273,500	267,200
			14,518,100	11,878,800
Statutory—Minister of Agriculture—Salary and Motor Car Allowance				
		Salary.....(1)	15,000	15,000
		Motor Car Allowance.....(2)	2,000	2,000
			17,000	17,000
ADMINISTRATION				
Vote 1—Departmental Administration including the Canadian Agricultural Services Co-ordinating Committee, contributions to the Commonwealth Agricultural Bureaux and a contribution to the Agricultural Economics Research Council in an amount equal to one-half the contributions to the Council from other sources during the fiscal year but not exceeding \$50,000				
DEPARTMENTAL ADMINISTRATION INCLUDING THE CANADIAN AGRICULTURAL SERVICES CO-ORDINATING COMMITTEE				
Salaried Positions:				
Executive, Scientific and Professional:				
	1	Deputy Minister (\$27,000)		
	3	Senior Officer 3 (\$20,500-\$24,750)		
	1	Senior Officer 2 (\$18,500-\$22,750)		
	2	Senior Officer 1 (\$16,500-\$20,500)		
	1	Personnel Administrator 9 (\$17,270-\$20,802)		
	3	(\$14,000-\$16,000)		
	1	(\$12,000-\$14,000)		
	1	(\$10,000-\$12,000)		
	23	(\$8,000-\$10,000)		
	11	(\$6,000-\$8,000)		
Administrative and Foreign Service:				
	3	(\$16,000-\$18,000)		
	14	(\$14,000-\$16,000)		
	20	(\$12,000-\$14,000)		
	21	(\$10,000-\$12,000)		
	51	(\$8,000-\$10,000)		
	3	(\$6,000-\$8,000)		
	3	(\$4,000-\$6,000)		

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
ADMINISTRATION (Continued)				
Vote 1 (Continued)				
DEPARTMENTAL ADMINISTRATION (Continued)				
Salaried Positions: (Continued)				
		Technical, Operational and Service:		
	1	(\$12,000-\$14,000)		
	6	(\$10,000-\$12,000)		
1	15	(\$8,000-\$10,000)		
2	10	(\$6,000-\$8,000)		
4	24	(\$4,000-\$6,000)		
4	31	(Under \$4,000)		
		Administrative Support:		
	4	(\$8,000-\$10,000)		
	32	(\$6,000-\$8,000)		
	172	(\$4,000-\$6,000)		
	36	(Under \$4,000)		
417	336	Continuing Establishment.....	2,760,000	2,117,700
(417)	(336)	Casuals and Others.....	18,000	14,500
(5)	(5)			
(422)	(341)	Salaries and Wages (including \$270,200 allotted during 1966-67 from the Finance Contingencies Vote for increases in rates of pay).....(1)	2,778,000	2,132,200
		Overtime.....(1)	6,500	2,900
		Allowances.....(2)	11,500	1,000
		Professional and Special Services.....(4)	28,900	52,900
		Travelling and Removal Expenses.....(5)	105,000	71,600
		Expenses of Delegates to International Conferences... (5)	56,000	39,000
		Freight, Express and Cartage.....(6)	8,000	5,800
		Postage.....(7)	4,800	4,500
		Telephones and Telegrams.....(8)	37,000	22,200
		Publication of Departmental Reports and Other Material.....(9)	5,500	5,500
		Office Stationery, Supplies, Equipment and Furnishings.....(11)	598,800	498,400
		Purchase of Books, Periodicals and Bindings.....(11)	79,500	73,600
		Expenses of Canadian Agricultural Services Coordinating Committee.....(22)	5,000	5,000
		Sundries.....(22)	7,900	5,800
			3,732,400	2,920,400
		Expenditure		
		1964-65.....	\$ 1,424,089	
		1965-66.....	2,029,471	
		1966-67 (estimated).....	2,700,000	
INFORMATION DIVISION				
Salaried Positions:				
		Administrative and Foreign Service:		
	1	(\$16,000-\$18,000)		
3	1	(\$14,000-\$16,000)		
	2	(\$12,000-\$14,000)		
5		(\$10,000-\$12,000)		
16	14	(\$8,000-\$10,000)		
	4	(\$6,000-\$8,000)		

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
ADMINISTRATION (Continued)				
Vote 1 (Continued)				
Salaried Positions: (Continued)				
Technical, Operational and Service:				
		(\$12,000-\$14,000)		
1	1	(\$10,000-\$12,000)		
2		(\$8,000-\$10,000)		
10	6	(\$6,000-\$8,000)		
7	7	(\$4,000-\$6,000)		
8	5	(Under \$4,000)		
Administrative Support:				
3	1	(\$6,000-\$8,000)		
17	19	(\$4,000-\$6,000)		
2	10	(Under \$4,000)		
75	70	Continuing Establishment.....	519,000	463,500
(75)	(70)	Casuals and Others.....	8,000	3,000
(2)	(1)			
(77)	(71)	Salaries and Wages (including \$59,200 allotted during 1966-67 from the Finance Contingencies Vote for increases in rates of pay).....(1)	527,000	466,500
		Overtime.....(1)	1,900	2,500
		Professional and Special Services.....(4)	4,000	4,000
		Travelling and Removal Expenses.....(5)	17,600	17,600
		Freight, Express and Cartage.....(6)	5,500	5,000
		Postage.....(7)	5,500	5,500
		Telephones and Telegrams.....(8)	4,500	4,000
		Publication of Departmental Reports and Other Material.....(9)	148,000	140,200
		Films, Exhibits and Advertising.....(10)	257,000	178,900
		Office Stationery, Supplies, Equipment and Fur- nishings.....(11)	49,700	25,300
		Materials and Supplies.....(12)	20,400	12,000
		Acquisition of Equipment.....(16)	4,900	22,900
		Repairs and Upkeep of Equipment.....(17)	900	1,300
		Sundries.....(22)	12,400	1,200
			1,059,300	886,900
Expenditure				
		1964-65..... \$ 832,378		
		1965-66..... 684,815		
		1966-67 (estimated)..... 923,000		
CONTRIBUTIONS TO COMMONWEALTH AGRICULTURAL BUREAUX (£133,000).....(20)				
			399,000	242,800
Expenditure				
		1964-65..... \$ 219,936		
		1965-66..... 243,238		
		1966-67 (estimated)..... 242,800		

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		ADMINISTRATION (Continued)		
		Vote 1 (Continued)		
		ECONOMICS BRANCH INCLUDING A CONTRIBUTION TO THE AGRICULTURAL ECONOMICS RESEARCH COUNCIL IN AN AMOUNT EQUAL TO ONE-HALF THE CONTRIBUTIONS TO THE COUNCIL FROM OTHER SOURCES DURING THE FISCAL YEAR BUT NOT EXCEEDING \$50,000		
		Salaried Positions:		
		Executive, Scientific and Professional:		
	1	Senior Officer 2 (\$18,500-\$22,750)		
	2	Senior Economist 2 (\$18,500-\$22,750)		
	2	Senior Economist 1 (\$16,500-\$20,500)		
	16	(\$16,000-\$18,000)		
	19	(\$14,000-\$16,000)		
	14	(\$12,000-\$14,000)		
	17	(\$10,000-\$12,000)		
	35	(\$8,000-\$10,000)		
	25	(\$6,000-\$8,000)		
	2	(Seasonal)		
	2	Administrative and Foreign Service:		
		(\$8,000-\$10,000)		
	2	(\$6,000-\$8,000)		
		Technical, Operational and Service:		
	6	(\$8,000-\$10,000)		
	10	(\$6,000-\$8,000)		
	2	(\$4,000-\$6,000)		
		Administrative Support:		
	4	(\$6,000-\$8,000)		
	39	(\$4,000-\$6,000)		
	2	(Under \$4,000)		
142	142			
(141)	(141)	Continuing Establishment	1,095,900	1,009,600
(7)	(7)	Casuals and Others	26,200	23,100
(148)	(148)	Salaries and Wages (including \$118,100 allotted during 1966-67 from the Finance Contingencies Vote for increases in rates of pay)	1,122,100	1,032,700
		Overtime	1,000	1,000
		Allowances	9,200	3,000
		Professional and Special Services	104,200	15,000
		Travelling and Removal Expenses	51,500	51,500
		Freight, Express and Cartage	400	400
		Postage	200	100
		Telephones and Telegrams	8,500	6,000
		Publication of Departmental Reports and Other Material	41,700	27,700
		Office Stationery, Supplies, Equipment and Furnishings	56,000	14,000
		Materials and Supplies	1,900	1,900
		Acquisition of Equipment	6,900	6,200
		Repairs and Upkeep of Equipment	3,300	4,300
		Contribution to the Agricultural Economics Research Council	50,000	20,000
		Sundries	5,200	200
			1,462,100	1,184,000

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		ADMINISTRATION (Continued)		
		Vote 1 (Continued)		
		ECONOMICS BRANCH (Continued)		
			Expenditure	
		1964-65.....	\$	983,356
		1965-66.....		979,176
		1966-67 (estimated).....		1,075,800
		Total, Vote 1.....	6,652,800	5,234,100
			Expenditure	
		1964-65.....	\$	3,459,759
		1965-66.....		3,936,700
		1966-67 (estimated).....		4,941,600
		RESEARCH		
		Vote 5—Administration, Operation and Maintenance including Canada's fee for membership in the International Society for Horticultural Science, an amount of \$625,000 for grants in aid of agricultural research in universities and other scientific organizations in Canada and the costs of publishing departmental research papers as supplements to the "Canadian Entomologist"		
		BRANCH ADMINISTRATION INCLUDING CANADA'S FEE FOR MEMBERSHIP IN THE INTERNATIONAL SOCIETY FOR HORTICULTURAL SCIENCE, AN AMOUNT OF \$625,000 FOR GRANTS IN AID OF AGRICULTURAL RESEARCH IN UNIVERSITIES AND OTHER SCIENTIFIC ORGANIZATIONS IN CANADA AND THE COSTS OF PUBLISHING DEPARTMENTAL RESEARCH PAPERS AS SUPPLEMENTS TO THE "CANADIAN ENTOMOLOGIST"		
		Salaried Positions:		
		Executive, Scientific and Professional:		
		2	2	Senior Officer 2 (\$18,500-\$22,750)
		4	5	Senior Officer 1 (\$16,500-\$20,500)
		4	4	(\$18,000-\$20,000)
		8		(\$16,000-\$18,000)
		7	5	(\$14,000-\$16,000)
		2	10	(\$12,000-\$14,000)
			3	(\$10,000-\$12,000)
		6	4	(\$8,000-\$10,000)
			2	(\$6,000-\$8,000)
		Administrative and Foreign Service:		
		1		(\$16,000-\$18,000)
		3	1	(\$12,000-\$14,000)
			1	(\$10,000-\$12,000)
		8	3	(\$8,000-\$10,000)
		1	6	(\$6,000-\$8,000)
		Technical, Operational and Service:		
		1		(\$14,000-\$16,000)
		5	2	(\$12,000-\$14,000)
		1	7	(\$10,000-\$12,000)
		11	6	(\$8,000-\$10,000)
		28	24	(\$6,000-\$8,000)
		47	50	(\$4,000-\$6,000)
		12	15	(Under \$4,000)

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		RESEARCH (Continued)		
		Vote 5 (Continued)		
		BRANCH ADMINISTRATION (Continued)		
		Salaried Positions: (Continued)		
		Administrative Support:		
8	2	(\$6,000-\$8,000)		
78	68	(\$4,000-\$6,000)		
12	21	(Under \$4,000)		
		Prevailing Rate Positions:		
40	68	(Full Time)		
7	7	(Part Time)		
4	18	(Seasonal)		
300	334	Continuing Establishment.....	1,911,204	1,891,900
(295)	(323)	Casuals and Others.....	41,896	48,800
(9)	(13)			
(304)	(336)	Salaries and Wages (including \$159,700 allotted during 1966-67 from the Finance Contingencies Vote for increases in rates of pay)..... (1)	1,953,100	1,940,700
		Overtime..... (1)	13,600	14,500
		Allowances..... (2)	1,000	1,000
		Professional and Special Services..... (4)	80,000	65,500
		Travelling and Removal Expenses..... (5)	65,000	60,000
		Freight, Express and Cartage..... (6)	18,000	15,000
		Postage..... (7)	20,000	20,000
		Telephones and Telegrams..... (8)	18,000	17,000
		Publication of Departmental Reports and Other Material..... (9)	150,000	142,500
		Office Stationery, Supplies, Equipment and Furnishings..... (11)	40,000	32,000
		Materials and Supplies..... (12)	115,000	115,000
		Repairs and Upkeep of Buildings and Works..... (14)	45,000	40,000
		Repairs and Upkeep of Equipment..... (17)	53,000	47,200
		Rental of Equipment..... (18)	4,000	5,000
		Grants in Aid of Agricultural Research..... (20)	625,000	450,000
		Membership in the International Society for Horticultural Science..... (20)	400	400
		Unemployment Insurance Contributions..... (21)	200	200
		Sundries..... (22)	5,000	4,000
			3,206,300	2,970,000
		Expenditure		
		1964-65.....	\$ 2,126,823	
		1965-66.....	2,548,902	
		1966-67 (estimated).....	2,800,000	
		INSTITUTES, STATIONS, FARMS, LABORATORIES AND SERVICES—OPERATION AND MAINTENANCE		
		Salaried Positions:		
		Executive, Scientific and Professional:		
21	6	(\$18,000-\$20,000)		
73		(\$16,000-\$18,000)		
506	15	(\$14,000-\$16,000)		
21	134	(\$12,000-\$14,000)		
143	251	(\$10,000-\$12,000)		
181	523	(\$8,000-\$10,000)		
2	18	(\$6,000-\$8,000)		
	1	(\$4,000-\$6,000)		

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
RESEARCH (Continued)				
Vote 5 (Continued)				
INSTITUTES, STATIONS, FARMS, LABORATORIES AND SERVICES—OPERATION AND MAINTENANCE (Continued)				
Salaried Positions: (Continued)				
Administrative and Foreign Service:				
		(\$10,000-\$12,000)		
1		(\$8,000-\$10,000)		
21	4	(\$6,000-\$8,000)		
2	16			
Technical, Operational and Service:				
		(\$14,000-\$16,000)		
1		(\$10,000-\$12,000)		
3	1	(\$8,000-\$10,000)		
20	6	(\$6,000-\$8,000)		
429	173	(\$4,000-\$6,000)		
1,077	1,271	(Under \$4,000)		
15	13	(Part Time)		
2	4	(Seasonal)		
8	8			
Administrative Support:				
		(\$8,000-\$10,000)		
1		(\$6,000-\$8,000)		
32	10	(\$4,000-\$6,000)		
226	125	(Under \$4,000)		
23	132	(Part Time)		
3	3	(Seasonal)		
4	3			
Prevailing Rate Positions:				
		(Full Time)		
539	515	(Part Time)		
2	5	(Seasonal)		
370	354			
3,726	3,591	Continuing Establishment.....	23,478,254	21,156,400
(3,569)	(3,439)	Casuals and Others.....	854,346	785,100
(222)	(212)			
(3,791)	(3,651)	Salaries and Wages (including \$2,638,500 allotted during 1966-67 from the Finance Contingencies Vote for increases in rates of pay)..... (1)	24,332,600	21,941,500
		Overtime..... (1)	272,500	220,000
		Allowances..... (2)	90,000	100,000
		Professional and Special Services..... (4)	350,000	320,000
		Travelling and Removal Expenses..... (5)	610,000	560,000
		Freight, Express and Cartage..... (6)	70,000	65,000
		Telephones and Telegrams..... (8)	142,000	115,000
		Office Stationery, Supplies, Equipment and Furnishings..... (11)	320,000	270,000
		Materials and Supplies..... (12)	1,510,000	1,450,000
		Fuel for Heating..... (12)	265,000	265,000
		Feed for Livestock..... (12)	860,000	760,000
		Repairs and Upkeep of Buildings and Works..... (14)	475,000	460,000
		Rental of Land and Buildings..... (15)	90,000	90,000
		Repairs and Upkeep of Equipment..... (17)	410,000	400,000
		Rental of Equipment..... (18)	73,000	67,000
		Municipal or Public Utility Services..... (19)	706,200	655,000
		Unemployment Insurance Contributions..... (21)	2,700	2,700
		Sundries..... (22)	60,500	60,500
			30,639,500	27,801,700
			Expenditure	Revenue
1964-65.....			\$ 22,856,106	\$1,203,775
1965-66.....			25,062,901	1,205,915
1966-67 (estimated).....			28,232,000	1,217,500
Total, Vote 5.....			33,845,800	30,771,700

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68 \$	1966-67 \$
RESEARCH (Continued)				
Vote 5 (Continued)				
		Expenditure	Revenue	
		\$ 24,982,929	\$1,203,775	
		27,611,804	1,205,915	
		31,032,500	1,217,500	
Vote 10—Construction or Acquisition of Buildings, Works, Land and Equipment				
		Construction or Acquisition of Buildings, Works and Land..... (13)	4,000,000	3,887,000
		Construction or Acquisition of Equipment..... (16)	2,000,000	1,500,000
			6,000,000	5,387,000
		Expenditure		
		\$ 3,855,129		
		4,980,748		
		4,300,000		
PRODUCTION AND MARKETING				
Administration				
Vote 15—Administration, Operation and Maintenance, including the administration of the Agricultural Stabilization Act and contributions to assist in the marketing of agricultural products, subject to the approval of Treasury Board				
BRANCH ADMINISTRATION INCLUDING CONTRIBUTIONS TO ASSIST IN THE MARKETING OF AGRICULTURAL PRODUCTS, SUBJECT TO THE APPROVAL OF TREASURY BOARD				
Salaried Positions:				
Executive, Scientific and Professional:				
	1	Senior Officer 2 (\$18,500-\$22,750)		
	2	(\$14,000-\$16,000)		
	1	(\$12,000-\$14,000)		
	4	(\$10,000-\$12,000)		
	24	(\$8,000-\$10,000)		
	22	(\$6,000-\$8,000)		
	3	(\$4,000-\$6,000)		
Administrative and Foreign Service:				
	2	(\$14,000-\$16,000)		
	1	(\$12,000-\$14,000)		
	1	(\$10,000-\$12,000)		
	7	(\$8,000-\$10,000)		
	2	(\$6,000-\$8,000)		
Technical, Operational and Service:				
	1	(\$8,000-\$10,000)		
	47	(\$6,000-\$8,000)		
	41	(\$4,000-\$6,000)		

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		PRODUCTION AND MARKETING (Continued)		
		Administration (Continued)		
		Vote 15 (Continued)		
		BRANCH ADMINISTRATION (Continued)		
		Salaried Positions: (Continued)		
		Administrative Support:		
13	4	(\$6,000-\$8,000)		
62	48	(\$4,000-\$6,000)		
11	30	(Under \$4,000)		
2	1	(Part Time)		
1	1	Prevailing Rate Positions: (Part Time)		
244	207			
(243)	(206)	Continuing Establishment.....	1,463,700	1,209,200
(2)	(2)	Casuals and Others.....	5,300	5,100
(245)	(208)	Salaries and Wages (including \$141,300 allotted during 1966-67 from the Finance Contingencies Vote for increases in rates of pay)..... (1)	1,469,000	1,214,300
		Overtime..... (1)	2,000	1,700
		Allowances..... (2)	7,100	5,000
		Travelling and Removal Expenses..... (5)	169,000	161,000
		Freight, Express and Cartage..... (6)	1,500	1,500
		Postage..... (7)	1,200	800
		Telephones and Telegrams..... (8)	9,700	9,700
		Printing of Reports and Other Material..... (9)	27,500	51,400
		Office Stationery, Supplies, Equipment and Furnishings..... (11)	49,900	19,000
		Materials and Supplies..... (12)	7,900	7,500
		Acquisition of Equipment..... (16)	8,000	25,000
		Repairs and Upkeep of Equipment..... (17)	2,700	1,800
		Contributions to assist in the marketing of agricultural products..... (20)	20,000	20,000
		Sundries..... (22)	5,000	5,000
			1,780,500	1,523,700
		Expenditure		
		1964-65..... \$ 995,055		
		1965-66..... 1,188,934		
		1966-67 (estimated)..... 1,475,000		
		AGRICULTURAL STABILIZATION ACT ADMINISTRATION		
		Salaried Positions:		
		Administrative and Foreign Service:		
1	2	(\$12,000-\$14,000)		
1	1	(\$10,000-\$12,000)		
1	1	(\$8,000-\$10,000)		
	1	(\$6,000-\$8,000)		
		Administrative Support:		
3	3	(\$4,000-\$6,000)		
6	6			
(6)	(6)	Continuing Establishment.....	50,000	47,400
(106)	(84)	Casuals and Others.....	324,500	275,100
(112)	(90)	Salaries and Wages (including \$50,500 allotted during 1966-67 from the Finance Contingencies Vote for increases in rates of pay)..... (1)	374,500	322,500
		Overtime..... (1)	3,000	3,000

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
PRODUCTION AND MARKETING (Continued)				
Administration (Continued)				
Vote 15 (Continued)				
AGRICULTURAL STABILIZATION ACT ADMINISTRATION (Continued)				
		Allowances.....(2)	100	100
		Travelling and Removal Expenses.....(5)	5,000	5,000
		Freight, Express and Cartage.....(6)	200	200
		Telephones and Telegrams.....(8)	2,100	2,100
		Office Stationery, Supplies, Equipment and Furnishings.....(11)	10,800	5,000
		Sundries, including Expenses of Advisory Committee.....(22)	9,000	9,000
			404,700	346,900
		Expenditure		
		1964-65.....	\$ 378,665	
		1965-66.....	377,845	
		1966-67 (estimated).....	397,600	
PRAIRIE FARM ASSISTANCE ACT ADMINISTRATION				
Salaried Positions:				
Administrative and Foreign Service:				
		((\$14,000-\$16,000)		
		((\$12,000-\$14,000)		
	2	((\$10,000-\$12,000)		
	2	((\$8,000-\$10,000)		
	15	((\$6,000-\$8,000)		
Technical, Operational and Service:				
	2	((\$6,000-\$8,000)		
	2	((\$4,000-\$6,000)		
Administrative Support:				
	1	((\$8,000-\$10,000)		
	2	((\$6,000-\$8,000)		
	29	((\$4,000-\$6,000)		
	3	(Under \$4,000)		
	58			
	(58)			
	(70)			
		Continuing Establishment.....	351,000	372,000
		Casuals and Others.....	326,000	314,500
(123)	(128)	Salaries and Wages (including \$129,500 allotted during 1966-67 from the Finance Contingencies		
		Vote for increases in rates of pay).....(1)	677,000	686,500
		Travelling and Removal Expenses.....(5)	250,500	244,500
		Freight, Express and Cartage.....(6)	1,000	1,000
		Postage.....(7)	6,000	6,000
		Telephones and Telegrams.....(8)	15,000	15,000
		Office Stationery, Supplies, Equipment and Furnishings.....(11)	20,000	20,000
		Materials and Supplies.....(12)	1,500	1,500
		Unemployment Insurance Contributions.....(21)	1,000	1,000
		Sundries.....(22)	4,000	4,000
			976,000	979,500

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		PRODUCTION AND MARKETING (Continued)		
		Administration (Continued)		
		Vote 15 (Continued)		
		PRAIRIE FARM ASSISTANCE ACT ADMINISTRATION (Continued)		
		Expenditure		
		1964-65.....	\$ 1,106,224	
		1965-66.....	793,070	
		1966-67 (estimated).....	979,000	
		Total, Vote 15.....	3,161,200	2,850,100
		Expenditure		
		1964-65.....	\$ 2,479,944	
		1965-66.....	2,359,849	
		1966-67 (estimated).....	2,851,600	
		Vote 17—Grants, Contributions and Subsidies as detailed in the Estimates		
		ESTIMATED AMOUNT REQUIRED TO RECOUP THE AGRICULTURAL COMMODITIES STABILIZATION ACCOUNT TO COVER THE NET OPERATING LOSS OF THE AGRICULTURAL STABILIZATION BOARD AS AT MARCH 31, 1968..... (20)	100,000,000	
		Expenditure		
		1964-65.....	\$ 57,118,000	
		1965-66.....	39,407,119	
		1966-67 (estimated).....	89,967,000	
		ESTIMATED AMOUNT REQUIRED TO RECOUP THE AGRICULTURAL PRODUCTS BOARD ACCOUNT TO COVER THE NET OPERATING LOSS RECORDED IN THE ACCOUNT AS AT MARCH 31, 1968..... (20)	9,000,000	
		Expenditure		
		1964-65.....	\$ 300,000	
		1965-66.....	1,619,121	
		1966-67 (estimated).....	5,663,000	

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		PRODUCTION AND MARKETING (Continued)		
		Administration (Continued)		
		Vote 17 (Continued)		
		ITEMS NOT REQUIRED FOR 1967-68		
		Subsidies for Cold Storage Warehouses under the Cold Storage Act.....		26,500
		Payments to eligible producers for manufactured milk and cream delivered to plants during the 1964-65 production year, payment to be made on the unit basis of one hundredweight of milk at the rate of		
		(a) 25c per hundredweight for amounts up to 47,999 pounds,		
		(b) 20c per hundredweight for amounts from 48,000 pounds up to 95,999 pounds, and		
		(c) 10c per hundredweight for amounts in excess of 95,999 pounds,		
		in accordance with terms and conditions prescribed by the Governor in Council.....		1,787,000
		(20)		1,813,500
		Total, Vote 17.....	109,000,000	1,813,500
		Expenditure		
		1964-65.....	\$ 57,862,887	
		1965-66.....	60,236,565	
		1966-67 (estimated).....	96,345,500	
		Statutory—Contributions to the Provinces under the Crop Insurance Act (Chap. 42 R.S., as amended).....	5,000,000	(20)
		Animal and Animal Products		
		Vote 20—Administration, Operation and Maintenance, including Canada's fee for membership in the International Dairy Federation		
		DAIRY PRODUCTS DIVISION—OPERATION AND MAINTENANCE INCLUDING CANADA'S FEE FOR MEMBERSHIP IN THE INTERNATIONAL DAIRY FEDERATION		
		Salaried Positions:		
		Executive, Scientific and Professional:		
		(\$16,000-\$18,000)		
1				
2	1	(\$14,000-\$16,000)		
4	2	(\$12,000-\$14,000)		
12	7	(\$10,000-\$12,000)		
14	16	(\$8,000-\$10,000)		
	7	(\$6,000-\$8,000)		
		Administrative and Foreign Service:		
		(\$8,000-\$10,000)		
3				
	2	(\$6,000-\$8,000)		

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		PRODUCTION AND MARKETING (Continued)		
		Animal and Animal Products (Continued)		
		Vote 20 (Continued)		
		DAIRY PRODUCTS DIVISION—OPERATION AND MAINTENANCE (Continued)		
		Salaried Positions (Continued):		
		Technical, Operational and Service:		
	1	(\$8,000-\$10,000)		
37	4	(\$6,000-\$8,000)		
42	68	(\$4,000-\$6,000)		
4	4	(Under \$4,000)		
4		(Part Time)		
2	1	(Seasonal)		
		Administrative Support:		
		(\$6,000-\$8,000)		
2		(\$4,000-\$6,000)		
29	12	(Under \$4,000)		
11	29	(Seasonal)		
	2			
		Prevailing Rate Positions:		
	2	(Full Time)		
169	158	Continuing Establishment.....	961,900	895,200
(166)	(157)	Casuals and Others.....	25,000	25,000
(10)	(10)			
(176)	(167)	Salaries and Wages (including \$112,600 allotted during 1966-67 from the Finance Contingencies		
		Vote for increases in rates of pay)..... (1)	986,900	920,200
		Overtime..... (1)	1,100	1,100
		Professional and Special Services..... (4)	4,000	4,000
		Travelling and Removal Expenses..... (5)	110,000	110,000
		Freight, Express and Cartage..... (6)	3,500	3,500
		Postage..... (7)	5,500	5,500
		Telephones and Telegrams..... (8)	10,300	10,300
		Publication of Reports and Other Material..... (9)	4,200	2,500
		Office Stationery, Supplies, Equipment and Furnishings..... (11)	21,800	12,000
		Materials and Supplies..... (12)	18,000	18,000
		Acquisition of Equipment..... (16)	16,000	18,000
		Repairs and Upkeep of Equipment..... (17)	7,000	7,000
		Membership in the International Dairy Federation..... (20)	1,600	2,400
		Unemployment Insurance Contributions..... (21)	500	500
		Sundries..... (22)	3,000	3,000
			1,193,400	1,118,000
		Expenditure		
		1964-65..... \$ 950,640		
		1965-66..... 980,040		
		1966-67 (estimated)..... 1,115,600		

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		PRODUCTION AND MARKETING (Continued)		
		Animal and Animal Products (Continued)		
		Vote 20 (Continued)		
		LIVESTOCK DIVISION—OPERATION AND MAINTENANCE INCLUDING CONTRIBUTIONS FOR LIVESTOCK IMPROVEMENT; STOCKYARD SUPERVISION AND FURS		
		Salaried Positions:		
		Executive, Scientific and Professional:		
1		(\$16,000-\$18,000)		
3	1	(\$14,000-\$16,000)		
10	3	(\$12,000-\$14,000)		
17	14	(\$10,000-\$12,000)		
72	26	(\$8,000-\$10,000)		
1	58	(\$6,000-\$8,000)		
		Administrative and Foreign Service:		
1		(\$12,000-\$14,000)		
1	1	(\$8,000-\$10,000)		
		Technical, Operational and Service:		
	1	(\$10,000-\$12,000)		
27	9	(\$6,000-\$8,000)		
266	280	(\$4,000-\$6,000)		
	2	(Under \$4,000)		
1	1	(Seasonal)		
		Administrative Support:		
5	1	(\$6,000-\$8,000)		
66	39	(\$4,000-\$6,000)		
25	54	(Under \$4,000)		
		Prevailing Rate Positions:		
	11	(Full Time)		
508	501	Continuing Establishment.....	2,859,000	2,708,390
(507)	(501)	Casuals and Others.....	30,000	23,710
(7)	(6)			
(514)	(507)	Salaries and Wages (including \$209,100 allotted during 1966-67 from the Finance Contingencies		
		Vote for increases in rates of pay).....(1)	2,889,000	2,732,100
		Overtime.....(1)	18,000	11,700
		Professional and Special Services.....(4)	17,400	17,400
		Travelling and Removal Expenses.....(5)	245,400	240,400
		Freight, Express and Cartage.....(6)	8,000	10,200
		Postage.....(7)	6,100	6,100
		Telephones and Telegrams.....(8)	22,000	23,100
		Publication of Reports and Other Material.....(9)	7,200	6,000
		Office Stationery, Supplies, Equipment and Furnishings.....(11)	55,000	38,000
		Printing of Premium Warrants for high grade hog carcasses and for high grade lamb carcasses.....(11)	59,800	46,800
		Materials and Supplies.....(12)	40,600	40,600
		Construction or Acquisition of Buildings and Works.....(13)		15,000
		Repairs and Upkeep of Buildings and Works.....(14)	10,000	10,000
		Acquisition of Equipment.....(16)	34,000	28,000
		Purchase of Livestock.....(16)	61,000	131,000
		Repairs and Upkeep of Equipment.....(17)	14,000	14,000
		Contributions for Livestock Improvement.....(20)	17,000	21,000
		Unemployment Insurance Contributions.....(21)	300	300
		Sundries.....(22)	18,500	18,700
			3,523,300	3,410,400

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		PRODUCTION AND MARKETING (Continued)		
		Animal and Animal Products (Continued)		
		Vote 20 (Continued)		
		LIVESTOCK DIVISION—OPERATION AND MAINTENANCE (Continued)		
			Expenditure	Revenue
		1964-65.....	\$ 2,959,380	\$ 188,371
		1965-66.....	3,091,105	286,500
		1966-67 (estimated).....	3,340,000	300,000
		LIVESTOCK DIVISION—SUPERVISION OF RACE TRACK BETTING		
		Salaried Positions:		
		Administrative and Foreign Service:		
		(\$14,000-\$16,000)		
1		(\$10,000-\$12,000)		
3		(\$8,000-\$10,000)		
1	3	Technical, Operational and Service:		
		(\$12,000-\$14,000)		
	1	Administrative Support:		
		(\$6,000-\$8,000)		
1		(\$4,000-\$6,000)		
11	8	(Under \$4,000)		
1	3			
18	15	Salaries (including \$12,600 allotted during 1966-67		
(18)	(15)	from the Finance Contingencies Vote for in-		
		creases in rates of pay)..... (1) 107,000 87,900		
		Overtime..... (1) 1,500 1,500		
		Professional and Special Services..... (4) 1,491,000 1,238,000		
		Travelling and Removal Expenses..... (5) 12,000 12,000		
		Freight, Express and Cartage..... (6) 500 500		
		Postage..... (7) 500 500		
		Telephones and Telegrams..... (8) 2,000 3,000		
		Office Stationery, Supplies, Equipment and Furnish-		
		ings..... (11) 10,000 5,000		
		Acquisition of Equipment..... (16) 200 500		
		Sundries..... (22) 200 300		
			1,623,400	1,349,200
			Expenditure	Revenue
		1964-65.....	\$ 1,046,251	\$ 1,272,592
		1965-66.....	1,259,657	1,524,676
		1966-67 (estimated).....	1,522,800	1,780,000
		POULTRY DIVISION—OPERATION AND MAINTENANCE		
		Salaried Positions:		
		Executive, Scientific and Professional:		
		(\$16,000-\$18,000)		
1		(\$14,000-\$16,000)		
3	1	(\$12,000-\$14,000)		
6	3	(\$10,000-\$12,000)		
13	11	(\$8,000-\$10,000)		
41	21	(\$6,000-\$8,000)		
1	29	Administrative and Foreign Service:		
		(\$8,000-\$10,000)		
1		(\$6,000-\$8,000)		

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		PRODUCTION AND MARKETING (Continued)		
		Animal and Animal Products (Continued)		
		Vote 25—Grants, Contributions and Subsidies in the amounts and subject to the terms specified in the sub-vote titles listed in the Details of Estimates		
		DAIRY PRODUCTS DIVISION—GRANTS AND OTHER ASSISTANCE IN ACCORDANCE WITH THE CHEESE AND CHEESE FACTORY IMPROVEMENT ACT		
		Subsidies for construction and reconstruction of cheese factories, improving cheese maturing facilities in cheese factories and the standardization of cheese pressing equipment.....(20)		
		Premiums on high quality cheese.....(20)	107,000	79,000
			1,642,000	1,600,000
			1,749,000	1,679,000
		Expenditure		
		1964-65.....	\$ 1,509,247	
		1965-66.....	1,711,564	
		1966-67 (estimated).....	1,679,000	
		LIVESTOCK DIVISION—GRANTS TO AGRICULTURAL FAIRS, EXHIBITIONS AND MUSEUMS IN ACCORDANCE WITH REGULATIONS OF THE GOVERNOR IN COUNCIL; PAYMENTS PURSUANT TO AGREEMENTS IN FORCE ON MARCH 31, 1967, WITH EXHIBITIONS COVERING THE CONSTRUCTION OF BUILDINGS AND OTHER MAJOR UNDERTAKINGS; AND A GRANT OF \$50,000 TO THE ROYAL AGRICULTURAL WINTER FAIR, TORONTO, AND FREIGHT ASSISTANCE ON LIVESTOCK SHIPMENTS FOR EXHIBITION THEREAT		
		Grants to Class "A" and Class "B" Fairs.....	1,100,000	1,100,000
		Grants to Winter and Spring Fairs.....	170,000	150,000
		Grants to Special Fairs.....	37,000	37,000
		Grants to Agricultural Museums.....	12,000	12,000
		General—		
		Freight on Livestock Shipments to and from the Royal Agricultural Winter Fair, Toronto.....	30,000	30,000
		Building Grants—		
		Grants to Agricultural Fairs, Exhibitions and Museums for construction of buildings and other major undertakings.....	14,000	14,000
		(20)	1,363,000	1,343,000
		Expenditure		
		1964-65.....	\$ 636,654	
		1965-66.....	963,061	
		1966-67 (estimated).....	1,200,000	

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		PRODUCTION AND MARKETING (Continued)		
		Animal and Animal Products (Continued)		
		Vote 25 (Continued)		
		LIVESTOCK DIVISION—GRANTS TO AGRICULTURAL ORGANIZATIONS AS DETAILED IN THE ESTIMATES		
		Canadian Seed Growers' Association.....	44,000	44,000
		Canadian Horticultural Council.....	8,400	8,400
		4-H Clubs organized in co-operation with Canadian Council on 4-H Clubs.....	145,200	143,000
		Canadian Council on 4-H Clubs.....	23,000	21,000
		Advanced Registry Board for Dairy Bulls.....	4,500	4,500
		Canadian National Livestock Records.....	50,000	50,000
		Canadian Hunter, Saddle and Light Horse Improvement Society.....	5,000	5,000
		British Columbia Beef Cattle Growers' Association....	900	900
		Canadian Council of Plowing Associations.....	5,000	5,000
		Federated Women's Institutes of Canada.....	10,000	10,000
		(20)	296,000	291,800
		Expenditure		
		1964-65.....	\$ 276,927	
		1965-66.....	282,607	
		1966-67 (estimated).....	288,000	
		LIVESTOCK DIVISION—PREMIUM WARRANTS FOR HIGH GRADE HOG CARCASSES AND FOR HIGH GRADE LAMB CARCASSES SUBJECT TO THE TERMS SPECIFIED IN AGRICULTURE VOTE 25 APPROPRIATION ACT NO. 10, 1964		
		Quality Premiums on High Grade Hog and Lamb Carcasses.....	(20) 9,514,200	9,868,300
		Expenditure		
		1964-65.....	\$ 8,831,256	
		1965-66.....	8,649,601	
		1966-67 (estimated).....	9,100,000	
		Total, Vote 25.....	12,922,200	13,182,100
		Expenditure		
		1964-65.....	\$ 11,254,084	
		1965-66.....	11,606,833	
		1966-67 (estimated).....	12,267,000	

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
PRODUCTION AND MARKETING (Continued)				
Plant and Plant Products				
Vote 30—Administration, Operation and Maintenance				
FRUIT AND VEGETABLE DIVISION INCLUDING MAPLE PRODUCTS AND HONEY—OPERATION AND MAINTENANCE				
Salaried Positions:				
Executive, Scientific and Professional:				
		(\$16,000-\$18,000)		
1		(\$14,000-\$16,000)		
3	1	(\$12,000-\$14,000)		
4	3	(\$10,000-\$12,000)		
10	9	(\$8,000-\$10,000)		
31	20	(\$6,000-\$8,000)		
	17			
Administrative and Foreign Service:				
		(\$8,000-\$10,000)		
1	1	(\$6,000-\$8,000)		
Technical, Operational and Service:				
		(\$6,000-\$8,000)		
45	15	(\$4,000-\$6,000)		
128	142	(Seasonal)		
132	136			
Administrative Support:				
		(\$6,000-\$8,000)		
4		(\$4,000-\$6,000)		
46	17	(Under \$4,000)		
9	42	(Seasonal)		
1	1			
415	404			
(393)	(381)	Continuing Establishment.....	2,143,700	2,022,100
(5)	(5)	Casuals and Others.....	17,500	17,500
(398)	(386)	Salaries and Wages (including \$276,100 allotted during 1966-67 from the Finance Contingencies Vote for increases in rates of pay)..... (1)	2,161,200	2,039,600
		Overtime..... (1)	111,800	111,800
		Professional and Special Services..... (4)	4,000	4,000
		Travelling and Removal Expenses..... (5)	187,000	175,000
		Freight, Express and Cartage..... (6)	3,000	3,000
		Postage..... (7)	4,500	4,500
		Telephones and Telegrams..... (8)	20,000	20,000
		Publication of Reports and Other Material..... (9)	40,400	40,400
		Office Stationery, Supplies, Equipment and Furnishings..... (11)	28,300	15,000
		Materials and Supplies..... (12)	4,500	4,500
		Repairs and Upkeep of Buildings and Works..... (14)	500	500
		Acquisition of Equipment..... (16)	24,000	24,000
		Repairs and Upkeep of Equipment..... (17)	14,000	14,000
		Municipal or Public Utility Services..... (19)	500	500
		Unemployment Insurance Contributions..... (21)	300	300
		Sundries..... (22)	3,000	3,000
			2,607,000	2,460,100
			Expenditure	Revenue
		1964-65.....	\$ 2,054,452	\$ 326,927
		1965-66.....	2,156,432	340,803
		1966-67 (estimated).....	2,460,100	413,000

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
PRODUCTION AND MARKETING (Continued)				
Plant and Plant Products (Continued)				
Vote 30 (Continued)				
PLANT PRODUCTS DIVISION—OPERATION AND MAINTENANCE INCLUDING SEEDS, FEEDS, FERTILIZERS, INSECTICIDES AND FUNGICIDES CONTROL				
Salaried Positions:				
Executive, Scientific and Professional:				
		(\$16,000-\$18,000)		
1				
3	1	(\$14,000-\$16,000)		
11	3	(\$12,000-\$14,000)		
20	16	(\$10,000-\$12,000)		
67	34	(\$8,000-\$10,000)		
	43	(\$6,000-\$8,000)		
Administrative and Foreign Service:				
1		(\$8,000-\$10,000)		
1	1	(\$6,000-\$8,000)		
Technical, Operational and Service:				
1		(\$14,000-\$16,000)		
	1	(\$12,000-\$14,000)		
1		(\$8,000-\$10,000)		
44	41	(\$6,000-\$8,000)		
141	139	(\$4,000-\$6,000)		
1	1	(Under \$4,000)		
9	8	(Seasonal)		
Administrative Support:				
5		(\$6,000-\$8,000)		
60	24	(\$4,000-\$6,000)		
12	53	(Under \$4,000)		
2	2	(Seasonal)		
Prevailing Rate Positions:				
5	4	(Full Time)		
385	371			
(380)	(366)	Continuing Establishment.....	2,174,200	2,009,600
(16)	(13)	Casuals and Others.....	59,800	50,000
(396)	(379)	Salaries and Wages (including \$198,600 allotted during 1966-67 from the Finance Contingencies Vote for increases in rates of pay).....	2,234,000	2,059,600
		Overtime.....(1)	2,300	2,300
		Professional and Special Services.....(4)	52,500	27,500
		Travelling and Removal Expenses.....(5)	135,000	129,800
		Freight, Express and Cartage.....(6)	6,000	7,000
		Postage.....(7)	6,500	6,500
		Telephones and Telegrams.....(8)	15,800	14,100
		Publication of Reports and Other Material.....(9)	8,500	2,500
		Office Stationery, Supplies, Equipment and Furnishings.....(11)	59,900	49,600
		Materials and Supplies.....(12)	57,500	54,500
		Acquisition of Equipment.....(16)	82,700	70,000
		Repairs and Upkeep of Equipment.....(17)	20,000	26,700
		Municipal or Public Utility Services.....(19)	500	100
		Unemployment Insurance Contributions.....(21)	500	500
		Sundries.....(22)	5,400	5,200
			2,686,600	2,455,900
			Expenditure	Revenue
1964-65.....		\$ 2,116,202	\$ 291,289	
1965-66.....		2,324,557	310,218	
1966-67 (estimated).....		2,455,900	293,000	

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		PRODUCTION AND MARKETING (Continued)		
		Plant and Plant Products (Continued)		
		Vote 30 (Continued)		
		PLANT PROTECTION DIVISION—OPERATION AND MAINTENANCE		
		Salaried Positions:		
		Executive, Scientific and Professional:		
1		(\$16,000-\$18,000)		
3	1	(\$14,000-\$16,000)		
8	3	(\$12,000-\$14,000)		
11	9	(\$10,000-\$12,000)		
92	46	(\$8,000-\$10,000)		
	57	(\$6,000-\$8,000)		
		Administrative and Foreign Service:		
1		(\$8,000-\$10,000)		
	1	(\$6,000-\$8,000)		
		Technical, Operational and Service:		
15	1	(\$6,000-\$8,000)		
71	58	(\$4,000-\$6,000)		
	6	(Seasonal)		
		Administrative Support:		
5		(\$6,000-\$8,000)		
39	19	(\$4,000-\$6,000)		
4	27	(Under \$4,000)		
250	228	Continuing Establishment.....	1,697,300	1,518,000
(250)	(225)	Casuals and Others.....	55,700	22,000
(13)	(6)			
(263)	(231)	Salaries and Wages (including \$243,000 allotted during 1966-67 from the Finance Contingencies Vote for increases in rates of pay)..... (1)	1,753,000	1,540,000
		Overtime..... (1)	14,000	12,000
		Professional and Special Services..... (4)	20,000	20,000
		Travelling and Removal Expenses..... (5)	162,000	176,000
		Freight, Express and Cartage..... (6)	2,400	1,400
		Postage..... (7)	2,000	2,000
		Telephones and Telegrams..... (8)	13,400	12,600
		Publication of Reports and Other Material..... (9)	2,300	900
		Office Stationery, Supplies, Equipment and Furnishings..... (11)	42,000	28,000
		Materials and Supplies..... (12)	74,000	180,000
		Construction or Acquisition of Buildings, Works and Land..... (13)	545,000	470,000
		Repairs and Upkeep of Buildings and Works..... (14)	2,500	2,500
		Rental of Buildings and Land..... (15)	264,300	264,300
		Acquisition of Equipment..... (16)	39,000	43,000
		Repairs and Upkeep of Equipment..... (17)	16,500	16,000
		Rental of Equipment..... (18)	18,500	28,000
		Municipal or Public Utility Services..... (19)	5,000	5,000
		Unemployment Insurance Contributions..... (21)	200	400
		Sundries..... (22)	2,200	1,400
			2,978,300	2,803,500

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		PRODUCTION AND MARKETING (Continued)		
		Plant and Plant Products (Continued)		
		Vote 30 (Continued)		
		PLANT PROTECTION DIVISION—OPERATION AND MAINTENANCE (Continued)		
		Expenditure		
		1964-65.....	\$ 1,397,370	
		1965-66.....	1,725,911	
		1966-67 (estimated).....	2,627,000	
		Total, Vote 30.....	8,271,900	7,719,500
		Expenditure Revenue		
		1964-65.....	\$ 5,568,024	\$ 618,216
		1965-66.....	6,206,900	651,021
		1966-67 (estimated).....	7,543,000	706,000
		Vote 35—Grants, Contributions and Subsidies as detailed in the Estimates		
		PLANT PRODUCTS DIVISION—CONTRIBUTION TO BRITISH COLUMBIA, IN ACCORDANCE WITH TERMS AND CON- DITIONS PRESCRIBED BY THE MINISTER OF AGRICUL- TURE, OF ONE-HALF OF THE AGGREGATE OF AMOUNTS PAID BY THE PROVINCE TO ELIGIBLE TREE FRUIT AND GRAPE PRODUCERS, OR IN RESPECT OF SUCH PRO- DUCERS, AS A RESULT OF VINE, FRUIT TREE AND CROP LOSSES INCURRED BY SUCH PRODUCERS DUR- ING THE PERIOD DECEMBER 1, 1964 TO NOVEMBER 30, 1965; AND TO AUTHORIZE, IN ACCORDANCE WITH TERMS AND CONDITIONS PRESCRIBED BY THE MIN- ISTER OF AGRICULTURE, A CONTRIBUTION TO THE PROVINCE IN RESPECT OF THE ADMINISTRATIVE COSTS INCURRED IN MAKING SUCH PAYMENTS TO PRODUCERS..... (20)	100,000	1,000,000
		Expenditure		
		1964-65.....	\$	
		1965-66.....	1,000,000	
		1966-67 (estimated).....	1,436,100	
		PLANT PROTECTION DIVISION—CONTRIBUTIONS TO THE PROVINCES OF ONTARIO AND QUEBEC IN ACCORDANCE WITH TERMS AND CONDITIONS PRESCRIBED BY THE GOVERNOR IN COUNCIL OF ONE-HALF THE AMOUNTS PAID BY THE PROVINCES FOR BARBERRY ERADICA- TION..... (20)	120,000	175,000
		Expenditure		
		1964-65.....	\$ 91,929	
		1965-66.....	98,953	
		1966-67 (estimated).....	115,000	

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		PRODUCTION AND MARKETING (Continued)		
		Plant and Plant Products (Continued)		
		Vote 35 (Continued)		
		PLANT PROTECTION DIVISION—COMPENSATION, PURSUANT TO THE DESTRUCTIVE INSECT AND PEST ACT, IN RESPECT OF ANY CROP DESTROYED IN ACCORDANCE WITH THAT ACT..... (20)	32,000	140,000
		Expenditure		
		1964-65..... \$.....		
		1965-66..... 180,227		
		1966-67 (estimated)..... 227,000		
		PLANT PROTECTION DIVISION—NOTWITHSTANDING THE DESTRUCTIVE INSECT AND PEST ACT, TO PAY ADDITIONAL COMPENSATION TO OWNERS OF ANY CROP DESTROYED DURING THE FISCAL YEARS 1965-66 AND 1966-67 UNDER THE AUTHORITY OF THAT ACT TO COMEAT THE GOLDEN NEMATODE ON THE BASIS OF 50 PER CENT OF THE AMOUNTS PAID OR PAYABLE UNDER THAT ACT..... (20)	16,000	157,000
		Expenditure		
		1964-65..... \$.....		
		1965-66.....		
		1966-67 (estimated)..... 204,000		
		ITEMS NOT REQUIRED FOR 1967-68		
		Plant Protection Division—Compensation, as approved by the Governor in Council, to growers for the amounts determined by the Minister of Agriculture to be the losses incurred in the marketing of nursery stock and potatoes as a result of actions taken under the Destructive Insect and Pest Act to combat the Golden Nematode.....		148,000
		Plant Products Division—Payments, in accordance with terms and conditions prescribed by the Minister of Agriculture, to eligible producers in Lake St. John and Abitibi-Temiskaming Regions of Quebec, in respect of the aggregate loss of agricultural income suffered by all producers in each such region during the period July 1, 1964 to June 30, 1965, total payments to all such eligible producers not to exceed the lesser of \$1 million or one-half the amount required to bring the aggregate of the agricultural income of each such region in the aforementioned period up to 66% of the aggregate of the agricultural income of each such region in the twelve-month period commencing July 1, 1963 and ending June 30, 1964.....		1

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		PRODUCTION AND MARKETING (Continued)		
		Plant and Plant Products (Continued)		
		Vote 35 (Continued)		
		ITEMS NOT REQUIRED FOR 1967-68 (Continued)		
		Fruit and Vegetable Division—Assistance in construction of Potato Warehouses under terms and conditions approved by the Governor in Council.....		19,100
		Plant Products Division—Agricultural Lime Assistance.....		1,608,900
		Plant Products Division—Contributions to Ontario, Quebec and New Brunswick, in accordance with terms and conditions prescribed by the Minister of Agriculture, of one-half of the aggregate of amounts paid by each such province in assisting eligible livestock producers, who were affected by adverse weather conditions, to obtain feed during the period May 16, 1965 to May 31, 1966.....		9,164,000
		Plant Products Division—Contributions to Quebec and Prince Edward Island in accordance with terms and conditions prescribed by the Minister of Agriculture of one-half of the aggregate amounts paid by each such province in assisting eligible agricultural producers who were affected by adverse weather conditions in 1965.....		1,150,000
		(20)		12,090,001
		Total, Vote 35	268,000	13,562,001
		Expenditure		
		1964-65.....	\$ 2,179,060	
		1965-66.....	10,208,916	
		1966-67 (estimated).....	12,733,800	
		HEALTH OF ANIMALS		
		Vote 40—Administration, Operation and Maintenance, including Canada's fee for membership in the Office International des Epizooties, and authority, notwithstanding the Financial Administration Act, to spend revenue received during the year from packers requiring special services		
		Salaried Positions:		
		Executive, Scientific and Professional:		
	1	Senior Officer 2 (\$18,500-\$22,750)		
	1	(\$18,000-\$20,000)		
	8	(\$16,000-\$18,000)		
	31	(\$14,000-\$16,000)		
	17	(\$12,000-\$14,000)		
	324	(\$10,000-\$12,000)		
	211	(\$8,000-\$10,000)		
	1	(\$6,000-\$8,000)		
		Administrative and Foreign Service:		
	1	(\$10,000-\$12,000)		
	9	(\$8,000-\$10,000)		
	2	(\$6,000-\$8,000)		

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
HEALTH OF ANIMALS (Continued)				
Vote 40 (Continued)				
Salaried Positions: (Continued)				
Technical, Operational and Service:				
109	7	(\$6,000-\$8,000)		
885	856	(\$4,000-\$6,000)		
12	15	(Under \$4,000)		
4	4	(Part Time)		
1	1	(Seasonal)		
Administrative Support:				
3	1	(\$6,000-\$8,000)		
165	51	(\$4,000-\$6,000)		
22	128	(Under \$4,000)		
43	41	(Part Time)		
Prevailing Rate Positions:				
49	51	(Full Time)		
2	2	(Part Time)		
38	38	(Seasonal)		
1,939	1,789	Continuing Establishment.....	12,502,000	11,298,600
(1,904)	(1,755)	Casuals and Others.....	170,000	117,000
(41)	(41)			
(1,945)	(1,796)	Salaries and Wages (including \$1,237,600 allotted during 1966-67 from the Finance Contingencies		
		Vote for increases in rates of pay).....(1)	12,672,000	11,415,600
		Overtime.....(1)	980,000	775,000
		Allowances.....(2)	11,500	11,000
		Professional and Special Services.....(4)	700,000	843,000
		Travelling and Removal Expenses.....(5)	867,200	800,000
		Freight, Express and Cartage.....(6)	66,000	64,000
		Postage.....(7)	34,000	34,000
		Telephones and Telegrams.....(8)	79,400	70,000
		Publication of Reports and Other Material.....(9)	8,200	7,600
		Office Stationery, Supplies, Equipment and Furnishings.....(11)	115,000	100,000
		Materials and Supplies.....(12)	417,000	367,400
		Vaccine for Control of Brucellosis.....(12)	215,000	280,000
		Construction or Acquisition of Buildings, Works and Land.....(13)	145,000	390,000
		Repairs and Upkeep of Buildings and Works.....(14)	95,000	62,400
		Rental of Land, Buildings and Structures.....(15)	9,500	8,000
		Acquisition of Equipment.....(16)	310,000	260,000
		Repairs and Upkeep of Equipment.....(17)	100,000	80,000
		Municipal or Public Utility Services.....(19)	14,300	14,000
		Membership in the Office International des Epizooties.....(20)	5,600	5,600
		Unemployment Insurance Contributions.....(21)	3,300	3,300
		Sundries.....(22)	124,800	100,000
			16,972,800	15,690,900
		Less—Amount recoverable from packers requiring special services.....(34)	840,000	642,000
			16,132,800	15,048,900
			Expenditure	
1964-65.....			\$ 12,035,103	
1965-66.....			13,864,593	
1966-67 (estimated).....			15,196,900	

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
HEALTH OF ANIMALS (Continued)				
Vote 45—Grants, Contributions and Subsidies as detailed in the Estimates				
HEALTH OF ANIMALS—COMPENSATION FOR ANIMALS SLAUGHTERED..... (20)				
			600,000	686,600
		Expenditure		
		1964-65.....	\$ 1,436,321	
		1965-66.....	995,464	
		1966-67 (estimated).....	686,600	
HEALTH OF ANIMALS—CONTRIBUTIONS TO THE PROVINCES, IN ACCORDANCE WITH REGULATIONS OF THE GOVERNOR IN COUNCIL, OF AMOUNTS NOT EXCEEDING TWO-FIFTHS OF THE AMOUNTS PAID BY THE PROVINCES TO OWNERS OF ANIMALS THAT HAVE DIED AS A RESULT OF RABIES..... (20)				
			21,000	35,000
		Expenditure		
		1964-65.....	\$ 18,990	
		1965-66.....	45,500	
		1966-67 (estimated).....	35,000	
HEALTH OF ANIMALS—CONTRIBUTION TOWARDS THE COST OF CONSTRUCTING AND EQUIPPING A VETERINARY COLLEGE AT THE UNIVERSITY OF SASKATCHEWAN, SASKATOON..... (20)				
			750,000	325,000
		Expenditure		
		1964-65.....	\$.....	
		1965-66.....	80,341	
		1966-67 (estimated).....	458,000	
HEALTH OF ANIMALS—PAYMENT OF COMPENSATION AT THE RATES DETERMINED IN THE MANNER PROVIDED BY SECTION 12 OF THE ANIMAL CONTAGIOUS DISEASES ACT, TO OWNERS OF ANIMALS AFFECTED WITH DISEASES COMING UNDER THAT ACT, THAT HAVE DIED OR HAVE BEEN SLAUGHTERED IN CIRCUMSTANCES NOT COVERED BY THE ACT AND REGULATIONS MADE THEREUNDER..... (20)				
			8,000	
		Expenditure		
		1964-65.....	\$ 12,311	
		1965-66.....	3,743	
		1966-67 (estimated).....	8,000	
HEALTH OF ANIMALS—PAYMENT OF INDEMNITY, UNDER TERMS AND CONDITIONS APPROVED BY THE GOVERNOR IN COUNCIL, TO OWNERS OF ANIMALS THAT HAVE DIED AS A RESULT OF ANTHRAX..... (20)				
			2,000	2,000

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
HEALTH OF ANIMALS (Continued)				
Vote 45 (Continued)				
HEALTH OF ANIMALS—PAYMENT OF INDEMNITY (Continued)				
		Expenditure		
		1964-65.....	\$ 1,467,622	
		1965-66.....	4,955	
		1966-67 (estimated).....	2,000	
		Total, Vote 45.....	1,381,000	1,048,600
		Expenditure		
		1964-65.....	\$ 1,467,622	
		1965-66.....	1,130,003	
		1966-67 (estimated).....	1,189,600	
BOARD OF GRAIN COMMISSIONERS				
Statutory—Salaries of the Commissioners (Chap. 25, R.S., as amended)				
1	1	Chief Commissioner (\$19,000)		
2	2	Commissioner (\$17,000)		
3	3	Salaries.....(1)	53,000	53,000
(3)	(3)			
Vote 50—Administration, Operation and Maintenance including Canada's fee for membership in the International Association of Cereal Chemistry and authority to purchase screenings				
ADMINISTRATION				
Salaried Positions:				
		Executive, Scientific and Professional:		
		Senior Officer 1 (\$16,500-\$20,500)		
		(\$12,000-\$14,000)		
		(\$10,000-\$12,000)		
		Administrative and Foreign Service:		
		(\$16,000-\$18,000)		
		(\$14,000-\$16,000)		
		(\$12,000-\$14,000)		
		(\$10,000-\$12,000)		
		(\$8,000-\$10,000)		
		(\$6,000-\$8,000)		
		Technical, Operational and Service:		
		(\$4,000-\$6,000)		
		Administrative Support:		
		(\$6,000-\$8,000)		
		(\$4,000-\$6,000)		
		(Under \$4,000)		
27	27	Salaries (including \$19,900 allotted during 1966-67 from the Finance Contingencies Vote for increases in rates of pay).....(1)	225,700	212,900
(27)	(27)	Professional and Special Services.....(4)	800	800

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
BOARD OF GRAIN COMMISSIONERS (Continued)				
Vote 50 (Continued)				
ADMINISTRATION (Continued)				
		Travelling and Removal Expenses..... (5)	33,000	32,000
		Freight, Express and Cartage..... (6)	300	300
		Postage..... (7)	1,000	1,000
		Telephones and Telegrams..... (8)	5,000	7,700
		Publication of Reports and Other Material..... (9)	4,000	4,000
		Advertising and Publicity..... (10)	36,500	11,400
		Office Stationery, Supplies, Equipment and Furnishings..... (11)	2,500	2,500
		Materials and Supplies..... (12)	500	500
		Rental of Buildings..... (15)	22,500	22,500
		Repairs and Upkeep of Equipment..... (17)	1,200	1,200
		Light and Power..... (19)	1,200	1,000
		Unemployment Insurance Contributions..... (21)	100	100
		Sundries..... (22)	500	500
			334,800	298,400
		Expenditure		
		1964-65..... \$	212,392	
		1965-66.....	247,137	
		1966-67 (estimated).....	298,400	
INSPECTION AND WEIGHING OF GRAIN AND RELATED SERVICES				
Salaried Positions:				
Executive, Scientific and Professional:				
4		(\$16,000-\$18,000)		
3	3	(\$14,000-\$16,000)		
3	3	(\$12,000-\$14,000)		
6	4	(\$10,000-\$12,000)		
6	10	(\$8,000-\$10,000)		
4	5	(\$6,000-\$8,000)		
Administrative and Foreign Service:				
1		(\$16,000-\$18,000)		
4		(\$14,000-\$16,000)		
2		(\$12,000-\$14,000)		
	1	(\$10,000-\$12,000)		
5	2	(\$8,000-\$10,000)		
2	1	(\$6,000-\$8,000)		
Technical, Operational and Service:				
	1	(\$12,000-\$14,000)		
2	4	(\$10,000-\$12,000)		
10	3	(\$8,000-\$10,000)		
165	165	(\$6,000-\$8,000)		
275	277	(\$4,000-\$6,000)		
	6	(Under \$4,000)		
242	244	(Seasonal)		
Administrative Support:				
9	7	(\$6,000-\$8,000)		
90	52	(\$4,000-\$6,000)		
23	54	(Under \$4,000)		
Prevailing Rate Positions:				
	2	(Seasonal)		
857	844			

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
BOARD OF GRAIN COMMISSIONERS (Continued)				
Vote 50 (Continued)				
INSPECTION AND WEIGHING OF GRAIN AND RELATED SERVICES (Continued)				
(856) (15)	(843) (15)	Continuing Establishment.....	4,828,500	4,465,300
		Casuals and Others.....	58,000	58,000
(871)	(858)	Salaries and Wages (including \$256,300 allotted during 1966-67 from the Finance Contingencies Vote for increases in rates of pay)..... (1)	4,886,500	4,523,300
		Overtime..... (1)	425,000	325,000
		Allowances..... (2)	36,000	29,000
		Professional and Special Services..... (4)	8,700	8,000
		Travelling and Removal Expenses..... (5)	180,000	144,500
		Freight, Express and Cartage..... (6)	33,000	32,200
		Postage..... (7)	11,500	11,000
		Telephones and Telegrams..... (8)	30,200	28,900
		Publication of Reports and Other Material..... (9)	15,700	17,300
		Office Stationery, Supplies, Equipment and Furnishings..... (11)	184,300	107,000
		Materials and Supplies..... (12)	55,400	44,100
		Repairs and Upkeep of Buildings and Works..... (14)	11,500	10,000
		Rental of Buildings..... (15)	215,600	179,700
		Repairs and Upkeep of Equipment..... (17)	10,600	7,600
		Municipal or Public Utility Services..... (19)	19,500	17,400
		Membership in the International Association of Cereal Chemists..... (20)	300	1,700
		Unemployment Insurance Contributions..... (21)	1,500	3,900
		Sundries..... (22)	4,800	
			6,130,100	5,490,600
			Expenditure Revenue	
			\$ 4,882,431	\$3,689,413
			5,259,536	4,715,660
			5,557,700	5,959,500
CANADIAN GOVERNMENT ELEVATORS—OPERATION AND MAINTENANCE INCLUDING AUTHORITY TO PURCHASE SCREENINGS				
Salaried Positions:				
Administrative and Foreign Service:				
		(\$16,000-\$18,000)		
1	1	(\$14,000-\$16,000)		
1	1	(\$8,000-\$10,000)		
Technical, Operational and Service:				
5	3	(\$8,000-\$10,000)		
29	10	(\$6,000-\$8,000)		
100	121	(\$4,000-\$6,000)		
3	26	(Under \$4,000)		
Administrative Support:				
5	1	(\$6,000-\$8,000)		
14	16	(\$4,000-\$6,000)		
	6	(Under \$4,000)		
158	185			

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
BOARD OF GRAIN COMMISSIONERS (Continued)				
Vote 50 (Continued)				
CANADIAN GOVERNMENT ELEVATORS—OPERATION AND MAINTENANCE INCLUDING AUTHORITY TO PURCHASE SCREENINGS (Continued)				
(158)	(185)	Continuing Establishment.....	880,000	898,600
(33)	(36)	Casuals and Others.....	175,000	158,000
(191)	(221)	Salaries and Wages (including \$38,600 allotted during 1966-67 from the Finance Contingencies Vote for increases in rates of pay)..... (1)	1,055,000	1,056,600
		Overtime..... (1)	75,000	30,000
		Allowances..... (2)	4,800	5,000
		Professional and Special Services..... (4)	500	500
		Travelling and Removal Expenses..... (5)	10,000	10,000
		Freight, Express and Cartage..... (6)	900	900
		Postage..... (7)	1,300	1,300
		Telephones, Telegrams and Other Communication Services..... (8)	14,000	10,700
		Office Stationery, Supplies, Equipment and Furnishings..... (11)	2,500	5,300
		Materials and Supplies..... (12)	30,000	30,000
		Repairs and Upkeep of Buildings and Works..... (14)	147,300	201,300
		Rental of Land, Buildings and Works..... (15)	7,000	7,000
		Repairs and Upkeep of Equipment..... (17)	2,000	2,000
		Public Utility Services..... (19)	280,000	270,000
		Unemployment Insurance Contributions..... (21)	3,000	2,000
		Sundries..... (22)	30,000	30,000
			1,663,300	1,662,600
		Expenditure Revenue		
		1964-65..... \$ 1,495,122 \$1,222,028		
		1965-66..... 1,585,552 1,566,150		
		1966-67 (estimated)..... 1,708,400 1,300,000		
		Total, Vote 50.....	8,128,200	7,451,600
		Expenditure Revenue		
		1964-65..... \$ 6,589,945 \$4,911,441		
		1965-66..... 7,092,225 6,281,810		
		1966-67 (estimated)..... 7,564,500 7,259,500		
Vote 51—Construction or Acquisition of Buildings, Works, Land and Equipment				
ADMINISTRATION				
		Construction or Acquisition of Equipment..... (16)	17,000	800
		Expenditure		
		1964-65..... \$ 33		
		1965-66..... 194		
		1966-67 (estimated)..... 800		

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
BOARD OF GRAIN COMMISSIONERS (Continued)				
Vote 51 (Continued)				
INSPECTION AND WEIGHING OF GRAIN				
		Construction or Acquisition of Equipment..... (16)	150,000	110,700
		Expenditure		
		1964-65..... \$	117,485	
		1965-66.....	92,369	
		1966-67 (estimated).....	110,700	
CANADIAN GOVERNMENT ELEVATORS				
		Construction or Acquisition of Buildings, Works, and Land..... (13)	2,085,000	1,051,900
		Construction or Acquisition of Equipment..... (16)	15,000	2,000
			2,100,000	1,053,900
		Expenditure		
		1964-65..... \$	115,331	
		1965-66.....	98,866	
		1966-67 (estimated).....	3,900	
		Total, Vote 51.....	2,267,000	1,165,400
		Expenditure		
		1964-65..... \$	232,849	
		1965-66.....	191,429	
		1966-67 (estimated).....	115,400	
LAND REHABILITATION, IRRIGATION AND WATER STORAGE PROJECTS				
Vote 55—Irrigation and Water Storage Projects in the Western Provinces including the South Saskatchewan River Project, the Prairie Farm Rehabilitation Act Program, Land Protection, Reclamation and Development—Administration, Operation and Maintenance, including Canada's fee for membership in the International Com- mission on Irrigation and Drainage				
Salaried Positions:				
Executive, Scientific and Professional:				
2	2	(\$18,000-\$20,000)		
2	2	(\$16,000-\$18,000)		
13	2	(\$14,000-\$16,000)		
15	13	(\$12,000-\$14,000)		
21	36	(\$10,000-\$12,000)		
58	58	(\$8,000-\$10,000)		
Administrative and Foreign Service:				
2	2	(\$16,000-\$18,000)		
3	2	(\$14,000-\$16,000)		
4	2	(\$12,000-\$14,000)		
8	2	(\$10,000-\$12,000)		
27	9	(\$8,000-\$10,000)		
3	9	(\$6,000-\$8,000)		

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
LAND REHABILITATION, IRRIGATION AND WATER STORAGE PROJECTS (Continued)				
Vote 55 (Continued)				
Salaried Positions: (Continued)				
Technical, Operational and Service:				
	2	(\$12,000-\$14,000)		
9	8	(\$10,000-\$12,000)		
25	22	(\$8,000-\$10,000)		
201	176	(\$6,000-\$8,000)		
348	409	(\$4,000-\$6,000)		
19	41	(Under \$4,000)		
44	44	(Seasonal)		
Administrative Support:				
	4	(\$6,000-\$8,000)		
9	51	(\$4,000-\$6,000)		
95	56	(Under \$4,000)		
15				
Prevailing Rate Positions:				
	149	(Full Time)		
137	113	(Seasonal)		
115				
1,175	1,210			
(1,124)	(1,159)			
(70)	(75)			
(1,194)	(1,234)			
		Continuing Establishment.....	6,031,000	6,036,810
		Casuals and Others.....	245,000	242,590
		Salaries and Wages (including \$249,400 allotted during 1966-67 from the Finance Contingencies Vote for increases in rates of pay)..... (1)	6,276,000	6,279,400
		Overtime..... (1)	135,000	125,000
		Professional and Special Services..... (4)	174,700	219,900
		Travelling and Removal Expenses..... (5)	510,200	484,700
		Freight, Express and Cartage..... (6)	14,200	17,500
		Postage..... (7)	14,000	14,000
		Telephones and Telegrams..... (8)	90,800	77,800
		Publication of Reports and Other Material..... (9)	9,000	4,000
		Advertising for Tenders..... (10)	12,800	11,400
		Office Stationery, Supplies, Equipment and Furnishings..... (11)	110,000	103,000
		Materials and Supplies..... (12)	555,500	568,900
		Fuel for Heating..... (12)	26,600	26,600
		Repairs and Upkeep of Buildings, Structures and Works..... (14)	1,069,200	1,089,600
		Rental of Land and Buildings..... (15)	14,300	11,100
		Repairs and Upkeep of Equipment..... (17)	369,400	393,800
		Rental of Equipment..... (18)	125,700	171,600
		Municipal or Public Utility Services..... (19)	124,800	108,500
		Membership in the International Commission on Irrigation and Drainage..... (20)	1,000	800
		Assistance in Moving and Re-establishment of Settlers..... (20)	1,000	1,000
		Unemployment Insurance Contributions..... (21)	14,800	13,800
		Sundries..... (22)	39,000	35,000
			9,688,000	9,757,400
(Further Details)				
		Administration.....	752,000	691,800
		Community Pastures.....	1,748,000	1,821,000
		Water Development.....	937,000	882,200
		Irrigation Projects, Southwestern Saskatchewan.....	363,000	370,300
		Supply, Equipment and Service Depot.....	872,000	761,800
		Tree Nursery Station.....	594,000	531,400

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		LAND REHABILITATION, IRRIGATION AND WATER STORAGE PROJECTS (Continued)		
		Vote 55 (Continued)		
		(Further Details) (Continued)		
		Bow River Irrigation Project.....	1,145,000	1,006,300
		Engineering Services for Major Irrigation, Reclamation and Conservation Projects.....	2,425,000	2,115,900
		Buffalo Pound Lake Reservoir.....	10,000	10,000
		St. Mary Irrigation Project.....	213,000	293,700
		South Saskatchewan River Project.....	629,000	1,273,000
			9,688,000	9,757,400
		Expenditure Revenue		
		1964-65.....	\$ 8,460,514	\$2,202,372
		1965-66.....	8,737,867	2,471,818
		1966-67 (estimated).....	9,557,400	2,600,000
		Vote 60—Irrigation and Water Storage Projects in the Western Provinces including the South Saskatchewan River Project, the Prairie Farm Rehabilitation Act Program, Land Protection, Reclamation and Development—Construction or Acquisition of Buildings, Works, Land and Equipment		
		Construction or Acquisition of Buildings, Works and Land.....	13,997,600	22,308,000
		Construction or Acquisition of Equipment.....	647,400	653,000
			14,645,000	22,961,000
		(Further Details)		
		Community Pastures.....	875,000	900,000
		Water Development.....	2,430,000	2,014,000
		Supply, Equipment and Service Depot.....	430,000	423,000
		Tree Nursery Station.....	203,000	254,000
		Bow River Irrigation Project.....	595,000	478,000
		Buffalo Pound Lake Reservoir.....	10,000	15,000
		St. Mary Irrigation Project.....	400,000	412,000
		South Saskatchewan River Project.....	3,517,000	13,538,000
		Shellmouth Dam and Portage Diversion.....	6,155,000	4,857,000
		Assiniboine and Qu'Appelle Rivers-Dyking and Cut-offs.....	30,000	60,000
		Land Protection and Reclamation.....		10,000
			14,645,000	22,961,000
		Expenditure Revenue		
		1964-65.....	\$ 22,342,753	\$3,796,339
		1965-66.....	25,080,023	1,838,879
		1966-67 (estimated).....	18,406,000	2,750,000

FORESTRY AND RURAL DEVELOPMENT

No. of Vote	Service	1967-68	1966-67	Change	
				Increase	Decrease
		\$	\$	\$	\$
A—DEPARTMENT					
(S)	Minister of Forestry and Rural Development—Salary and Motor Car Allowance (Details, page 184).....	17,000	17,000		
1	Departmental Administration (Details, page 184).....	1,714,500	1,280,900	433,600	
3	Construction of extension to Research Laboratory in Pointe Claire, Quebec, for use by the Pulp and Paper Research Institute of Canada (Details, page 185).....	253,000	750,000		497,000
—	Appropriation not required for 1967-68 (Details page 185).....		1		1
		1,967,500	2,030,901		63,401
FORESTRY					
15	Administration, Operation and Maintenance, including grants as detailed in the Estimates (Details, page 186).....	16,943,500	12,728,400	4,215,100	
20	Construction or Acquisition of Buildings, Works, Land and Equipment (Details, page 189).....	3,952,000	3,063,300	888,700	
23	Contributions to the Provinces in the amounts and subject to the terms specified in the Details of Estimates (Details, page 190)....	1,750,000	9,410,000		7,660,000
		22,645,500	25,201,700		2,556,200
RURAL DEVELOPMENT					
25	Agricultural and Rural Development Act Program, Rural Economic Development Act Program and Maritime Marshland Rehabilitation Act Program—Administration, Operation and Maintenance (Details, page 191).....	2,256,500	1,338,000	918,500	
30	Agricultural and Rural Development Act Program and Maritime Marshland Rehabilitation Act Program—Construction or Acquisition of Buildings, Works, Land and Equipment including authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the Province of New Brunswick of the cost of the Petitcodiac River Dam Project (Details, page 193).....	1,608,700	1,048,900	559,800	
35	Payments in respect of projects and programs under the Agricultural and Rural Development Act, and payments to Provinces pursuant to agreements entered into under that Act (Details, page 193).....	22,000,000	22,000,000		
(S)	Fund for Rural Economic Development—Project Payments (Details, page 193).....	11,000,000		11,000,000	
		36,865,200	24,386,900	12,478,300	

No. of Vote	Service	1967-68	1966-67	Change	
				Increase	Decrease
		\$	\$	\$	\$
SUMMARY					
	To be voted	50,478,200	51,619,501		1,141,301
	Authorized by Statute	11,017,000	17,000	11,000,000	
		61,495,200	51,636,501	9,858,699	
B—CANADIAN LIVESTOCK FEED BOARD					
40	Administration and Operation (Details, page 194)	156,000		156,000	
45	Freight Assistance on Western Feed Grains including assistance in respect of grain storage costs in accordance with the terms and conditions prescribed by the Governor in Council (Details, page 194)	22,000,000	21,700,000	300,000	
		22,156,000	21,700,000	456,000	

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		Approximate Value of Major Services not included in these Estimates		
		Accommodation (provided by the Department of Public Works).....	588,800	609,800
		Accommodation (in this Department's own buildings).	511,500	504,400
		Accounting and cheque issue services (Comptroller of the Treasury).....	289,700	235,400
		Contributions to Superannuation Account (Department of Finance).....	857,100	443,800
		Contributions to Canada Pension Plan Account and Quebec Pension Plan Account (Department of Finance).....	116,000	98,600
		Employee surgical-medical insurance premiums (De- partment of Finance).....	75,900	42,900
		Employee compensation payments (Department of Labour).....	17,200	14,100
		Carrying of franked mail (Post Office Department)....	29,800	22,000
			2,486,000	1,971,000
		Statutory—Minister of Forestry and Rural Development—Salary and Motor Car Allow- ance		
		Salary.....(1)	15,000	15,000
		Motor Car Allowance.....(2)	2,000	2,000
			17,000	17,000
		Vote 1—Departmental Administration		
		Salaried Positions:		
		Executive, Scientific and Professional:		
1	1	Deputy Minister (\$24,840)		
2	4	Senior Officer 1 (\$16,500-\$20,500)		
1		Senior Economist 1 (\$16,500-\$20,500)		
3		(\$14,000-\$16,000)		
2	2	(\$12,000-\$14,000)		
1	2	(\$10,000-\$12,000)		
2	2	(\$8,000-\$10,000)		
		Administrative and Foreign Service:		
2		(\$16,000-\$18,000)		
6		(\$14,000-\$16,000)		
3	8	(\$12,000-\$14,000)		
10	5	(\$10,000-\$12,000)		
27	13	(\$8,000-\$10,000)		
3	13	(\$6,000-\$8,000)		
	1	(\$4,000-\$6,000)		
		Technical, Operational and Service:		
4	5	(\$12,000-\$14,000)		
	1	(\$10,000-\$12,000)		
3	2	(\$8,000-\$10,000)		
29	22	(\$6,000-\$8,000)		
24	10	(\$4,000-\$6,000)		

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		Vote 1 (Continued)		
		Salaried Positions (Continued)		
		Administrative Support:		
		(\$8,000-\$10,000)		
1		(\$6,000-\$8,000)		
8	4	(\$4,000-\$6,000)		
65	56	(Under \$4,000)		
26	24			
223	175			
(223)	(175)	Continuing Establishment.....	1,392,200	1,037,500
(3)	(1)	Casuals and Others.....	6,000	6,000
(226)	(176)	Salaries and Wages (including \$159,700 allotted during 1966-67 from the Finance Contingencies Vote for increases in rates of pay)..... (1)	1,398,200	1,043,500
		Overtime..... (1)	1,300	1,300
		Professional and Special Services..... (4)	45,700	10,300
		Other Travelling and Removal Expenses..... (5)	95,000	70,000
		Freight, Express and Cartage..... (6)	5,200	5,600
		Postage..... (7)	3,000	3,000
		Telephones and Telegrams..... (8)	25,800	20,700
		Publication of Departmental Reports and Other Material..... (9)	11,800	13,500
		Advertising and Films..... (10)	16,500	11,500
		Office Stationery, Supplies, Equipment and Furnishings..... (11)	52,900	46,800
		Materials and Supplies..... (12)	32,800	31,200
		Acquisition of Equipment..... (16)	21,800	20,300
		Repairs and Upkeep of Equipment..... (17)	1,900	1,000
		Sundries..... (22)	2,600	2,200
			1,714,500	1,280,900
		Expenditure		
		1964-65..... \$ 720,663		
		1965-66..... 968,560		
		1966-67 (estimated)..... 1,294,070		
		Vote 3—Construction of extension to Research Laboratory in Pointe Claire, Quebec, for use by the Pulp and Paper Research Institute of Canada..... (13)	253,000	750,000
		Expenditure		
		1964-65..... \$ 599,860		
		1965-66..... 1,381,773		
		1966-67 (estimated)..... 750,000		
		Appropriation not required for 1967-68		
		To ratify and confirm the payment of grants in aid of forestry research in the amount of \$3,490 during the 1965-66 fiscal year..... (20)		1

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
FORESTRY				
Vote 15—Administration, Operation and Maintenance including grants as detailed in the Estimates				
ADMINISTRATION INCLUDING GRANTS AS DETAILED IN THE ESTIMATES				
Salaried Positions:				
Executive, Scientific and Professional:				
1	1	Senior Officer 3 (\$20,500-\$24,750)		
1	1	Senior Officer 2 (\$18,500-\$22,750)		
	1	Research Director 6, Forestry (\$15,000-\$17,000)		
1		(\$18,000-\$20,000)		
6		(\$16,000-\$18,000)		
14	4	(\$14,000-\$16,000)		
1	14	(\$12,000-\$14,000)		
1	3	(\$10,000-\$12,000)		
8	2	(\$8,000-\$10,000)		
2	3	(\$6,000-\$8,000)		
Administrative and Foreign Service:				
2		(\$14,000-\$16,000)		
4		(\$12,000-\$14,000)		
2		(\$10,000-\$12,000)		
7		(\$8,000-\$10,000)		
	2	(\$6,000-\$8,000)		
Technical, Operational and Service:				
1		(\$12,000-\$14,000)		
1	4	(\$10,000-\$12,000)		
1	4	(\$8,000-\$10,000)		
1	5	(\$6,000-\$8,000)		
	1	(\$4,000-\$6,000)		
Administrative Support:				
2		(\$6,000-\$8,000)		
38	26	(\$4,000-\$6,000)		
3	7	(Under \$4,000)		
97	78			
(97)	(78)	Continuing Establishment.....	562,300	593,400
(2)		Casuals and Others.....	9,000	
(99)	(78)	Salaries and Wages (including \$14,300 allotted during 1966-67 from the Finance Contingencies Vote for increases in rates of pay)..... (1)	571,300	593,400
		Overtime..... (1)	600	1,000
		Professional and Special Services..... (4)	124,700	108,600
		Other Travelling and Removal Expenses..... (5)	215,800	191,100
		Telephones and Telegrams..... (8)	13,800	9,900
		Publication of Departmental Reports and Other Material..... (9)	280,500	237,900
		Exhibits, Advertising, Films, Broadcasting and Displays..... (10)	132,500	90,000
		Office Stationery, Supplies, Equipment and Furnishings..... (11)	57,600	40,800
		Rental of Data Processing Equipment..... (11)	95,600	84,800
		Materials and Supplies..... (12)	9,600	200
		Repairs and Upkeep of Buildings and Works..... (14)		15,000
		Repairs and Upkeep of Equipment..... (17)		300
		Memberships in Scientific and Other Institutions.. (20)	1,800	1,800
		Grants in Aid of Forestry Research..... (20)	340,000	90,000
		Grant to the Commonwealth Forestry Institute (£2,000)..... (20)	6,000	6,000

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
FORESTRY (Continued)				
Vote 15 (Continued)				
ADMINISTRATION (Continued)				
		Grant to Canadian Forestry Association..... (20)	50,000	25,000
		Canada's Share of the Cost of Developing a Multi-lingual Forestry Terminology..... (22)	12,900	5,400
		Remuneration and Expenses of the Federal Member of the Eastern Rockies Forest Conservation Board..... (22)	5,600	5,600
		Participation in F.A.O. Associate Expert Scheme or an Alternative Arrangement..... (22)	100,000	
		Sundries..... (22)	85,500	2,800
			2,103,800	1,509,600
		Expenditure		
		1964-65.....	\$ 942,455	
		1965-66.....	1,040,315	
		1966-67 (estimated).....	1,450,000	
REGIONAL RESEARCH AND SERVICES				
Salaried Positions:				
Executive, Scientific and Professional:				
4	1	Research Scientist 4 (\$17,511 and up)		
	3	Research Director 6, Forestry (\$15,000-\$17,000)		
8		Principal Research Scientist (\$15,000-\$16,500)		
95	3	(\$16,000-\$18,000)		
34	31	(\$14,000-\$16,000)		
72	76	(\$12,000-\$14,000)		
161	175	(\$10,000-\$12,000)		
	5	(\$8,000-\$10,000)		
	1	(\$6,000-\$8,000)		
	1	(\$4,000-\$6,000)		
Administrative and Foreign Service:				
26	7	(\$8,000-\$10,000)		
1	10	(\$6,000-\$8,000)		
Technical, Operational and Service:				
5	1	(\$8,000-\$10,000)		
108	112	(\$6,000-\$8,000)		
473	313	(\$4,000-\$6,000)		
1	1	(Under \$4,000)		
1	2	(Part Time)		
5	4	(Seasonal)		
Administrative Support:				
8	1	(\$6,000-\$8,000)		
86	45	(\$4,000-\$6,000)		
22	44	(Under \$4,000)		
Prevailing Rate Positions:				
28	26	(Full Time)		
41	51	(Seasonal)		
1,179	912			
(1,159)	(885)	Continuing Establishment.....	7,104,700	6,347,700
(190)	(147)	Casuals and Others.....	855,000	593,600
(1,349)	(1,032)	Salaries and Wages (including \$61,900 allotted during 1966-67 from the Finance Contingencies Vote for increases in rates of pay)..... (1)	7,959,700	6,941,300
		Overtime..... (1)	29,500	28,200
		Professional and Special Services..... (4)	237,100	120,900
		Travelling Expenses—Research Travel..... (5)	377,100	316,700

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
FORESTRY (Continued)				
Vote 15 (Continued)				
REGIONAL RESEARCH AND SERVICES (Continued)				
		Other Travelling and Removal Expenses.....(5)	67,200	57,900
		Freight, Express and Cartage.....(6)	12,000	7,700
		Postage.....(7)	9,900	6,500
		Telephones and Telegrams.....(8)	57,800	52,900
		Publication of Departmental Reports and Other Material.....(9)	7,700	7,500
		Advertising and Films.....(10)	3,300	3,500
		Office Stationery, Supplies, Equipment and Fur- nishings.....(11)	160,300	81,600
		Rental of Data Processing Equipment.....(11)	9,300	8,600
		Fuel.....(12)	46,400	36,800
		Other Materials and Supplies.....(12)	328,300	236,300
		Repairs and Upkeep of Buildings and Works.....(14)	107,700	78,000
		Rental of Buildings.....(15)	5,800	5,500
		Repairs and Upkeep of Equipment.....(17)	139,500	130,800
		Rental of Equipment.....(18)	87,200	82,400
		Municipal or Public Utility Services.....(19)	97,100	96,600
		Memberships in Scientific Institutions.....(20)	200	200
		Unemployment Insurance Contributions.....(21)	2,900	3,500
		Sundries.....(22)	19,200	13,600
			9,765,200	8,317,000
		Expenditure		
		Revenue		
		1964-65.....	\$ 5,075,387	\$ 145,435
		1965-66.....	5,621,940	144,240
		1966-67 (estimated).....	8,550,000	150,400
RESEARCH INSTITUTES				
Salaried Positions:				
		Executive, Scientific and Professional:		
		Research Scientist 4 (\$17,511 and up)		
		(\$16,000-\$18,000)		
1		(\$14,000-\$16,000)		
74	1	(\$12,000-\$14,000)		
13	41	(\$10,000-\$12,000)		
46	28	(\$8,000-\$10,000)		
67	79	(\$6,000-\$8,000)		
1	3			
		Administrative and Foreign Service:		
		(\$8,000-\$10,000)		
3		(\$6,000-\$8,000)		
5	6			
		Technical, Operational and Service:		
		(\$8,000-\$10,000)		
7	4	(\$6,000-\$8,000)		
72	57	(\$4,000-\$6,000)		
198	117	(Under \$4,000)		
1		(Seasonal)		
1	1			
		Administrative Support:		
		(\$6,000-\$8,000)		
3		(\$4,000-\$6,000)		
78	46	(Under \$4,000)		
14	27			
		Prevailing Rate Positions:		
		(Full Time)		
49	44	(Seasonal)		
10	9			
650	463			

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		FORESTRY (Continued)		
		Vote 15 (Continued)		
		RESEARCH INSTITUTES (Continued)		
(645)	(458)	Continuing Establishment.....	3,889,400	2,041,900
(61)	(51)	Casuals and Others.....	274,500	199,800
(706)	(509)	Salaries and Wages (including \$32,200 allotted during 1966-67 from the Finance Contingencies Vote for increases in rates of pay)..... (1)	4,163,900	2,241,700
		Overtime..... (1)	24,700	19,900
		Professional and Special Services..... (4)	140,000	116,500
		Travelling Expenses—Research Travel..... (5)	150,300	78,900
		Other Travelling and Removal Expenses..... (5)	50,900	45,700
		Freight, Express and Cartage..... (6)	9,800	7,900
		Postage..... (7)	1,700	1,500
		Telephones, Telegrams and Other Communication Services..... (8)	25,900	19,400
		Publication of Departmental Reports and Other Material..... (9)	8,200	2,500
		Advertising and Films..... (10)	300	300
		Office Stationery, Supplies, Equipment and Furnishings..... (11)	128,700	52,500
		Fuel..... (12)	23,000	24,500
		Other Materials and Supplies..... (12)	186,100	126,500
		Repairs and Upkeep of Buildings and Works..... (14)	36,600	24,500
		Rental of Buildings..... (15)	300	100
		Repairs and Upkeep of Equipment..... (17)	48,000	40,700
		Rental of Equipment..... (18)	15,800	11,500
		Municipal or Public Utility Services..... (19)	53,100	48,500
		Memberships in Scientific Institutions..... (20)	300	700
		Unemployment Insurance Contributions..... (21)	1,900	1,500
		Sundries..... (22)	5,000	36,500
			5,074,500	2,901,800
		Expenditure Revenue		
		1964-65..... \$ 2,449,145 \$ 31,480		
		1965-66..... 2,815,382 29,852		
		1966-67 (estimated)..... 2,599,210 30,100		
		Total, Vote 15.....	16,943,500	12,728,400
		Expenditure Revenue		
		1964-65..... \$ 8,466,987 \$ 176,915		
		1965-66..... 9,447,637 174,092		
		1966-67 (estimated)..... 12,599,210 180,500		
		Vote 20—Construction or Acquisition of Buildings, Works, Land and Equipment		
		ADMINISTRATION		
		Construction or Acquisition of Buildings, Works and Land..... (13)	50,000	40,000
		Construction or Acquisition of Equipment..... (16)	500	500
			50,500	40,500

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		FORESTRY (Continued)		
		Vote 20 (Continued)		
		Administration (Continued)		
		Expenditure		
		1964-65.....	\$ 22,477	
		1965-66.....	8,383	
		1966-67 (estimated).....	40,500	
		REGIONAL RESEARCH AND SERVICES		
		Construction or Acquisition of Buildings, Works and Land..... (13)	1,815,700	1,258,500
		Construction or Acquisition of Equipment..... (16)	716,200	616,900
			2,531,900	1,875,400
		Expenditure		
		1964-65.....	\$ 1,688,375	
		1965-66.....	871,455	
		1966-67 (estimated).....	1,716,000	
		RESEARCH INSTITUTES		
		Construction or Acquisition of Buildings, Works and Land..... (13)	685,800	554,800
		Construction or Acquisition of Equipment..... (16)	683,800	592,600
			1,369,600	1,147,400
		Expenditure		
		1964-65.....	\$ 671,217	
		1965-66.....	637,753	
		1966-67 (estimated).....	1,140,500	
		Total, Vote 20.....	3,952,000	3,063,300
		Expenditure		
		1964-65.....	\$ 2,389,059	
		1965-66.....	1,517,591	
		1966-67 (estimated).....	2,857,000	
		Vote 23—Contributions to the Provinces in the amounts and subject to the terms specified in the Details of Estimates		
		CONTRIBUTION TO THE PROVINCE OF NEW BRUNSWICK FOR ASSISTANCE IN A PROGRAM DESIGNED TO COMBAT THE SPRUCE BUDWORM INFESTATION, IN ACCORDANCE WITH AN AGREEMENT ENTERED INTO BY CANADA AND THE PROVINCE..... (20)	600,000	600,000
		Expenditure		
		1964-65.....	\$ 478,574	
		1965-66.....	580,009	
		1966-67 (estimated).....	690,000	

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		FORESTRY (Continued)		
		Vote 23 (Continued)		
		CONTRIBUTION TO THE PROVINCE OF NEWFOUNDLAND FOR ASSISTANCE IN A PROGRAM DESIGNED TO OBTAIN FOR NEWFOUNDLAND AND LABRADOR AN INVENTORY OF THE FOREST RESOURCES AND TO CARRY OUT LAND CAPABILITY STUDIES IN ACCORDANCE WITH AN AGREEMENT BETWEEN CANADA AND THE PROVINCE..... (20)	1,000,000	750,000
		Expenditure		
		1964-65..... \$.....		
		1965-66.....		
		1966-67 (estimated)..... 600,000		
		CONTRIBUTION TO THE PROVINCE OF BRITISH COLUMBIA FOR ASSISTANCE IN A PROGRAM DESIGNED TO COMBAT THE BALSAM WOOLY APHID INFESTATION IN ACCORDANCE WITH AN AGREEMENT TO BE ENTERED INTO BY CANADA AND THE PROVINCE.... (20)	150,000	150,000
		Expenditure		
		1964-65..... \$.....		
		1965-66.....		
		1966-67 (estimated)..... 150,000		
		ITEM NOT REQUIRED FOR 1967-68		
		Contributions to the Provinces, pursuant to agreements entered into with the approval of the Governor in Council, with respect to Forest Inventories, Reforestation, Forest Fire Protection, Forest Access Road Construction and Stand Improvement..... (20)		7,910,000
		Total, Vote 23.....	1,750,000	9,410,000
		Expenditure		
		1964-65..... \$ 8,469,508		
		1965-66..... 8,567,610		
		1966-67 (estimated)..... 9,350,000		
		RURAL DEVELOPMENT		
		Vote 25—Agricultural and Rural Development Act Program, Rural Economic Development Act Program and Maritime Marshland Rehabilitation Act Program—Administration, Operation and Maintenance		
		Salaried Positions:		
		Executive, Scientific and Professional:		
		1		Senior Officer 2 (\$18,500-\$22,750)
		5		Senior Officer 1 (\$16,500-\$20,500)
		11		(\$16,000-\$18,000)
		9		(\$14,000-\$16,000)
		2		(\$12,000-\$14,000)
		2		(\$10,000-\$12,000)
		8		(\$8,000-\$10,000)
		2		(\$6,000-\$8,000)

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
RURAL DEVELOPMENT (Continued)				
Vote 25 (Continued)				
Salaried Positions: (Continued)				
Administrative and Foreign Service:				
2		(\$14,000-\$16,000)		
2	5	(\$12,000-\$14,000)		
	2	(\$10,000-\$12,000)		
6	3	(\$8,000-\$10,000)		
	1	(\$6,000-\$8,000)		
Technical, Operational and Service:				
10		(\$14,000-\$16,000)		
6	4	(\$12,000-\$14,000)		
	3	(\$10,000-\$12,000)		
5	1	(\$8,000-\$10,000)		
24	16	(\$6,000-\$8,000)		
11	16	(\$4,000-\$6,000)		
Administrative Support:				
4		(\$6,000-\$8,000)		
42	23	(\$4,000-\$6,000)		
9	12	(Under \$4,000)		
Prevailing Rate Positions:				
5	5	(Full Time)		
164	122	Continuing Establishment.....	1,114,600	803,800
(164)	(122)	Casuals and Others.....	76,500	55,700
(17)	(17)			
(181)	(139)	Salaries and Wages (including \$10,000 allotted during 1966-67 from the Finance Contingencies Vote for increases in rates of pay).....(1)	1,191,100	859,500
		Overtime.....(1)	3,100	2,000
		Professional and Special Services.....(4)	10,000	5,000
		Travelling and Removal Expenses.....(5)	172,000	172,000
		Freight, Express and Cartage.....(6)	1,300	600
		Postage.....(7)	800	600
		Telephones and Telegrams.....(8)	25,000	15,800
		Publication of Departmental Reports and Other Material.....(9)	212,000	55,000
		Advertising and Films.....(10)	350,000	61,000
		Office Stationery, Supplies, Equipment and Fur- nishings.....(11)	43,500	19,000
		Materials and Supplies.....(12)	32,000	32,000
		Repairs and Upkeep of Works.....(14)	90,000	90,000
		Repairs and Upkeep of Equipment.....(17)	20,000	20,000
		Memberships.....(20)	200	
		Unemployment Insurance Contributions.....(21)	1,500	1,500
		Canadian Council on Rural Development.....(22)	100,000	
		Sundries.....(22)	4,000	4,000
			2,256,500	1,338,000
			Expenditure	
1964-65.....			\$ 615,590	
1965-66.....			789,938	
1966-67 (estimated).....			1,316,740	

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		RURAL DEVELOPMENT (Continued)		
		Vote 30—Agricultural and Rural Development Act Program and Maritime Marshland Rehabilitation Act Program—Construction or Acquisition of Buildings, Works, Land and Equipment, including authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the Province of New Brunswick of the cost of the Petitcodiac River Dam project		
		Construction or Acquisition of Buildings, Works, and Land.....(13)	2,161,600	2,118,400
		Construction or Acquisition of Equipment.....(16)	33,800	30,500
			2,195,400	2,148,900
		Less—Amount recoverable from the Province of New Brunswick on account of the Petitcodiac River Dam Project.....(34)	586,700	1,100,000
			1,608,700	1,048,900
		Expenditure		
		1964-65..... \$ 201,166		
		1965-66..... 359,184		
		1966-67 (estimated)..... 900,000		
		Vote 35—Payments in respect of projects and programs under the Agricultural and Rural Development Act, and payments to Provinces pursuant to agreements entered into under that Act		
		Contributions to the Provinces.....*(20)	18,000,000	18,000,000
		Other Payments.....(22)	4,000,000	4,000,000
			22,000,000	22,000,000
		Expenditure		
		1964-65..... \$ 9,145,490		
		1965-66..... 13,010,985		
		1966-67 (estimated)..... 20,000,000		
		Statutory—Fund for Rural Economic Development—Project Payments.....(20)	11,000,000	
		Expenditure		
		1964-65..... \$.....		
		1965-66..... ..		
		1966-67 (estimated)..... ..		

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		B—CANADIAN LIVESTOCK FEED BOARD		
		Vote 40—Administration and Operation		
		Salaries.....(1)	109,500	
		Professional and Special Services.....(4)	2,000	
		Travelling and Removal Expenses.....(5)	12,000	
		Freight, Express and Cartage.....(6)	100	
		Postage.....(7)	500	
		Telephones and Telegrams.....(8)	4,000	
		Publication of Reports and Other Material.....(9)	2,000	
		Advertising and Publicity.....(10)	1,500	
		Office Stationery, Supplies, Equipment and Furnishings.....(11)	18,400	
		Sundries.....(22)	6,000	
			156,000	
		Vote 45—Freight assistance on Western Feed Grains including assistance in respect of grain storage costs in accordance with the terms and conditions prescribed by the Governor in Council.....(20)		
			22,000,000	21,700,000
		Expenditure		
		1964-65.....	\$ 19,114,857	
		1965-66.....	20,999,594	
		1966-67 (estimated).....	21,700,000	

ESTIMATE 1906-07

Particulars		Amounts	
1905-06	1906-07	1905-06	1906-07
B-CANADIAN LIVESTOCK BOARD-			
Vote B—Administration and Operation			
Salaries		170,000	
Professional and Special Services		2,000	
Travel and Related Expenses		13,000	
Printing, Express and Postage		100	
Postage		500	
		1,000	
		187,600	

**OFFICIAL REPORT OF MINUTES
OF
PROCEEDINGS AND EVIDENCE**

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Translated by the General Bureau for Translation, Secretary of State.

LÉON-J. RAYMOND,
The Clerk of the House.

HOUSE OF COMMONS

Second Session—Twenty-seventh Parliament

1967

STANDING COMMITTEE

ON

**Agriculture, Forestry and Rural
Development**

Chairman: Mr. EUGENE WHELAN

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

FRIDAY, JUNE 16, 1967

RESPECTING

ESTIMATES (1967-68) OF THE DEPARTMENT OF FORESTRY
AND RURAL DEVELOPMENT

WITNESSES:

From the Department of Forestry and Rural Development: The Honourable Maurice Sauvé, Minister; Mr. L. E. Poetschke, Economic Adviser, Rural Development Branch.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

1967

STANDING COMMITTEE

ON

AGRICULTURE, FORESTRY AND RURAL DEVELOPMENT

Chairman: Mr. Eugene Whelan*Vice-Chairman:* Mr. Herman Laverdière

and

Mr. Alkenbrack ¹ ,	Mr. Gauthier,	Mr. Nowlan,
Mr. Asselin	Mr. Gendron,	Mr. Olson,
(<i>Richmond-Wolfe</i>),	Mr. Godin,	Mr. Peters,
Mr. Beer,	Mr. Grills,	Mr. Pugh,
Mr. Berger,	Mr. Herridge,	Mr. Rapp,
Mr. Chatterton ² ,	Mr. Honey,	Mr. Ricard,
Mr. Choquette,	Mr. Hopkins,	Mr. Roxburgh,
Mr. Clermont,	Mr. Horner (<i>Acadia</i>),	Mr. Schreyer,
Mr. Comtois,	Mr. Johnston,	Mr. Stafford,
Mr. Côté	Mr. Jorgenson,	Mr. Stefanson,
(<i>Nicolet-Yamaska</i>),	Mr. Lefebvre,	Mr. Tucker,
Mr. Crossman,	Mr. MacDonald (<i>Prince</i>),	Mr. Watson (<i>Château-</i>
Mr. Ethier,	Mr. Madill ⁵ ,	<i>guay-Huntingdon-</i>
Mr. Fairweather ³ ,	Mr. Matte ⁶ ,	<i>Laprairie</i>),
Mr. Flemming ⁴ ,	Mr. Neveu,	Mr. Yanakis—45.
Mr. Forbes,	Mr. Noble,	

Michael B. Kirby,

*Clerk of the Committee.*¹ Replaced Mr. Danforth on Wednesday, June 7, 1967.² Replaced Mr. Watson (*Assiniboia*) on Wednesday, June 7, 1967.³ Replaced Mr. Muir (*Lisgar*) on Wednesday, June 7, 1967.⁴ Replaced Mr. Moore (*Wetaskiwin*) on Wednesday, June 7, 1967.⁵ Replaced Mr. McKinley on Wednesday, June 7, 1967.⁶ Replaced Mr. Faulkner on Tuesday, June 13, 1967.

WITNESSES:

From the Department of Forestry and Rural Development: The Honourable Maurice Sauvé, Minister; Mr. J. E. Postolache, Economic Adviser, Rural Development Branch.

MINUTES OF THE HOUSE OF COMMONS
ORDERS OF REFERENCE

WEDNESDAY, June 7, 1967.

Ordered,—That the names of Messrs. Flemming, Fairweather, Alkenbrack, Chatterton and Madill be substituted for those of Messrs. Danforth, Watson (*Assiniboia*), Muir (*Lisgar*), Moore (*Wetaskiwin*) and McKinley on the Standing Committee on Agriculture, Forestry and Rural Development.

Ordered,—That the quorum of the Standing Committee on Agriculture, Forestry and Rural Development be reduced from 23 to 15 Members.

TUESDAY, June 13, 1967.

Ordered,—That the name of Mr. Matte be substituted for that of Mr. Faulkner on the Standing Committee on Agriculture, Forestry and Rural Development.

Attest.

LÉON-J. RAYMOND,

The Clerk of the House of Commons.

MINUTES OF PROCEEDINGS

FRIDAY, June 16, 1967.

(2)

The Standing Committee on Agriculture, Forestry and Rural Development met this day at 9.28 o'clock a.m. The Vice-Chairman, Mr. Laverdière, presided.

Members present: Messrs. Asselin (*Richmond-Wolfe*), Chatterton, Choquette, Comtois, Côté (*Nicolet-Yamaska*), Godin, Grills, Herridge, Honey, Johnston, Jorgenson, Laverdière, Madill, Neveu, Noble, Olson, Pugh, Ricard, Stefanson, Tucker, Watson (*Châteauguay-Huntingdon-Laprairie*) (22).

In attendance: From the Department of Forestry and Rural Development: The Honourable Maurice Sauvé, Minister; Dr. M. L. Prebble, Assistant Deputy Minister (Forestry), Mr. H. W. Beall, Special Adviser to the Deputy Minister; Mr. L. E. Poetschke, Economic Adviser, Rural Development Branch; Mr. R. K. McAuley, Head, Financial Services; Dr. R. Perrault, Chairman of the Canadian Livestock Feed Board; Mr. J. M. McDonough, Executive Director, Canadian Livestock Feed Board; Mr. G. W. McGuire, Assistant Director, Personnel Services.

Mr. Laverdière thanked the Committee for re-electing him Vice-Chairman as he had not had an opportunity to do so earlier. The Vice-Chairman then asked the Clerk of the Committee to read the First Report of the Sub-Committee on Agenda and Procedure which is as follows:

The Sub-Committee on Agenda and Procedure has the honour to submit its

FIRST REPORT

Your Sub-Committee recommends that during the Committee's consideration of the Estimates of the Department of Agriculture and of the Department of Forestry and Rural Development that the Estimates of the Department of Forestry and Rural Development be called first and that they be completed before the Committee start consideration of the Estimates of the Department of Agriculture.

Your Sub-Committee recommends that during consideration of both sets of estimates that the following procedure be followed:

- (a) The first item (Departmental administration) be called, and that discussion and questions of a general nature be permitted, but questions that clearly relate to specific items be postponed until the appropriate item has been reached;
- (b) When the general discussion is completed, the first item be allowed to stand for further consideration and the Committee proceed to consider and approve the subsequent items;
- (c) When all of the items have been approved, except the first item, the Committee will return to further consideration of that item, at which time all unanswered questions may be dealt with and unfinished business completed;

- (d) The first item of the estimates will then be approved, or otherwise dealt with, and the Committee will proceed to prepare its Report to the House.

On motion of Mr. Choquette, seconded by Mr. Comtois,

Agreed,—That the First Report of the Sub-Committee on Agenda and Procedure be adopted.

The Vice-Chairman called item 1 of the estimates of the Department of Forestry and Rural Development and introduced the Minister of Forestry and Rural Development. The Minister introduced the officials with him and proceeded to make a statement. After the Minister finished his statement, members of the various party groups on the Committee commented briefly after which the members proceeded to question the Minister.

Later it was *agreed* that on Tuesday, June 20, 1967 the Committee would stand item 1, Departmental Administration, and consider these items in the estimates under Forestry, namely items 15, 20 and 23.

At 11.00 o'clock p.m., the questioning of the Minister continuing the Committee adjourned to 9.30 o'clock a.m. Tuesday, June 20, 1967.

Michael B. Kirby,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

Friday 16 June, 1967.

(Translation)

The Vice-Chairman: Order, please. We have a quorum, I believe.

Mr. Ricard: How many members are needed for a quorum, 20?

The Vice-Chairman: Fifteen.

Mr. Ricard: Is the Minister included in this number?

The Vice-Chairman: No. Order, please. I take this first opportunity to thank you for the confidence you have shown by naming me again as Vice-Chairman. With the help and co-operation of everyone, I am sure that we will again be able to do some excellent work during this second session. The first matter submitted to the Committee to-day is the first report—

(English)

Mr. Honey: Mr. Chairman, on a point of order, would the Committee consider it advisable to elect a second Vice-Chairman just for an interim period since, unfortunately, you have not been feeling too well and have not always been able to be here and our Chairman is away? I just put that thought to you, Mr. Chairman.

The Vice-Chairman: I am going to be able to be here every time the Committee meets. Also, Mr. Whelan is out of hospital now and I think he will be back next week. I think the arrangement we have will be all right.

I bring to your attention the first report of the Subcommittee, which the Clerk of the Committee will read:

(See *Minutes of Proceedings*).

(Translation)

Is the Committee ready to adopt this report of the subcommittee?

● (9.30 a.m.)

(English)

Mr. Choquette: I so move.

Mr. Comtois: I second the motion.

Motion agreed to.

(Translation)

The Vice-Chairman: I am pleased to welcome Mr. Sauvé, as well as some officials from his Department. I call upon Mr. Sauvé and I will also ask him to introduce the officials who are with him to-day. Mr. Sauvé.

The Hon. Mr. Sauvé (Minister of Forestry and Rural Development): Mr. Chairman and dear colleagues, I am pleased to attend the meetings of this Committee, for the first time, as Minister of Forestry and Rural Development. I have known since last year that the members of this Committee had expressed a wish that, this year, the Department be able to answer all the questions of the members on its combined work.

Before beginning to make the general remarks introducing the work we intend to perform this morning and during the following days, allow me to introduce the members of the personnel of the Department who are with me and who will be here during all the discussions of this Committee.

(English)

● (9:31 a.m.)

On my right is Dr. Prebble, Assistant Deputy Minister, Department of Forestry; then Mr. H. W. Beall, Special Adviser to the Deputy Minister; Mr. L. E. Poetschke, Economic Adviser, Rural Development Branch, ARDA; Mr. R. D. McAuley, Head of the Financial Services; Dr. R. Perreault, Chairman of the Canadian Livestock Feed Board; Mr. J. M. McDonough, Executive Director, Canadian Livestock Feed Board, and Mr. G. W. McGuire, Assistant Director, Personnel Services.

(Translation)

I would like to apologize for the absence of Doctor Rousseau, the Deputy Minister, who is

out of town on Government business, as well as that of Mr. Saulnier, Director of ARDA and Assistant Deputy Minister of Forestry, who returns to-day from Europe where he attended meetings of the OECD as the representative of the Department.

As you know the Department of Forestry and Rural Development is a young department. It was established on October 1, 1960, as a result of the amalgamation of two services taken from two different departments, the Department of Agriculture and the Department of Northern Affairs.

The first Deputy Minister who took upon himself the administrative responsibility of the Department was Doctor Rousseau, who is due for retirement in August of this year, having reached the age of 66. The Honourable John Flemming, our colleague in the House of Commons, was the first Minister of Forestry. He was replaced for about a month in March 1963 by another of our colleagues, Mr. Martial Asselin, who, in turn, was replaced afterwards by the Honourable J. R. Nicholson, from the month of April 1963 to the month of February 1964. As for myself, I have had the honour to direct this Department since February 3, 1964.

By the way, I have, as Minister, the longest service in this Department, as I have been Minister for 40 months. Mr. Flemming, before me, had the honour of seniority, having been Minister for a little more than 29 months.

In February 1964, the Prime Minister of Canada decided to widen the scope of the Department of Forestry and added to it the ARDA Administration (which you know well), the Maritime Marsh Land Rehabilitation Administration and the Feed Grain Administration, three services which were under the jurisdiction of the Department of Agriculture. And in the fall, last year, I became officially Minister of Forestry and Rural Development.

(English)

The Department of Forestry, by our constitution, is mainly restricted to research in the forestry field, and I would like to read briefly from a program review document that I have before me which sets the objectives of the Department. I am quoting from the document.

The primary objective of the Forestry Branch is to effect continual improvement in the protection, management, and utilization of the Canadian forest resources, and in the competitive position

of the forest-based industries. The means to attain this primary objective include:

(a) research in all aspects of the basic forestry resource, in forest products, and in economics;

(b) insect and disease surveys throughout Canada as a means of orientating research activities and forecasting the need for control programs;

(c) surveys of certain aspects of the wood-products industries as a guide to products research programs;

(d) forest surveys and management programs on lands under the jurisdiction of other federal departments;

(e) programs of forestry publicity and education toward the improved protection and use of the forest resources;

(Translation)

So there you have the essential aspects of the responsibility of the Department of Forestry and Rural Development with regard to the forestry side of the Department. It is very clear, from the list I have just read to you, that our jurisdiction is limited exclusively to research. The departments of lands and forests of the provincial governments have sole responsibility for the administration of forests in each of the provinces and the Department of Indian Affairs and Northern Development, directed by Mr. Laing, has the responsibility for the administration of forests in the Yukon and Northwest Territories.

We are essentially and exclusively an organization directed towards forestry research. To reach our objective, we have, since 1964, provided for an administrative reorganization of the Department in order to bring our services closer to the reality of forestry; in other words, we have organized our services at the regional level to meet the needs of the provinces and we have also created a certain number of institutes in Ottawa and elsewhere to conduct research at the national level.

This reorganization can be really effective only if it is matched by an increase in personnel and in administrative support in the Department. For this reason, the Treasury Board, at our request, last year, after a complete examination of our program by the Science Secretariat attached to the Prime Minister's Office and the Privy Council Office, approved for the years 1967 to 1972, a considerable increase in the research personnel of the Department, so that we foresee, in six or

seven years, having twice as many employees assigned to scientific research. We also foresee a physical expansion program and a fairly important program of building construction. The officers accompanying me will be able to give you the details of this reorganization and of this increase in personnel by giving you the relevant figures by sectors.

Last year in the forestry field, as you know, we took the initiative of organizing the first National Forestry Conference, which was held in camera at Montebello and which was attended by representatives of the provincial governments, the larger Canadian concerns, the universities and the national organizations interested in forestry problems.

This meeting allowed us to realize the importance of the forestry industry and especially of the similarity of the problems across Canada. We, the members of the Steering Committee of this conference, are to meet at the end of this month to examine in what way the federal government and, more particularly, the Department of Forestry, in spite of its limited jurisdiction, can continue to call together all the interested parties to try to direct the organization of forestry administration in a more consistent manner. Even though we have no jurisdiction, we are there, trying essentially to facilitate co-operation among the provinces to ensure for the forestry industry regulations or an administrative policy which will be more or less uniform across the country.

We suffer a great deal from this handicap which is imposed upon us; i.e., that we have to restrict ourselves to research. We are often blamed for not taking the initiative in some field or other. The department heads and I considered that the best way of providing assistance to industry in the field of forestry was to call this type of national conference in which all the representatives of the provinces, industry, the universities and organizations interested in forestry, could at least meet to discuss amongst themselves the problems of forestry. We cannot take any further action.

The first national conference on forestry which took place last year was highly successful. We published the results, which are now available to the public, and I think that all the participants would like us to continue to organize this type of meeting. During the meeting of the steering committee at the end of this month, I think that we should be able to take some decisions furthering the work we have begun.

Those are, in my opinion, the essential features in the organization of the aims of the forestry division of the Department. It is work done behind the scenes, but it is important work. The officers of the Department are internationally recognized for their ability, and many visits and exchanges of scientists take place between Canada and other countries. At the present time in Canada for example, amongst other delegations we have one of eight Russian scientists who are going to travel from one end of the country to the other, divided into two teams, to learn of the work we are doing at the level of research and at the same time to contact certain Canadian forestry enterprises.

We have a considerable number of publications. Almost every day we publish a document of an extremely scientific nature and I know, from personal experience, and from the exchange of correspondence between the Department and foreign countries, the extreme importance of this research, not only in the eyes of Canadians but also in the eyes of scientists from other countries who work in collaboration with us.

The Department employs almost 2,300 public servants including, I believe, about 300 scientists who hold either a Doctorate or a Master's degree. Thus there is an extraordinary concentration of scientific knowledge in the Department and I am delighted with the work done and the results obtained.

Since 1964, the Department has also been responsible for the administration of the ARDA program at the federal level.

(English)

● (9.44 a.m.)

The other program, as you know, was started in 1961 under the previous administration and the able direction of the Hon. Mr. Hamilton. It has since then been expanded extraordinarily because it was immediately found out that problems in rural areas were not mainly agricultural problems but mostly resource adjustment problems because there is a majority of non-farm people living in rural areas. There has been an extension of a program to the point where at the Federal-Provincial Conference on the ARDA program for the renewal of the first rural development agreement between the provinces and the federal government it was agreed to expand the activities of ARDA both at the provincial and federal level into a new concept of regional rural planning. You have noticed for the last year a tremendous increase in programs of that nature. We have

signed with at least two provinces and we are negotiating with four others. We have signed a special rural development agreement with New Brunswick and Manitoba and we are now negotiating with the provinces of Newfoundland, Prince Edward Island, Nova Scotia, Quebec and Saskatchewan about the possibilities of establishing similar programs in those provinces. You are aware that Parliament last year and this year created the fund for rural economic development with an input, first of \$50 million which was extended this year to \$300 million, and we feel that with this amount of money, and the regular ARDA program plus the normal Department expenditures in certain regions of Canada where there is a concentration of low income families, we will be able to fulfil the aim of the new concept of ARDA, the elimination of poverty in regions where there is a concentration of families affected by this situation.

I do not want to enter into the details of the ARDA administration. I think you are more familiar with ARDA than some other aspects of the Department's work. You will have occasion to discuss all of the normal ARDA program and the special rural development program with the officials and myself at future meetings of this Committee. The Arda program or other branches also administer the Maritime Marshland Rehabilitation Act which was limited to three provinces in the Maritimes and which will come to an end in 1970 by agreement already signed between the three provinces and the Federal Department of Forestry. This was a specific program to recover land partly submerged by seawater or rivers and it has, I think now, achieved its aim and the provinces will be able to pay for the annual upkeep of this program.

(Translation)

The latest agency for which the Department of Forestry is responsible is the Canadian Livestock Feed Board, created by an Act of Parliament last year, the officials of which were appointed by Order in Council at the beginning of May or April of this year. You know that since 1940 the federal government has given assistance in financing the costs of animal feed grain transported from the two Great Lakes ports to eastern Canada and that this government expenditure was allowed for each year in the budget of the Department of Agriculture and for the last few years in that of the Department of Forestry. Following several requests from persons interested and from a committee

created in the House of Commons to study the entire problem, the government, on the recommendation of this Committee, created the Canadian Livestock Feed Board which is responsible for administering this program of financial aid and which, in addition, is to examine the methods required to make this program, which is costing the government almost \$21,000,000 a year, more efficient. The members of the Board have just taken up their duties; their headquarters is located in Montreal, and on your request they will be able to explain to you the nature of their work and the problems with which they are confronted. It is quite certain that as far as the province of Quebec and the four Maritime provinces are concerned, this program is of considerable importance for the farming people. The provinces of eastern Canada depend on having feed grains imported into their provinces from the West and the transportation costs are high. This government policy has certainly enabled a very great number of farmers from Ontario and Quebec and the four Atlantic provinces to increase their income, or at least to decrease their operational expenses. It is a program which may be of considerable importance to farmers in Ontario and the other provinces of Eastern Canada if it is properly administered and if we adapt our policy to the agricultural reality of these provinces. You know that the act was passed last year and received the support—as did the ARDA act, too—of all the members in the House and I trust that the administration of the Canadian Livestock Feed Board will come up to the expectations of the members of Parliament. Those, Mr. Chairman, I believe are the main points I wished to bring up briefly this morning so that you might then discuss with me any particular aspects which might interest the members of the Committee. Afterwards, the officers of the Department will be entirely at your service to reply to your questions or shed some light on certain aspects of what I have just said. I myself shall make an effort to attend the Committee meetings because I am interested in finding out the views of the members of the House on the administration of the Department and I shall quite understand that at certain times you may be very severe critics. Such is the purpose of the meetings of a committee of this kind and, in any case, I am assured of your cooperation since in the House you have always displayed great interest in the activities of the Department. For my part, you may be assured of my complete cooperation in

facilitating your research and the work of your Committee. Thank you.

The Vice-Chairman: Thank you, Mr. Minister. I will now ask a representative of each party for comments of a general nature first of all and, later, we shall proceed to the question period. Mr. Jorgenson, may we have your comments first?

(English)

Mr. Jorgenson: Mr. Flemming, the first minister of this Department, was supposed to be here today. Unfortunately he is unable to attend and it falls upon me to very briefly make a few comments in respect of this Department.

The importance of the Forestry Department to Canada and to the forest industry cannot be over-emphasized. I believe I detected that the Minister was wistfully hoping that he had a little more authority in matters of forestry than he has other than just research. It is a fact also that forestry circumstances differ from one part of the country to the other and perhaps the best arrangement is for the Provincial Governments to have jurisdiction in the administration of the Forestry Departments and the Federal Government act as a co-ordinating agency for the development of common policies that are beneficial to the industry and to the country as a whole.

The meeting that was held at Montebello last year is a good indication of the type of co-ordinating work that can be done in ensuring that all parts of the country are familiar with what is being done and in ensuring that the research and the knowledge gained in one part of the country is communicated to other parts so that the benefits of that type of research can be shared by all who are concerned.

I do not intend to deal at any great length with the Forestry Department because I am not too familiar with it and I will leave that to Mr. Flemming when he returns. I would, however, like to make a few comments on the ARDA legislation and the recently appointed Livestock Feed Board.

The ARDA program, as the Minister stated, had great hopes when it was first initiated but I am beginning to wonder now whether those hopes are being fulfilled in many parts of the country. It seems to me that recently the ARDA program has not been given the type of priority that it deserves. It seems that other branches of the Government have been

able to claim greater priority for the available moneys that are expended by Government and although it is true that \$50 millions was allocated for the special fund program last year there are a good many parts of Canada yet—I happen to represent one of those areas in southeastern Manitoba—that have not up to this time been able to receive any assistance whatsoever under the ARDA legislation. Now I am not critical of the federal government particularly; I know that the initiation for these programs must rest with the provincial authorities and with the local people themselves. However, it does seem to me some inspiration must be provided in order to spur the local people to some action and I think here is where the federal government could perhaps play a much greater role in working with the provinces in making sure that there are people in those areas who can retrieve the lost hope that has manifested itself in a good many parts of Canada today. It seems to me that the situation in Canada is very much on a parallel with that across the world. The richer nations are getting richer and the poorer nations are getting poorer and the disparity is becoming greater. With the ever increasing wage demands and better standards of living being demanded by those who already are enjoying a fairly good standard of living, it is creating a hardship on those who are not in the position to claim more of their share of the wealth of this country. I do think that more effort could be made to ensure that some of these areas are given greater attention, enabling them to share in the prosperity of this country.

As far as the Livestock Feed Board is concerned, the legislation was passed last year and I am afraid that the implication created at that time was that the Eastern farmers were going to enjoy lower prices for feed grains—although it might not have been specifically stated in those terms—as a result of the establishment of this Board. In view of the world situation the demand for wheat in particular has ensured that this will not happen. I think a good many farmers in Eastern Canada are going to be disappointed to find that they are going to pay a higher price for feed grains because feed grains are going to have to compete with wheat price-wise if you expect anybody to grow them. I think the results of the acreage surveys that have been made in western Canada for the past year will indicate that there are decreasing acreages being sown to feed grains because they do not compete with wheat in the income per acre.

This raises the question of how the supplies are going to be met and there is an ever-increasing demand for feed grains in Eastern Canada. There are two alternatives, or perhaps three. The first one, and I think perhaps the most desirable one that I mentioned in the House the other day, is the application of some of the research that has been carried out, which has resulted in improved varieties of feed grains with heavier yielding crops producing much more per acre than is being produced today. I think we should now start to direct our research to special types of feed grains; in other words, to grow feed grains for that purpose rather than have them as a by-product of something else, such as feed barley, which is largely a by-product resulting from the efforts of farmers in western Canada to grow malting barley and weather conditions combining to prevent that barley from becoming a malting variety. There are varieties of barley that can be grown and that will produce much higher yielding varieties, and experiments have been conducted along those lines.

The second alternative is that more feed grains be grown in eastern Canada. Perhaps this is not the alternative that can be used, because it seems to me that we are foolishly turning more and more of our productive land to cement by putting buildings and factories on it. This is a policy which must be arrested in one way or another, or we are going to find ourselves drastically short of land with which to produce the foods that the world will need.

The other alternative course is the importation of feed grains from the United States, or from other countries. This raises what I think is the question, which has not been resolved—although it was mentioned at the time that the legislation was introduced—of who is going to exercise jurisdiction over the import of feed grains. At the present time the Canadian Wheat Board authorizes the quotas of feed grains allowed in eastern Canada. In my opinion it is misplacing it to put it under the jurisdiction of the Canadian Wheat Board; I do not think that they particularly want that authority, nor do I think they enjoy exercising it. It is a political decision that should be made by the Government. I think it should be placed in the hands of the Minister of Trade and Commerce.

Would the Minister care to comment on what the Government has decided in the matter of the import of feed grains? I think this

is going to play an ever-increasing part in the supplying of feed grains to eastern Canada.

Perhaps there is another alternative. Southern Ontario has indicated that it is prepared to supply a large part of the feed grain market in eastern Canada through increased production of feed corn. Perhaps this is one way in which the demand for feed grains in eastern Canada and in British Columbia can be met.

If we in the West are expected to supply feed grains for the rapidly increasing market it must be realized that farmers in the Prairies will have to be compensated accordingly. You cannot expect a farmer to sow his land to oats or barley if the returns per acre from wheat are double what he can get on any of the other crops.

It is going to pose a problem in eastern Canada and a serious difficulty for the Eastern Feed Board if steps are not taken to ensure supplies of feed grain adequate to meet the needs of this country.

Mr. Chairman, that is all I want to say at this time. As I indicated, I hope that when Mr. Flemming returns he will be given an opportunity to comment on the Forestry Department.

(Translation)

● (10.05 a.m.)

The Vice-Chairman: Thank you, Mr. Jorgenson. I will now call upon Mr. Herridge to make his comments, if he so desires.

(English)

Mr. Herridge: Mr. Chairman, my comments will be quite brief at this stage.

First of all, I want to thank the Minister for coming here at this early hour, and for his statement. I might say that throughout all my adult life I have been particularly interested in trees, ships and women, although not necessarily in that order!

Our party supports the principles and purpose of the ARDA program and, in general, the work that the Minister and his officials are trying to do with respect to forestry and the relationship between the federal government and the provincial governments in this respect.

I might say, as president of the Canadian Tree Farmers Association, that our organization supports the government's efforts, in general, with respect to the forestry and ARDA program.

Mr. Chairman, I am now in a field where I feel a bit more at home, because I have practised tree farming on my own properties for over 50 years. This is a subject I know something about. I am very pleased to be here, and am looking forward to hearing the explanations given by the officials.

I was glad to head the Minister mention the result of the forestry conference called by the federal government, to which the provincial governments were invited along with industry. This is a practice that should be continued. I am very much in favour of having discussion among all parties to any problem, because in many instances their problems are mutual.

I wish the Minister and the Department well in all their efforts to set up a sort of general policy across Canada by agreement with the provincial governments, and with respect to forestry in particular.

I was interested in the Minister's reference to the Federal-Provincial Conference on ARDA. I am not going to say anything further on it at this time because we will be able to get information by questioning the Minister or his officials with respect to the ARDA agreements, forestry policy, or other matters that we are concerned with and interested in.

The Vice-Chairman: Mr. Johnston, you are next.

Mr. Johnston: Thank you, Mr. Chairman. I would like to express appreciation of the Minister's opening statement. Because this department is one that is extremely diverse it covered a fair amount of ground. The province that I come from has, of course, a great concern for forestry. Some years ago, when the Department was first set up, I recall feeling that forestry was so basic to British Columbia it could lead to a sort of automatic clash. I am pleased to see that there has been a co-operative effort between the federal and provincial governments.

I know how great is the need for research. I was happy to hear the Minister concentrate his remarks so much on the need for research in the forest industry. The problems are tremendous in diseases of trees, the development of trees, in variety and in markets and so on. The needs are tremendous there, and it will take the combined resources of all of the provinces and the federal government to deal with the many problems that arise in that industry.

Speaking on behalf of my own constituency I can say that in the ARDA part of the program there are several projects of great importance under way. I do feel that in British Columbia the ARDA program was rather slow in getting going, but I am happy to say that it has succeeded in so doing.

Some of the projects are small, but others, which involve the re-building and development of irrigation systems, particularly in the Okanagan Valley, are quite big. As these systems develop it will be very important to see that there is no conflict between agriculture and rural development. If it is good for agriculture it will be rural development, and there will be rural development that will relate, possibly indirectly, to agriculture; but the whole system should be worked out and very well co-ordinated.

We watch with interest the development of much larger programs in other parts of the country. There is the development which is being done in eastern Canada and in Manitoba. Because our agricultural areas in British Columbia, with the exception of the Peace River area, are rather restricted in size we probably will not see any major scheme of this type in the far west.

On the other hand, I should point out that there are pockets of extremely marginal agriculture in some of the mountain valleys, which were settled years ago, on what has not proven to be really viable agricultural land. So that there is scope in British Columbia, too, for some of the rural development aspects of the ARDA program that deal with marginal agriculture.

Of course, in the West we are interested, too, in the feed grain agency, because it relates to British Columbia as well as to eastern Canada. I was discussing it just last week and with a constituent who is doing some study on it. He felt that the whole feed grain situation in British Columbia still had a great many loose ends. With the agency and the board being just set up it is early yet, but I think we can look forward to tying up some of these loose ends and improving the feed grain situation in the province.

That is all I have to say at this time, Mr. Chairman.

● (10:10 a.m.)

Mr. Herridge: Mr. Chairman, if I may make a suggestion, so that the record will be in sequence, perhaps the members of the

Committee would first direct their questions on forestry to the Minister and then those on ARDA, research, or whatever they wish. In this way the record will be in sequence for those who read it. I find this is a matter for criticism sometimes. We jump from one subject to another.

(Translation)

● (10.12 a.m.)

The Vice-Chairman: Is it agreed that we deal with ARDA and forestry individually, as Mr. Herridge has just suggested?

(English)

Mr. Noble: Mr. Chairman, we are not getting any English translation.

An hon. Member: This is a real complaint!

Mr. Olson: Mr. Chairman, could the Minister give us an expanded explanation of the research work before we start our questioning? He talked about research and said that that was the primary function of the Department, but that is as far as he went. Does he mean research into diseases and their reduction, and the production of trees, or does he include research into the use of wood in manufacturing wood products and marketing and so on?

Mr. Chatterton: Mr. Chairman, does it also include research into forest fire fighting methods?

(Translation)

● (10.14 a.m.)

Mr. Choquette: Before we go any further, Mr. Chairman, would you allow the representative of the *Ralliement* the same privilege as the other members, that of expressing his point of view? Is it not normal procedure to allow the spokesman for each political party to express his point of view?

The Vice-Chairman: Would you like to do so, Mr. Godin?

Mr. Choquette: A spokesman for each party has expressed his point of view following the report made by the Minister. I feel that it would be appropriate.

Mr. Godin: I did not hear the report and I have not seen it. Thank you all the same. I shall follow your remarks with interest.

The Vice-Chairman: Thank you. I will now call upon the Minister to make a few comments on what has been said, and then we shall have the question period.

(English)

Mr. Sauvé: I would like to thank members who have spoken on behalf of their parties for their generosity. This is additional proof of their understanding of the work of the department. I will have a very brief comment to make and then I will answer with pleasure the questions of members if I know the answers and if the questions are not too technical. We can discuss the forestry aspects of the department, the ARDA program or feed grain, whichever subject the Committee decides upon.

One must realize that the ARDA program is a joint program, it is federal-provincial, and under the regular ARDA program the initiative and the administration rest solely with the provinces. It is true that in some provinces the ARDA program has not been as fully implemented as in others or as was originally expected.

You must realize that this was a new initiative and a new concept and many of the provincial governments were not sufficiently familiar with all the administrative machinery at the beginning to fully benefit from this program. Documents which have been published and circulated to members of the House of Commons, and to the public will reveal that the program has benefited some provinces more than others.

We have been conscious from the beginning—and when I say “from the beginning” I mean under the previous administration and also under my responsibility—of some of the weaknesses in this program. We have proposed many schemes to the provinces and we have had conferences with them, but generally speaking the provinces requested that the federal government not go directly to the local level and start pushing for programs. The provinces were very jealous of their authority in their jurisdiction and they felt they were the ones to decide who was to benefit from the program, under what circumstances, in what regions and also the particular projects that were chosen.

We are just beginning to receive agreement from the provinces on a larger program of information initiated by the federal government in co-operation with the provinces. This

fall and next spring there will be a very large program of information, as you will see from the Estimates. It is something on the order of probably \$250,000 to \$300,000. We intend to inform the individual farmer or the rural family about the ARDA program; what it is, what can be done and what the method is for doing it. Up until now the provinces—and I think rightly so in a way—did not want to be flooded with massive projects which they could not handle. It would probably have meant for them an impossible administrative task. Members are right when they say that the program generated a lot of enthusiasm at the beginning. It was presented in such a way that people were led to believe that all the solutions to rural and agricultural problems would be solved through ARDA. After the initial impetus there was a slump because the administration of the program was possibly not as great as originally expected.

However, the federal government took the initiative. We called this federal-provincial conference in 1964 after the ARDA officials and myself, along with the Deputy Minister, visited each of the provinces. We spoke to provincial ARDA committees in each capital and met ministers and premiers and so on. After an extensive exchange of views in the months of April, May and June of 1964 we circulated our views to the provinces in September. We then held this conference where it was agreed by all provinces that the federal government, especially in the field of regional rural planning, would have much more initiative. Since then we have been extremely successful and I think the program has picked up tremendously since the first months of 1965. This has occurred not only as a result of the expansion of the regular ARDA program but the extraordinary expansion of this concept of regional rural development.

As you know, we have already signed three agreements with two provinces. One was in northeastern New Brunswick at Macnaquac and the other at Interlake in the province of Manitoba where, because of the Fund for Rural Economic Development, which has now been increased to \$300 million by Parliament, we were able to initiate programs federally and provincially in regions of this country where there is a concentration of low income families, and this will really have an effect. We are tackling the fundamental problem—not individual local problems—of resource adjustments and the training of people. I have been greatly impressed by the results and I think generally speaking the

provinces are very satisfied with this new concept. The federal initiative has also been tremendous. In fact, we have identified all the regions in Canada. You will recall that in 1964 we published maps showing the regions of poverty in Canada. By discussing this with the provinces we have been able to get them to accept and to implement this concept. As I mentioned earlier, we have now had discussions with all the provinces of Canada with respect to rural regional development programs which go to the root of the problem. I am quite satisfied with the upsurge in the increasing efforts of ARDA at the federal level.

I would like to make a comment on feed grain. When the bill was introduced into the House and the administration of it was discussed by all the members, emphasis was put on trying to maintain stability of price rather than a decrease in the price of feed grain. As you know, in eastern Canada during some months of the year prices go up very high and then they come down, and this creates disturbances.

Early in the discussion when legislation was introduced it was mentioned that we would try to re-examine this entire program to see if the feed corn production in Ontario could not benefit from the legislation and the payment of freight subsidies as they now exist. I am confident that the board, after having reviewed this situation, will be able to cope with this very difficult problem of price increase and the variation in price during the year for farmers in eastern Canada and in British Columbia.

I have great hopes for this feed agency. It is not because I feel that through this policy we are going to solve our little problems, far from that; I think what we need in this country is a national agricultural policy.

In fact, some of the problems which Mr. Jorgenson has mentioned can only be solved by having a national agricultural policy whereby the federal government, the provinces and the farm organizations can agree on the objectives of agricultural production in this country over the next 10 years. I think the formation of the task force was the beginning of establishing this kind of policy.

I think that the Feed Board—at least for the time being—would be able to serve the farmers in eastern Canada and British Columbia in a way that would diminish the price cost squeeze in their operations in that

field at least. I agree that it must depend on the world market and the local production of grain in Canada.

We have been having discussions for some time with the Canadian Wheat Board about the import control of grain and I think that we are on the verge of coming to an agreement that the Canadian Wheat Board will give up this authority. They are not anxious, as you have said, to exercise this authority. It would probably be the Board of Grain Commissioners that would be the depository of the authority in this field, as they are for some other aspects of the grain problem. Now that the Feed Grain Board is in operation it might be possible to clearly settle this problem soon.

These are the few remarks I wanted to make before starting to answer specific questions. I am at the disposal of the members of the Committee if they wish to proceed with questioning.

(Translation)

● (10.25 a.m.)

The Vice-Chairman: Mr. Choquette has a few questions to ask.

(English)

Mr. Jorgenson: Mr. Chairman, may I speak on a point of order. I would like to raise a matter that I think is a very valid one. There are times when the evidence of this Committee has to be reviewed by people who want to look it over and it is far more orderly if the questioning is done according to the various items rather than wandering all over the place. I would much prefer that we decide what particular items we are going to discuss for the remainder of the time that is allocated to us this morning. When one item is completed we can then move on to the next one. It is far more orderly as far as the members are concerned. I think the officials would appreciate it and I think the people who read these reports and the members who are going to be reviewing the reports will find it much easier to review them if the questioning is arranged in that way. I hope some decision can be made along those lines.

(Translation)

The Vice-Chairman: Mr. Choquette.

Mr. Choquette: In the House, when we are studying Item no. 1, the members are allowed to ask questions on the subject as a whole. Therefore, I do not see the utility of the point

of order brought up by the member for Kootenay West at all. The procedure is the same as in the House. We are on Item no. 1, so we have the right to ask questions of a general nature, whatever the subject under discussion.

(English)

Mr. Asselin (Richmond-Wolfe): Dealing with that point of order, I agree in a way with Mr. Jorgenson but I also have to agree with Mr. Choquette. If someone wishes to speak about forestry—and I am not interested in forestry—I will not have the opportunity to pose my questions to the Minister on ARDA because we will be leaving here in about half an hour. Can we be assured that this system will carry on for the next meeting when the Minister and his officials are here so that those who want to pose questions on the latter subject will have the same opportunity as those who want to pose questions on the first subject? I would agree to this, but unless we have that guarantee I think we should follow Mr. Choquette's suggestion that we proceed the way we do in the House.

The Vice-Chairman: It was suggested at the beginning of this meeting, and everyone seemed to agree, that we call the first item and that discussion and questions of a general nature be permitted on that item but questions that related to specific items be postponed until the appropriate item has been reached. Also, when the general discussion was completed the first item would be allowed to stand for further consideration while the Committee proceeded to consider and approve the subsequent items. Perhaps we could now proceed with general questioning, if it is agreeable to the Committee.

Some hon. Members: Agreed.

The Vice-Chairman: I will now ask Mr. Choquette to pose his questions.

(Translation)

Mr. Choquette: I would like to ask the Minister whether the war on poverty program is a responsibility shared by several departments or whether the Minister himself directs the implementation of this program?

Mr. Sauvé: No. You are aware that there is a special secretariat, attached to the Privy Council, which handles the co-ordination of all the work of the various departments in

what is called the war on poverty. It involves the Department of Manpower, the Department of National Health and Welfare, the Department of Forestry. As far as our department's role goes in this war on poverty, we are concentrating our efforts in particular on the programs of regional development, as, for example, in northeastern New Brunswick, the Interlake region in Manitoba, and the EQPB in the Lower St. Lawrence and Gaspé Peninsula. What happens is that, when we have prepared a plan for regional development in a given area where there is a concentration of low income families, then it is the Department of Forestry, ARDA Division, which negotiates with the provincial government concerned on behalf of all the federal departments involved, and the Department of Agriculture for the province negotiates on behalf of all the provincial departments involved.

Then there is co-ordination of all the work of the provincial and federal departments in an area, through negotiations between the Department of Forestry for the federal government and the provincial Department of Agriculture for the provincial government.

Then, we sign an agreement concerning the organization of the administration in the area, the financial particulars for each of the departments concerned, under the ARDA program or the economic development fund, the details of the program to be applied over a period of from five to ten years, and local participation.

This agreement is ratified by the two governments and then applied by the departments concerned, at either the provincial or federal level, according to their respective responsibilities, or in some other way, when it involves no specific or clearly established responsibility for one department in particular.

Actually, it is either the Department of Forestry or ARDA in a given area which co-ordinates and assumes, not the responsibility for implementation, that belongs to the individual provincial or federal departments concerned, but it is the co-ordinating body that supervises implementation of the programs and ensures that the war on poverty in this area is carried out effectively. The general program of the war on poverty is the responsibility of a special secretariat established under the authority of the Privy Council.

Mr. Choquette: I asked this question because I have had several questions put on the Order Paper, concerning the war on poverty and it was always the parliamentary assistant to the Prime Minister who replied. We always thought that ARDA was the moving force behind this offensive and that ARDA came under the Department of Forestry. I am glad to have this point cleared up for me by the minister.

I have another question I would like to ask.

• (10.30)

As the Minister has the major degree of authority in this struggle against poverty, would he consider preparing a White Paper on the war on poverty as it might be said that this is the problem which demands the most effort and the one which is becoming the most prominent among those which need attention. Would it be possible to table in the House a White Paper dealing with the war on poverty?

Mr. Sauvé: I believe there have already been a number of publications issued by the special secretariat indicating what the federal government on its part is doing in this field. I do not see how we could publish a paper dealing with the administrative measures which the federal government might decide to develop over a period of from five to ten years without involving the provincial governments because the responsibility in this field is shared.

In any case, as we do not as yet accept in Canada and the provinces the idea of deliberate economic planning at the government level, I cannot easily visualize the possibility of drawing up a rational White Paper which merely states what is being done without determining specific policy. In any case, this would not be up to the Department of Forestry and Rural Development, it would be the responsibility of the Prime Minister or the Privy Council.

Mr. Choquette: I do not want to hold up the Committee but I have one short question concerning the Canadian Livestock Feed Board. We know that the major grievance expressed by the farmers of, for example, eastern Canada is that when the government increases its assistance to farmers the production costs increase and they particularly complain about the increase in the price of feed grains.

Subsidies for dairy products have been substantially increased this year by about \$30 million. Farmers are making more money. However, the price of feed grains will soon start to rise. I wonder how the Canadian Livestock Feed Board intends to prevent such a situation which seems to be perpetuating itself and about which farmers complain so bitterly?

Mr. Sauv : When you come to discuss the Canadian Livestock Feed Board perhaps you could ask Mr. Perreault for the technical details on this point. I am not convinced of the accuracy of your statement that when there is an increase in federal government grants in one sector, there is a corresponding increase in the price of feed grains directly associated with this increase. Several factors may be involved. This would have to be checked. I am not aware that as a result of the announcement of the new dairy policy there has been any substantial increase in the price of feed grains. However, this will have to be checked with the experts. I am not an expert.

I can tell you that the act allows the Canadian Livestock Feed Board to act as a broker. For instance, if the Board notices that there is let us say, a substantial and unjustified increase in price, then the Board can intervene in the market and buy and sell grain and in this way it acts as a broker. As we have a considerable amount of funds available we can thus intervene effectively to prevent sudden and unjustified price increases.

The price of feed may be justifiably increased, because there is not only grain in it but all sorts of ingredients and it is often the price of ingredients such as minerals, etc., which is increased. This is not the result of an increase in the price of the feed itself. If the Canadian Livestock Feed Board notices for one reason or another that there is a sharp or unjustified increase in the price of feed because of an unusual increase in the price of the cereal grains that go into the feed, then with the permission of the Cabinet it is authorized to intervene in the market and to act as a broker. This is the reason there are two parts to the act. There is the administrative part, which regulates the administration of existing grants for transportation costs, and the other part, which authorizes the Canadian Livestock Feed Board to act as a broker.

Mr. Choquette: I would like to ask one last question.

Mr. Ricard: Mr. Chairman, before we go any further I would like to point out that Mr. Choquette's question is very precise and very relevant. Mr. Choquette deserves a clear answer to his question. The technical experts are here, Mr. Minister, and if you are unable to give Mr. Choquette a complete answer perhaps you could consult with them so that you could give Mr. Choquette a complete answer. Judging by his question, Mr. Choquette seems to be convinced that the increase is the direct result of the increased subsidies. This matter must be cleared up. There is no point in our coming back two or three times to the same subject. I feel that Mr. Choquette should receive an answer to his question immediately.

● (10.40 a.m.)

Mr. Comtois: I would like to speak on a point of order, Mr. Chairman. We officially decided to proceed in this way: members were not to be allowed to ask supplementary questions while one of their colleagues were asking questions in order to avoid getting into a wide-open discussion. If everyone asked supplementary questions other members would not have time to ask questions. We should keep to our established procedures.

Mr. Sauv : Mr. Chairman, I understood a moment ago that there would be a general discussion and then if there were any specific questions they would wait until the actual item was being studied by the committee so that the officials could provide precise technical answers.

Mr. Ricard: I simply meant to try and speed up the answer to Mr. Choquette's question. If I was wrong and we are supposed to come back to it later—

Mr. Choquette: As you say, we could certainly do with some technical explanations. I think the Minister has given a general answer which might be summed up in this way: the Canadian Livestock Feed Board is going to watch for and prevent unrestricted speculation which may have hurt farmers in the past.

The Vice-Chairman: I feel that we can consider this point in detail when we come to discuss the item relating to the Canadian Livestock Feed Board.

I will call upon Mr. Pugh for his questions.

Mr. Choquette: Mr. Chairman, I would like to know what sort of connection, or what

communication, there is between the Canadian Livestock Feed Board and the Canadian Wheat Board?

Mr. Sauv : Technically speaking, there is none. These two bodies are regulated by two different acts and neither is subordinate to the other. However, there are some administrative relationships between them for the purpose of information and to prevent, in so far as this is possible, the creation, not of disputes, but of problems.

Mr. Choquette: Is there any overlapping of jurisdiction?

Mr. Sauv : There is no overlapping of jurisdiction. This is clearly established. We have nothing to do with the wheat trade, which is entirely the responsibility of the Canadian Wheat Board. We are at the other extreme in the wheat trade. We engage in buying and selling, as one broker among others at the Winnipeg Grain Exchange. We do not have any dealings with the Canadian Livestock Feed Board.

Mr. Choquette: Therefore, the Canadian Livestock Feed Board cannot buy from the wheat board?

Mr. Sauv : No, it cannot.

The Vice-Chairman: Mr. Pugh, you have the floor.

(English)

Mr. Pugh: Mr. Chairman, I think that ARDA is one of the great pieces of legislation that have been enacted. It is proving itself to be most effective. In my own area there are many projects under way, and some of them have been completed. Those on irrigation in the Okanagan Valley have been most successful.

However I have seen the various circulars which come from your office, giving information generally on ARDA projects throughout Canada, and I have noticed a slight variation in the terms of contribution. There has been a tremendous increase in the 50-50 grants where the federal undertakes half and the province undertakes half. My first question is: What is the determination on this point. What decides whether it will be a 50-50 basis, or one-third, one-third, one-third?

Mr. Sauv : The answer to this question is contained in the ARDA agreement that was

signed by the provinces and the federal government, which came into force on April 1, 1965. It contains clauses that determine the federal contribution according to the nature of the projects. For projects in the water field I think the construction is 37½ and the provinces assume the remaining responsibility and then have to try to share it with the local authorities.

It is a mandatory contribution decided by the agreement. It does not fluctuate at will. The agreement provides for a 50-50 contribution on certain aspects of the ARDA program, and 37½, if I am right, for other projects.

Mr. Pugh: Even where projects are in being at the present time have your department and the government given consideration to the old one-third, one-third, one-third basis, or whatever the contribution was, and considered the possibility of upping the ante?

Perhaps I might describe several situations that have occurred. In the Okanagan, irrigation has been the big thing in ARDA. Despite a good deal of help from PFRA, the engineering and all the rest, it has been found that the cost of putting water on the acreage, in many cases, has doubled, even with the assistance under ARDA. There is a definite hardship at the present time. I know this from my personal experience and I am wondering whether the Department is considering, as I say, upping the ante, or working out another deal, if you like.

Mr. Sauv : Yes, we have done something already. According to the original ARDA agreement which came into force on April 1, 1965, the total allotment of a province that could be committed to this kind of scheme was limited to 50 per cent of the cost. The province of British Columbia has asked us to make an exception, that the allotment of the province should not be restricted to 50 per cent but should be greater, and we have agreed to a limit of 60 per cent which, in fact, will allow the federal ARDA administration and the province to make more contributions to this kind of project. Otherwise, the share of the local authorities or the local people would have been greater. That is the way we found to increase our contribution, because we were limited by a 50 per cent allotment of the total amount.

Mr. Pugh: May I ask the Minister whether there is a possibility of a form of retroac-

tivity—even in the projects which are in being at the present time and having been put in being by ARDA—so that we might go back and review the agreements already in existence to take this overload off the project.

Mr. Sauv : My impression is no, but I would like you to discuss this specific aspect of the question when the ARDA people are before you.

Mr. Pugh: Just before I close I notice you said, the first agreement in 1965. I think you are referring to a specific agreement but, of course, ARDA started—

Mr. Sauv : We have signed two general agreements with the province, one in 1962 for the period 1962-1965, and we have renewed the first agreement for a period from April 1, 1965 to—

Mr. Pugh: You used the term “the original agreement” and I just wanted to go back a few years, politically, of course. One of the things you mentioned was research. I have had a great many requests dealing with pollution which might be considered a National Health and Welfare responsibility, but to me pollution goes along with the whole ARDA concept at the same time. You mentioned research on a regional basis and that ARDA had its projects, and this was the definite idea. I am wondering whether some research on a regional basis might be good, in conjunction with National Health and Welfare, pollution being my main concern in this. Has it been considered?

Mr. Sauv : I think that a decision has been taken at the federal level that this problem would be dealt with by the Department of Energy, Mines and Resources. All problems of pollution in the field of research come under the authority of the Department of Energy, Mines and Resources.

Mr. Pugh: Then ARDA would look to Energy for any research with regard to ARDA problems, particularly so far as pollution, and so on is concerned.

Mr. Poetschke: The intention sir, of the EMR is to provide a vehicle—

Mr. Pugh: Could I have the meaning of EMR?

Mr. Poetschke: Energy, Mines and Resources. Within that Department there is a

section concerned specifically with problems relating to water. Its intention is to examine problems from the point of view of a river basin region. This will involve many facets, pollution being a very important one. The Prime Minister has directed it to pay particular attention to pollution. It will provide the vehicle for research and the intention also, I believe, is to provide the mechanism to assist with projects that are indicated to be required by the research.

Mr. Pugh: Thank you very much.

Mr. Noble: Mr. Chairman, I have four questions and I think the answers need not necessarily be long. Does the Department of Forestry take any responsibility for forest spraying?

Mr. Sauv : We share the cost with the provinces. I do not know how many are concerned, but I know the principle is that the province proposes forest spraying to us and we share the cost with them and with the companies involved, if companies are involved.

Mr. Noble: That leads to another responsibility and that is, before they did spraying would the Department consult and co-operate with the Department of Fisheries before spraying forests where there was a possibility of interfering with the fish production? I understand the fisheries have suffered significant damage in the past from ill-considered spraying operations resulting in pollution of the spawning areas.

Mr. Sauv : There is very close co-operation between all departments involved. There is an Interdepartmental Committee on Forest Spraying. There have been some problems of the kind you have mentioned, but I think through the co-operative efforts of all the department we have now overcome the major difficulties. You could get technical information from the members of the Department when you reach the Items on this.

Mr. Noble: When the Minister was giving us a rundown of the provinces co-operating with the Department of Forestry in the new arrangements for forest restoration, I noted that Ontario was not mentioned. I ask the Minister whether he can tell us what the disposition of Ontario may be in this respect.

Mr. Sauv : What do you mean by restoration?

Mr. Noble: You mentioned that you had signed up Newfoundland and one other province. Then you said you were negotiating with four or five others and I noticed that you omitted Ontario.

Mr. Sauvé: Yes, I am sorry. I was not discussing forestry then; I was discussing rural development agreements.

Mr. Noble: Could you tell us what the disposition is in Ontario? Why was it not mentioned?

Mr. Sauvé: It was because the Ontario Government has not yet considered the application of Section 6 of the ARDA Agreement for rural regional planning. I do not think there has been any discussion yet. There has been mention of one or two areas where there could be that kind of possibility, but the Province of Ontario has to agree to go in with us on this regional planning and it has not done so yet. However, there has been some discussion of possibilities in two regions, one in Manitoulin, I think, and the other in Eastern Ontario. But it is an ARDA program; it is not a forestry program.

Mr. Noble: Is there any particular area in Eastern Ontario, any particular county or area that we could designate?

Mr. Sauvé: You will recall that a survey was done in 1962 or 1963 which mentioned thirteen counties in Eastern Ontario. Normally, I guess they would be about the same.

Mr. Noble: Is the Department of Forestry doing anything in the way of promoting the planting of walnut, as it is very scarce and now worth a dollar a board foot or more?

Mr. Sauvé: Unfortunately, I cannot answer that. I think you will have to reserve your question for the officials of the Department when they appear before the Committee to answer specific questions.

Mr. Noble: My last question is, what progress has been made in the development of blueberry and cranberry plantations?

• (10.55 a.m.)

Mr. Sauvé: This is a specific ARDA program. There are specific ARDA projects in various parts of the country. We have had extensive blueberry ARDA projects in the

Saguenay-Lake St. John area and two others in Nova Scotia. I think you will have to wait to discuss the specific results with the members of the Department. It is too specific for my comments.

(Translation)

The Vice-Chairman: Mr. Matte?

Mr. Matte: I do not want to minimize the significance of ARDA; I have every confidence in it. However, do you not feel that the federal government considers it rather as a bank in that we take nothing to do with how the Act is applied, but leave everything to the control of the provincial governments? If we submit a project which might be applied in our areas or in our ridings, we are always referred to the provincial government.

Mr. Sauvé: You know that ARDA was originally intended as an agricultural program. Jurisdiction in the field of agriculture is concurrent; that is, the federal government the provincial governments are all partially responsible for it. Those who proposed this Act, namely, Mr. Hamilton and the provincial ministers of agriculture, decided that it would be implemented jointly, with the federal and provincial governments participating.

Originally, with the ARDA programme, they decided that the initiative and the administration would be provincial responsibilities, with the result that the federal government's role was limited largely to making financial contributions, although each project was examined at the federal level. We realized later that rural problems were not exclusively agricultural, that the non-agricultural population in rural areas was larger than the agricultural, and that if we wanted to solve the rural problem we would have to deal with the other resources of the area and with the population. Thus, we arrived at the new concept of regional development in which the federal government participates not only financially but also to a very large extent in organization, choice of area, and organization of the development plan. We expect an even greater federal participation in regional development within the framework of specific ARDA provincial-federal programs.

We encountered an administrative problem at the beginning—a constitutional problem—but there has now been enough evolution that we can have true participation by governments at every stage—planning, implementation and administration.

Mr. Meade: I would like to ask one other question. Has the Canadian Livestock Feed Board exercised any notable influence on prices since it was founded?

Mr. Meade: Although the Act was passed only last fall and the members of the Board did not take up their positions until the first of April, I am surprised to note that we have had an important influence on prices. I am sure, however, that brokers and businessmen know that the Board exists for the purpose of watching the evolution of prices. This alone is a useful role.

(English)
The Vice-Chairman: Before leaving, would the Committee agree to stand Item No. 1 now.

Timony and Deal with Forestry Items 15, 20 and 23 of the estimates?

Some hon. Members: Agreed.

Mr. Heintzger: Mr. Chairman, just before we leave I have one question to ask, and I will be very brief. I noticed the Minister mentioned the "war on poverty" repeatedly. I wonder why we have to parrot the United States slogans? Could we not adopt that Hon. Mr. Liberal slogan, "Peace And Prosperity for all Canadians".

The Vice-Chairman: Thank you, Mr. Heintzger.

OFFICIAL REPORT OF MINUTES
OF
PROCEEDINGS AND EVIDENCE

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Translated by the General Bureau for Translation, Secretary of State.

LÉON-J. RAYMOND,
The Clerk of the House.

HOUSE OF COMMONS

Second Session—Twenty-seventh Parliament

1967

STANDING COMMITTEE

ON

**Agriculture, Forestry and Rural
Development**

Chairman: Mr. EUGENE WHELAN

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

TUESDAY, JUNE 20, 1967

RESPECTING

Estimates (1967-68) of the Department of Forestry
and Rural Development

WITNESS:

From the Department of Forestry and Rural Development: Dr. M. L.
Prebble, Assistant Deputy Minister, Forestry.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

HOUSE OF COMMONS
Second Session—Twenty-seventh Parliament
1967

AGRICULTURE, FORESTRY AND RURAL DEVELOPMENT

Chairman: Mr. Eugene Whelan

Vice-Chairman: Mr. Herman Laverdière

and

Mr. Alkenbrack,	Mr. Gauthier,	Mr. Nowlan,
Mr. Asselin (<i>Richmond- Wolfe</i>),	Mr. Gendron,	Mr. Olson,
Mr. Beer,	Mr. Godin,	Mr. Peters,
Mr. Berger,	Mr. Grills,	Mr. Pugh,
Mr. Chatterton,	Mr. Herridge,	Mr. Rapp,
Mr. Choquette,	Mr. Honey,	Mr. Ricard,
Mr. Clermont,	Mr. Hopkins,	Mr. Roxburgh,
Mr. Comtois,	Mr. Horner (<i>Acadia</i>),	Mr. Schreyer,
Mr. Côté (<i>Nicolet- Yamaska</i>),	Mr. Johnston,	Mr. Stafford,
Mr. Crossman,	Mr. Jorgenson,	Mr. Stefanson,
Mr. Éthier,	Mr. Lefebvre,	Mr. Tucker,
Mr. Fairweather,	Mr. MacDonald (<i>Prince</i>),	Mr. Watson (<i>Château- guay-Huntingdon- Laprairie</i>),
Mr. Flemming,	Mr. Madill,	Mr. Yanakis—45.
Mr. Forbes,	Mr. Matte,	
	Mr. Neveu,	
	Mr. Noble,	

(Quorum 15)

Michael B. Kirby,
Clerk of the Committee.

RESPECTING

Estimates (1967-68) of the Department of Forestry
and Rural Development

WITNESS:

From the Department of Forestry and Rural Development: Dr. M. J.
Peeble, Assistant Deputy Minister, Forestry.

ROGER DUNNIE, P.R.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

MINUTES OF PROCEEDINGS

TUESDAY, June 20, 1967

(3)

The Standing Committee on Agriculture, Forestry and Rural Development met this day at 9:40 o'clock a.m. The Vice-Chairman, Mr. Laverdière, presided.

Members present: Messrs. Alkenbrack, Asselin (*Richmond-Wolfe*), Beer, Berger, Clermont, Côté (*Nicolet-Yamaska*), Crossman, Éthier, Flemming, Her-ridge, Horner (*Acadia*), Johnston, Jorgenson, Laverdière, Lefebvre, MacDonald (*Prince*), Madill, Neveu, Pugh, Ricard Roxburgh, Stefanson, Watson (*Château-guay-Huntingdon-Laprairie*)—(23).

Also present: Messrs. Hales and McCutcheon.

In attendance: From the Department of Forestry and Rural Development: Dr. M. L. Prebble, Assistant Deputy Minister, Forestry; Mr. R. J. Mulligan, Director of Administration; Mr. R. H. Dowdell, Director of Personnel Administration; Mr. L. Cameron, Director of Information; Mr. R. D. McAuley, Chief of Finance.

The Vice-Chairman introduced the witnesses and as agreed on Friday, June 1, 1967 items 1 and 3 of the 1967-68 Estimates of the Department of Forestry and Rural Development were allowed to stand and those items listed under Forestry, namely: items 15, 20 and 23 were called.

Dr. Prebble made a statement after which the Committee proceeded to question the witnesses.

Later, it was

Agreed,—That if the Committee completes examination of items 15, 20 and 23 of the Estimates on Thursday, June 22, 1967, then those items would carry and the Committee would proceed to items 25, 30 and 35 listed under Rural Development.

Questioning of the witnesses continuing at 11:00 o'clock a.m., the Vice-Chairman adjourned the Committee till Thursday, June 22, 1967, at 9:30 o'clock a.m.

Michael B. Kirby,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

Tuesday, June 20, 1967.

The Vice-Chairman: Gentlemen, we have a quorum. We will now commence.

I have the pleasure of introducing today the officials who are attending the meeting of the Committee on this department's estimates. They are as follows: Dr. M. L. Prebble, Assistant Deputy Minister, Department of Forestry and Rural Development; Mr. R. J. Mulligan, Director of Administration; Mr. R. H. Dowdell, Director of Personnel Administration; Mr. L. Cameron, Director of Information and Mr. R. D. McAuley, Chief of Finance.

It was agreed last week that the Committee would stand Items Nos. 1 and 3 and proceed to consider the items in the estimates under the heading of Forestry, namely, Items Nos. 15, 20 and 23. Is this agreed?

Some hon. Members: Agreed.

The Vice-Chairman: I will now call Item No. 15 and I will ask Dr. Prebble to make any comments he wishes to make on the three items.

*Department of Forestry and Rural
Development
Forestry*

15 Administration, Operation and Maintenance, including grants as detailed in the Estimates, \$16,943,500.

Dr. M. L. Prebble (Assistant Deputy Minister, Department of Forestry and Rural Development): Mr. Chairman and gentlemen, Vote No. 15 covers the administration and operations of the forestry program. Taking the three sub-votes together you will note that there is an overall increase of \$4.2 million this year. This represents a 34 per cent increase in financial provisions and an anticipated increase of 33 per cent in establishment. This reflects our planned endeavour to increase our research efforts in all regions from Newfoundland to British Columbia in the specialized institutes.

In the days of rising salary costs an increase of one-third in establishment would not, of course, be possible without a somewhat larger increase in financial provision if all new positions were to be filled for the complete year. Apart from increased personnel provisions, the increases can perhaps best be summarized by looking briefly at the sub-votes. The principal area of growth for the administration portion is an additional quarter of a million dollars for more aid for research in Canadian universities. On the one hand we are doubling last year's \$90,000 program for extramural research grants and work will be carried out this year at some 17 different universities. On the other hand we are undertaking a new program to the extent of \$160,000 to provide assistance to the four Canadian universities that have forestry faculties. In the sub-vote for regional establishments increased funds are needed for field travel. We also expect to do more development work by contract, especially in silvaculture. In common with other departments, this year our operating vote makes provision for furniture. However, in previous years the Department of Public Works provided for this. The pattern of increases is substantially the same for the third sub-vote, which provides for a Forest Products Laboratory at Vancouver and Ottawa, the Petawawa Forest Experimental Station, the Insect Pathology Research Institute at Sault Ste. Marie and several smaller institutes in the Ottawa area.

May I speak on Vote No. 20 at the same time?

The Vice-Chairman: You may if you wish.

20 Construction of Acquisition of Buildings, Works, Land and Equipment, \$3,952,000.

Dr. Prebble: Vote No. 20 is a capital vote and it provides for equipment and construction. The provision this year for equipment for all Forestry Branch establishments is \$1.4 million. This has increased from \$1.2 million last year. This is principally to meet the an-

ticipated needs of new Staff. The \$2.5 million for construction is largely provided to make a start on a fairly extensive program for new and improved research facilities at locations from Saint John's, Newfoundland to Victoria, British Columbia. Apart from the new research laboratory which we hope will be started this year on the university campus at Edmonton for our Alberta regional establishment, this year's funds are mainly for pre-engineering, architect's fees, design and in some cases for site acquisition. If the members wish, perhaps I can briefly sketch what is being planned at the various locations.

• (9.45 a.m.)

We are working towards new regional laboratories; first at St. John's, Newfoundland on the campus of Memorial University, second at Fredericton on the campus of the University of New Brunswick, if satisfactory site arrangements can be arranged with the university authorities and at Winnipeg on the campus of the University of Manitoba. At Sault Ste. Marie the civic authorities have co-operated in making available to us a site adjacent to our existing Insect Pathology Research Institute. We plan to build a new regional laboratory there and also to increase the size of the building that is now housing the Insect Pathology Research Institute. We are planning extensions to our existing laboratories for the Quebec regional establishment on the campus of Laval University, and for the British Columbia region on the site of our recently completed laboratory in Victoria. At Vancouver we will be providing additional laboratory facilities over the next few years for our Forest Products Laboratory on the campus of the University of British Columbia.

Until these new facilities are available we face serious difficulties in getting interim accommodation. I should add that in addition to the efforts of our own staff in this regard we have received very helpful support from the Department of Public Works.

While that covers the major projects for which provision is made in our estimates, I should also add that the Department of Public Works is providing for an extension to our present Forest Products Laboratory on the Montreal Road, for a Forest Research Centre just outside Hull and for a departmental headquarters building in Hull.

I will turn now to other elements of departmental programs. Perhaps I need not say much about Vote 23 on pages 190 and 191 as the vote wordings are fairly specific and there are no new aspects on which to comment.

(Translation)

The Vice-Chairman: Thank you very much, Mr. Prebble. Some members have already indicated that they have question and, therefore, I shall ask Mr. Clermont to put his questions immediately.

Mr. Clermont: Mr. Chairman, in connection with Vote 15, I notice that in Administration the staff has increased by 21 employees, in Research and Regional Services by 317 and in the Research Institute by 187, making a total of 525 employees. Is this staff evenly distributed throughout Canada?

The Vice-Chairman: While we are waiting, if you have no objection, I should like to point out to the members of the Committee, that they should always stand as close as possible to the microphones when speaking in order to facilitate simultaneous interpretation and recording.

Mr. Clermont: This is my question, Mr. Chairman: Is that staff increase, which according to my calculations amounts to 525 employees, evenly distributed throughout Canada or concentrated only here in Ottawa or in this region?

(English)

Dr. Prebble: I am having a little difficulty finding the 523, Mr. Chairman. Under vote 15 we have it broken down into three parts; administration, operation and maintenance at headquarters.

(Translation)

Mr. Clermont: Yes. You admit that there has been a staff increase of 21 employees in Administration.

(English)

Dr. Prebble: Yes, that is correct, sir.

(Translation)

Mr. Clermont: Three hundred and seventeen in the Research and Regional Services and 187 in the Research Institute, making a total of 504 employees. Has that staff been evenly distributed throughout Canada, in various provinces, or only concentrated here in Ottawa?

(English)

Dr. Prebble: Under the administration section the increase of 21 positions is entirely in the headquarters structure at Ottawa. Under regional research and services the increase is

distributed throughout Canada. Under the third subsection, which deals with the institutes and in which the increase is recorded as not quite 200, the increases are found at research institutes which are principally in the Ottawa area but we also have one at Sault Ste. Marie, one at Vancouver and also the Forest Products Laboratory on the Montreal Road. So, the increases in staff have been widely distributed according to the location of our headquarters structure and the various regional and institute laboratories.

• (9.50 a.m.)

(Translation)

Mr. Clermont: Under the heading of Sundries you show an amount of \$85,500 for 1967-68 compared to an amount of \$2,800 for 1966-67. Exactly what is covered by this \$85,500, mentioned on page 187 under the heading Sundries in Vote 15?

(English)

Mr. Flemming: Mr. Chairman, when the gentleman is asking a question could he give us the page number on which it appears? I have a bit of difficulty in locating the specific items.

Mr. Clermont: Mr. Flemming, I understand the page number is the same in French as in English. My question concerns Sundries, which appears on page 187.

(Translation)

The Vice-Chairman: To which pages do you refer?

(English)

Mr. Clermont: I just mentioned the page number, Mr. Chairman. It is page 187.

Mr. Flemming: Thank you.

Mr. Clermont: My question, Mr. Flemming, is related to the fact that at page 187 an amount of \$85,500 is shown for sundries.

Dr. Prebble: Under sundries we have provision for numerous small items including laundry, motor vehicle licences, cleaning and towel service and so on, at the various establishments throughout Canada and which are quite small. We also have provision for larger items, including visits to Canada of officials from other countries which have large forestry organizations. We have as well provision for participation by the Department of Forestry in the Festival of Forestry which is being organized as part of the proceedings in

the Vancouver district. This is associated with the Pacific Exhibition, in which the Department of Forestry has co-operated with the organizational group in making provision for visiting forestry graduates from the Pacific rim countries to attend the Forestry Congress in B.C. and the various industrial operations and university programs in British Columbia. This is a program which is being shared by a large number of countries on the Pacific rim as part of the Forestry Festival in Vancouver this year.

(Translation)

Mr. Clermont: On page 187, Mr. Chairman, I see an item of \$100,000: Participation in FAO Associate Expert Scheme or an Alternate Arrangement. What is the FAO?

(English)

Dr. Prebble: Yes. This is an item to provide for co-operation with the FAO as part of a program which they are sponsoring in various parts of the world to make it possible for new graduates in various resource fields to be assigned to underdeveloped countries for periods of from one to three years as assistants to senior FAO officers in those countries for the development of resources. The concept of this plan is that the better developed countries will co-operate with FAO in making funds available and in sponsoring participation by recent graduates in such a program. The details have not as yet been worked out. As far as Canada is concerned, this is a provision which will require a thorough review with Treasury Board before any such program is launched.

(Translation)

Mr. Clermont: Mr. Chairman, since comments have already been made regarding Vote 23, this will be my final question on Votes 15, 20, and 23. I believe you mentioned that in the near future an administration and research building is to be erected in the Hull area. Have architects for the construction of such buildings as yet been appointed?

(English)

Dr. Prebble: I am not even sure the architects have as yet been appointed. The engineering group and the research elements of the department are now in the process of working out the requirements for those two buildings. The requirements have been submitted to the Department of Public Works for the headquarters building but we are still in

the process of working out the requirements for the research centre in the Hull area.

(Translation)

The Vice-Chairman: Have you finished your questions, Mr. Clermont? In that case, Mr. Pugh, you may put your questions.

(English)

Mr. Pugh: What do you feel is the growth of your part of the department? Is it normal or do you feel you can cut down?

Dr. Prebble: I think the quick answer, of course, would be that it is not normal. The growth of our department was very, very minor for many years. At the direction of our Minister in 1964 we made a review of programs and problems in all parts of Canada and we were asked to make a submission which, in our opinion, would make it possible for the federal department to play its legitimate role in the field of forestry research and related services in Canada. We recommended over a period of five years, from 1966 to 1970-71, a doubling of staff which would greatly strengthen a large number of fields that were very poorly set up and established. These included such matters as fire research, economics and the forest products field, which was greatly undernourished, and that proposal was studied carefully by Treasury Board staff and by the Science Secretariat and in 1966 we received approval for the development over that five-year period. We are now in the second year of that growth and our recruitment has been very good. We have great hopes of attaining the extent of growth that we forecast would be necessary.

Mr. Pugh: In the carrying out of what you might term a five-year plan to 1971, will this put you in shape to do the job in forestry which you feel is necessary?

Dr. Prebble: We think the development that is now in progress will put us in good shape to do the job that is expected of the federal government in the field of forestry.

Mr. Pugh: Are you now running normally on this five-year plan? I noted in your opening statement, sir, rather a slight regret at missing out on a few things and I was wondering about this. You mentioned it was a difficult job to find interim quarters, and matters of this kind.

Dr. Prebble: Yes, We are running a little behind on the facilities. We are doing surpris-

ingly well on the staff increments. We have been able to recruit from many parts of Canada and in specialized fields we have drawn recruits from other countries. We are running behind on accommodation. In a sense we lost one year in our accommodation program because of the necessary studies that were required by Treasury Board and the Science Secretariat. On the personnel and program side we are somewhat ahead of our construction program and that has placed us in the position of having to make interim arrangements of various kinds, such as renting accommodation, using temporary buildings and huts and things of that kind to keep the program going.

Mr. Pugh: I would like to make a slight switch here and deal with the relationships with the provinces and as I am from British Columbia perhaps I should stick to that province, although other members may ask questions about it. I should imagine there is a very close liaison between the provincial Lands and Forests departments?

Dr. Prebble: That is indeed true, sir. We have had very close relations in British Columbia for over a quarter of a century. Recently we instituted a device to greatly increase the collaboration between our departmental people, provincial people, university people and people in industry. We have set up a series of regional advisory committees in every part of Canada where we have establishments and where the examination of problems, the derivation of programs to solve those problems and the establishment of priorities is a process which involves the provincial, industrial and university people very heavily.

Mr. Pugh: Is that advisory committee made up of federal appointments or is it across the board?

Dr. Prebble: In British Columbia we have two senior men from the Department of Lands and Forests, a Deputy Minister and a man in charge of research. We also have the Dean of the Faculty of Forestry and representatives from the major forest industry associations in the province sitting on that committee.

Mr. Pugh: In your discussions, sir, and this could be general throughout Canada—what is the concentration of provincial requests for federal participation or aid? What are the main lines of that?

Dr. Prebble: I am not sure that I know what you means by "concentration; sir.

Mr. Pugh: I was thinking of it from a provincial point of view. What is the greatest area of request for help or participation?

Dr. Prebble: It varies somewhat from province to province, sir. In all parts of Canada the requirements for protection against insects, disease and fire are a very dominant feature, particularly in the case of insects and diseases because provincial organizations have no such program of their own. Help on fire research is also given throughout Canada. We have had many requests for participation in programs in silviculture and forest economics, and, of course, there are many requests from all parts of Canada for co-operation in the field of forest products, research into which is carried out largely in our two labs, the Ottawa one covering from Saskatchewan east and the Vancouver one covering Alberta and British Columbia.

We have had many requests from various provinces to assist them in voluntary regeneration, especially after logging or fire. From some parts of Canada we have had requests to devise techniques and methods of establishing forests on barren and bog lands and of getting full production.

We have received many requests for assistance in inventory techniques and for studies in growth and yield so that the productive capacity of the forest can be forecast as a basis for establishing industry.

It is fair to say that we have had requests that cover practically the whole field.

Mr. Pugh: I gather from what you have said that you would like to see a good deal more going into research, whether through universities or the established laboratories?

Dr. Prebble: We have a growing program of collaborative work with the universities. I mentioned 17 universities with which we now have co-operative research contracts. These are fields of work in which we feel that the universities, with their facilities and specialized staff, can quite frequently make better progress in a particular aspect than we can in our own establishments. Those are very often designed as one to three year projects which can be done on a concentrated basis by a member of a university faculty with his graduate students, and can be done, as we say, as a succession of rather short term research projects which do not require the com-

mitment of our staff; in other words, it is collaborative. The work is carefully designed to be complementary to our own and to provide opportunities for graduate students.

The other aspect of the co-operative work of the universities deals primarily with the strengthening of the research capability of the forestry faculties in Canada. Traditionally, they have been quite deeply involved in professional activities but not so much in research programs. During the last year or two, as an aid to increasing what might be called the professional competence of the forestry schools to produce well-qualified graduates, we have come to the conclusion that it is in the interest of everybody, including that of the Department, to assist them to build up research competence in the graduate schools. We have programs going on now at New Brunswick, Laval, Toronto and British Columbia with that aim in mind. That is the \$160,000 I was referring to earlier.

Mr. Pugh: Sir, if I may change the subject, you consulted about, or were you on any committees dealing with, the Kennedy Round of the last several years?

Dr. Prebble: No, sir.

Mr. Pugh: Do you feel that our forestry industry may be adversely affected under GATT, or by any changes in GATT?

Dr. Prebble: I do not feel that I am competent to answer that question. We do not have our economist with us today. I am afraid it is a matter beyond my competence.

Mr. Pugh: That is all right, sir.

(Translation)

• (10.06 a.m.)

The Vice-Chairman: Have you finished your questions, Mr. Pugh? Mr. Herridge had some questions to put.

(English)

Mr. Herridge: Mr. Chairman, first of all, may I say that I think Dr. Prebble used a very appropriate agricultural term when he said that some of his programs are undernourished. I hope that is recognized in certain quarters.

I am very interested in the agreements that are provided for in the Forestry Act. Would you mind explaining to the Committee the procedures that are used in order to obtain an agreement with a province for certain work

such as inventories, firefighting research, disease control and so on to be undertaken in that province?

Dr. Prebble: A typical case would be something like this: There is a problem in a provincial region that involves an assessment of hazard, the development of a co-operative survey program, the essential research to devise control methods and then, eventually, the execution of a control program. What I am saying here applies in a sense to the budworm problem in the east and to the balsam woolly aphid problem in British Columbia. Essentially, we can carry out the surveys with our own staff. We work out cooperative arrangements on research programs. If there are controls that can be applied, agreements are worked out, between the Department and the province, on the nature of those controls, and estimates are made on the financing.

In the case of the budworm problem in New Brunswick and, at one time, in Quebec, and the balsam woolly aphid problem in British Columbia, the costs have been shared between the federal government and the provinces.

In the case of the budworm problem in New Brunswick it has been a three-way sharing. The industry has been very much involved in cost-sharing, too. It is one-third the province, one-third industry, and one-third federal government.

Mr. Herridge: Would you mind informing the Committee of the techniques used by your branch in taking a forest inventory on stand and possible growth?

Dr. Prebble: That work, of course, is not part of the agreement at the present time, Mr. Herridge. The inventory programs are part of the composite agreements which, as you know, came to an end in March.

Mr. Herridge: Yes, I realize that; but would you mind explaining the techniques you are using.

Dr. Prebble: The techniques used depend very heavily on aerial photographs and photogrammetric estimation of the density of stands on the aerial photographs, with checking on the ground. The actual inventory program has, of course, been carried out by the province. We have a research program going on on aerial photography, on photogrammetric techniques and the estimation of timber from those photographs. That

information is of course, made available to the provinces, some of which have their own quite extensive inventory research programs. British Columbia has had one for many years.

I think it is safe to say that the techniques that have been used generally are essentially based on the very sophisticated use of aerial photographs and the estimation of timber from the photographs based on the stratified sampling checks made on the ground.

Mr. Herridge: When you say "checks" you mean cruises over limited areas multiplied by the areas concerned?

Dr. Prebble: In that case, sir, I mean using the photographs in which the various forest types are delineated and making spot-checks on a particular area to see how closely the check on the ground compares with the estimation made from the photograph itself. In this way you get a concept of the error involved in using the photograph as a basic source of information.

Mr. Herridge: What does your Department do before it contributes to, we will say, an inventory survey? How do you check the expenditure? Is there any check by your Department on the areas concerned?

Dr. Prebble: Yes, sir. During the life of the composite agreements, in each of the regions we had attached to our establishments men who worked very closely with the provincial people and made what one might call an audit of the work going on. This covered not only inventories but also reforestation, access roads and the whole program. We called them our provincial agreements officers, and they worked with the provinces and certified that the work had been done satisfactorily before payments were made.

Mr. Herridge: And were they in close touch with the inventories being undertaken at that time?

Dr. Prebble: Oh, yes.

Mr. Herridge: In the area?

Dr. Prebble: Yes sir. I should not say that the provincial agreements officer was in every part of a large province being sampled, but he was in touch with the inventory officials in the province and was satisfied that the work was proceeding according to design.

Mr. Herridge: And the agreement?

Dr. Prebble: And the agreement, yes.

Mr. Herridge: How do you develop your forest products program? I know generally, but do you get representations from various organizations to undertake a study in a particular field with respect to forest waste and things of that kind?

Dr. Prebble: Yes; for many years there has been continuous contact between people in the forest products industry and the forest products laboratories. Until a couple of years ago there was an organization known as the National Advisory Committee on Forest Products Research. It was rather large and unwieldy and attempted to cover the whole field in a very short time.

A year ago it was recognized that that was rather less than adequate so we have set up seven committees representing industry in the various fields of forest products. In British Columbia there is one such committee on timber engineering, one on lumber and a third on plywood. In eastern Canada there are four committees, one on lumber, one on plywood, one on the furniture industry and one on preservation.

The members of those committees are drawn from the industrial associations which are specializing in those various products fields. There is cross-representation between the eastern and western committees so that the one on eastern lumber, for example, has representation from the committee on western lumber. Therefore, there is a good cross-connection between the two. Again, the programs are developed on the basis of the assessment of problems, the development of programs, the establishment of priorities and the periodic assessment of the work being done. I think it is safe to say that 75 per cent, or more, of the work being done is in response to requests from the forest products industry.

Mr. Herridge: What is being done to make the people in the areas concerned aware of the information obtained as a result of these agreements? I have always believed that it is a good idea to get the people concerned interested and knowledgeable about what is being done by the federal government and the provincial government in these agreements. Have you any sort of arrangement to issue press releases, or give interviews to the press, to indicate what is being undertaken, and why?

Dr. Prebble: I would like to know, sir, if you are referring particularly to agreements or to the work in general? If you are referring to the work of our establishments in

general, or primarily to the work undertaken by the provinces under the former agreements, the answers are somewhat different.

Mr. Herridge: First of all, with respect to the agreement.

Dr. Prebble: I think it is safe to say, sir, that the federal government's participation in the agreements was not very accurately publicized among the local people.

Mr. Herridge: Personally I think that was a mistake. I am very interested in this subject. I have heard a number of people asking, "What are these people doing here?" and "Who is paying for it?" and so on. I think they should be informed of what is happening.

Dr. Prebble: I think, sir, that it was generally found that the provincial authorities who are carrying out the inventory program, the reforestation program, the access roads program, the fire protection program and the stand improvements program, felt that they were really quite largely their programs, with help from the Federal Government and that we were not publicizing the role of the federal government very much in those programs, except at such things as national conferences, and so on; but certainly not among what one might call the local populace.

Mr. Herridge: Yes. I think this is a mistake. People should realize that these are co-operative programs as the result of an agreement.

Dr. Prebble: Yes.

Mr. Herridge: What about the work of the Forestry Branch itself?

Dr. Prebble: We go through quite a variety of process. The research contributions, of course, are published in various ways in the trade and professional journals. We also have a series of departmental publications about our work put out by the Queen's Printer. We have what one might call two house organs that are directed to people in the forestry and products fields. One of them is known as "Research Notes," which is a popular type of thing, based on the work of all our establishments. We have another one which is known as "Bi-monthly Research Notes" which is aimed more at the professional people.

In the various establishments we have information and liaison officers. The information officers are primarily concerned with informing the public, through press releases, newspaper articles and occasional articles in

the trade journals, of the work that is going on. In at least two regions they also put out very abbreviated statements on the current work in progress. The liaison officers are working with the people in the industry and in the provincial departments, on a day-to-day basis, on collaborative programs, participating in the assessment of problems and acting as a link one might say, between the user of the research information and the producer of it.

Those activities have been quite extensively increased in the last couple of years, because I think we were previously deficient in that kind of program.

Mr. Herridge: Yes. I receive the departmental reports and publications and a number of trade journals, which I appreciate very much indeed, but I was thinking particularly of informing the public in terms that they can understand.

I represent an area which produces over 200 million board feet of lumber a year. I cannot get used to speaking in terms of cubic feet; I was born too soon. I do think that a lot more could be done—and I am glad to know that it is being done—to inform the public of what your Department is doing, especially in those areas that are particularly interested in forestry.

• (10.19 a.m.)

(Translation)

The Vice-Chairman: Have you finished your questions, Mr. Herridge? We shall hear now from Mr. Flemming, if he will kindly ask his questions.

(English)

Mr. Flemming: Thank you, Mr. Chairman. I would like to ask Dr. Prebble for a general statement on what he considers the research activities of the forestry Department have been able to accomplish in increasing the annual increment of the forest itself as compared with, for example, the Scandinavian countries? I know that a few years ago we were substantially behind them. Do the recent figures indicate that we are to some extent closing the gap? In other words, are we increasing ours by the application of the research, about which we are all very much in agreement?

Dr. Prebble: That is a very broad question, Mr. Flemming.

Mr. Flemming: I realize that.

Dr. Prebble: I will do my best to answer it, as briefly as I can.

In the objective that you have outlined I think it is fair to say that there are quite a number of component parts, many of which will depend, in the final analysis, on the intensity of management of a particular area. I think it is true to say that much of our potentiality has not been realized because of the very extensive, as opposed to intensive, use of the forest land. We have also been quite badly plagued by both serious fire, insect and disease losses.

Our program, I think, can be stated to start with a better appreciation of the land base itself; in other words, the potential of forest lands to produce. We have quite a large program going on in which our people are really interested in the basic resource, the land, and have been working very closely with the provinces and industry in land classification, to give a clearer picture of the potential productivity value of that land. It has been quite active in the east, in Quebec and Ontario, and even in British Columbia. I think it has probably been more intensive in some aspects in British Columbia than in other parts of Canada. We have collaborated very extensively with the industry people in making critical assessments of the land and in giving figures on potential productivity, as a guide to management by the industry.

We have several groups working on the question of the growth in yield on forest land. In our headquarters we have a group which is very seriously concerned with the whole question of forest management research, including the use of photographs for stand estimation, which I referred to earlier.

There is also another group which is very much concerned with the question of growth and yield and the means of maximizing these through such things as fertilization, stand treatment, spacings and use of species. At this stage this is in what you might call the experimental or study phase. It is not possible to say at this moment that the concepts, both in yield and in stimulation of forest development, have been put to use, but they have certainly stimulated the provincial and industrial people into thinking more about the potential base that they are administering.

We have been deeply involved in programs leading, we hope, to the reduction of loss through insects, disease and fire. We are strengthening our fire insurance much more substantially than other elements, because it was very badly undernourished before.

We are quite heavily involved in programs designed to produce improved techniques for

getting the land regenerated after fellings or after fire has killed the original stand.

We have been very much involved in programs of plantation study, species involved, rates of growth, problems of soil fertility and the reduction of insects and diseases and of losses in plantations.

We have groups in the forest products laboratories who have been concerned with the techniques of harvesting so that materials that were once considered uneconomical will now be taken out at a profit. That is tied in quite heavily with the products field.

Groups are now starting a program on economic studies. This has been very badly lacking in the past. Our programs on forest economics will be collaborative programs worked out with provincial and industrial officials.

This may have been a rather roundabout, and probably not too explicit, response to your question, but it is the best I can do, Mr. Flemming, unless you can indicate a little more closely . . .

Mr. Flemming: Mr. Chairman, I asked a general question and I expected a general answer. Thank you, Dr. Prebble.

You were speaking about the program for the combating of insects. We, in New Brunswick, of course, are greatly interested in that because, as you know, we have had a spraying program for quite a number of years, and I notice that Item No. 23 continues it this year.

As a matter of fact, this being the time of the year when the aeroplanes spray the forest, I have seen it being done. I have received some complaints that the strength of the spray is harmful to wildlife, especially to birds and fish. Would you care to comment on that feature at the moment?

Dr. Prebble: Yes. As you know, Mr. Flemming, this program has been going on in New Brunswick since 1952. The information we had about the use of DDT originated in the United States, and it prescribed one pound per acre as standard prescription.

We started a fairly intensive study in 1952, on the spraying, and we carried it on year after year.

I think it is true to say that the liaison between our Department, the Fisheries Department and the Canadian Wildlife Service was inadequate during the first few years of that program and we became aware, some five or six years after the program was start-

ed, of the concern of other people. This led to the holding of a national conference in the winter of 1957-58. We were in trouble in British Columbia at the same time, sir.

At that time there was set up a committee known as the Interdepartmental Committee on Forest Spraying Operations on which the Department of Fisheries, the Department of Northern Affairs and the elements which are now the Department of Forestry were represented. The object of that Committee was to make a thorough annual review of all programs in any part of Canada which might require action through the use of insecticide distributed from the air. This was done, firstly, so that the assessment would be one representing the various resource interests; secondly, to recommend the research that might be needed to close gaps in knowledge; and, thirdly, to encourage the application of the results of that research in actual practice.

This is all by way of preamble to your question, sir. That Committee has been very much concerned with the operations in New Brunswick. They have had a very close working relationship with the Fisheries Research Board, the Department of Fisheries, the Canadian Wildlife Service and the forestry elements.

The research program undertaken as a consequence of that enquiry in the winter of 1957-58 led progressively to the reduction in the application of DDT from one pound to one-quarter pound per acre.

The decisions about the action to be taken in New Brunswick were joint decisions involving the Departments of Fisheries, Wildlife and Forestry from 1958 onwards. No action unacceptable to the elements of the three departments and their respective ministers has been taken. That naturally meant compromise, because some damage has occurred to forests as a result of reducing the concentration of insecticide, and to birds and fish because insecticides were used at all.

• (10.30 a.m.)

However, the action which has been taken has been the result of an acceptable compromise amongst those three major interests. Of course the Department of Fisheries were anxious that DDT should not be used at all, if this were possible. We conducted quite an extensive program, which is still continuing, to find a suitable alternative. We have been using an organophosphate insecticide known as Phosphamidon, which was fine from a forestry point of view—

Mr. Flemming: I understand that is the one that kills the birds.

Dr. Prebble:—and very satisfactory from a Department of Fisheries point of view, but unfortunately it was not very acceptable from the point of view of the wildlife people. There was a question concerning the method of application and also about reducing the dosage from what it is was initially. This year we are conducting a program having to do with another organophosphate material which at this stage it is considered will probably be acceptable to the forestry as well as the fisheries and wildlife people.

I want to emphasize that the programs that we have been conducting have been joint programs. In New Brunswick at the present time I think we probably have the most comprehensive program of any part of North America on that whole problem, and this involves the fishing people, the wildlife people, both federal and provincial, and university people from Prince Edward Island and Ontario who are doing work on residues in the soil. It is a fully-rounded program. I must repeat that the operational program which is carried out each year by Forest Protection Limited on behalf of the province of New Brunswick is a program which is designed months in advance and it is approved by the various resource interests before it is undertaken.

Mr. Flemming: Thank you, Dr. Prebble. I do not want to monopolize the time of the committee but I have one or two further questions which I think will be of interest to everyone.

In connection with the agreement with the provinces, at one time we were sharing the cost of the production of forest inventory figures, reforestation, forest fire protection, forest access road construction and stand improvement. As I understand it this has now been discontinued as far as the agreement is concerned and the money is now turned over to the provinces under a different arrangement. I am not criticizing that arrangement, this is not the place to complain about it, but this is what I would like to know, Dr. Prebble. In connection with your understanding with the provinces, has there been any agreement by the provinces that stand improvement activities, for instance, or access road activities, or things that will really stimulate the production of forest products, will be continued? Is there any understanding—within

the general heading and under which the federal government participates under the blanket of federal-provincial relations—that they will continue some of these programs which the federal Department of Forestry considers are most important to the forest industry generally?

Dr. Prebble: No, sir. As you know, the composite agreements came to an end on March 31. We tried to close the gap in another way but it is being done on a rather modest scale at the present time. There was a provision in the estimates last year and again this year for what was called a Research Development Fund, which is a provision for working out contractual arrangements with provinces or industries for setting up projects to demonstrate the utility of some of the research findings. This might be applied in silviculture, fire protection, control techniques of various kinds or it might be applied in the use of fertilizers. This program has been quite active and we hope it will develop much more over what it is at present. The purpose of this program is to take research results and demonstrate to industry and the provincial departments that this research really has some utility in practice. We pay the contracting authority for carrying out well-conceived projects and assessing them, hoping that by demonstrating they have a practical utility it will stimulate more widespread use. Of course, that is not exactly the situation which prevailed under the agreements because they were operational programs and needed no demonstration. However, at the present time we have no provision for continuing the programs that were part of the Composite Forestry Agreements.

Mr. Flemming: I assume your answer applies specifically to forest fire prevention. In my opinion forest fire prevention is one of the ways in which the forest can be protected. There is no such thing as fighting a forest fire. When it gets to be a conflagration it simply cannot be fought. The only thing that can deal with it is the elements. We often hear that so many men are out fighting a forest fire. As I said before, there is no such thing as fighting a forest fire. Sometimes you can contain it but you certainly cannot fight it. I think for that reason the provinces, which are our largest land owners should be very conscious of the need for forest fire protection. This is true in the province from which I come. I also think there has been a

great improvement in that direction in the last 10 or 15 years. People are becoming more conscious of the need for taking care, and this sort of thing.

My question was specifically directed perhaps more toward forest fire prevention than any other feature because it seems to me that if ever there was a case where an ounce of prevention was worth a pound of cure it is in fighting forest fires. I was hoping that possibly there was an implied understanding with the provinces that because of the financial resources which are supplied they must of necessity indulge in a good deal of forest fire prevention activity.

Dr. Prebble: Sir, there are two programs that I think are relevant in relation to your question. It was again New Brunswick that initiated for the first time in Canada a program, and this was one in which the department was heavily involved, comprising Telex assembling of fire hazard data and making it available to the general public, and particularly to companies and the provincial departments, very frequently throughout the fire season. That program is still being carried on in New Brunswick and this year it has been extended to Quebec. It gathers information made available through the meteorological branch and gives an interpretation which is of particular significance in relation to forest fire protection. This is a program which we believe has turned out to be quite a valuable one.

On the research side, of course, our people are heavily involved in the study of hazards. What constitutes hazards under different conditions found in the woods and under different meteorological conditions. That program is being very heavily strengthened by the aid and encouragement of the provincial departments and the industry. This is a critical study of what constitutes hazards and it provides, of course, a means for the application of the hazard rating systems which are broadcast periodically throughout the provinces during the fire hazard time of year. When I say periodically I mean several times a day. It is not infrequent. It is frequent enough to constitute a guide to operations and forest travel.

Mr. Flemming: Thank you. I think with the emphasis which is placed on recreation and recreational activities that it becomes something to which we have to devote more and more attention.

My final question, Mr. Chairman—and I apologize to the committee for taking up so much time—relates to figures near the bottom of page 186. I refer to the increase in the Grants in Aid of Forestry Research from \$90,000 to \$340,00. I am not criticizing, I am not merely asking Dr. Prebble if he could give us some details on how this is made up.

• (10.40 a.m.)

Dr. Prebble: I mentioned earlier that the extramural research program which is being carried out at universities is being doubled from \$90,000 to \$180,000. The \$90,000 referred to in the 1966-67 was simply the extramural research program. That has now been increased to \$180,000. Simultaneously with that we have started this year for the first time a program of research support in the forestry graduate schools. This amounts to \$160,000. The \$180,000, which is a doubling of last year's entry, together with the new program of assistance to the forestry schools of \$160,000 totals \$340,000.

Mr. Flemming: Thank you. I have one further minor question. You spoke about construction of facilities on the campus of U.N.B. I think it might be understandable if I evidenced some special interest in this matter. Would you give us some detail on it?

Dr. Prebble: Yes. There is on the campus there as you know, a rather small site which was occupied by a entomology-pathology laboratory which was built around 1952 and occupied about two years later. While that is quite adequate for the strictly entomology-pathology program it is quite inadequate for the program that the department is carrying out. Here are also other elements in Fredericton that are housed in the old post office building because they could not be accommodated in that laboratory. At the same time, we are anxious to increase our program in the Maritimes by approximately doubling it over a five year period. We had an examination made of the site on the campus to see if there was any possibility of putting the required construction there and the answer on the university side was that it would not be particularly pleasing. There were certain restrictions concerning the height of buildings and the means of developing them and the Department of Public Works were very much against an attempt to erect on a 3½ acre site something which would require at least three or four times that space. We have been nego-

tiating with the university authorities for the last year or more concerning an exchange of one site for another. When we vacated that building, according to the initial terms of the agreement with the university, it will have to revert back to university. At present we are on the verge of acquiring a new site further up the hill. The unfortunate delay which has taken place has been caused by some slight confusion between the city authorities and the university authorities concerning an access road on to Regent Street. As soon as that access road situation is cleared up we will be able to go ahead.

Mr. Flemming: Thank you, Dr. Prebble.

Mr. Johnston: My question has to do with a rather small point. At the top of page 187 under Canada's Share of the Cost of Developing a Multilingual Forestry Terminology it shows that the estimate has increased from \$5,400 to \$12,900. Is this a program that is just beginning, well under way or nearly completed?

Dr. Prebble: This was set up some years ago as a joint program of the International Union of Forest Research Organizations and the FAO and it had Treasury Board approval for a five year period. The \$5,400 entry covered the annual contribution to the production of what was basically English terminology. It was decided that the English language would be used for the basic terminology and from which suitable editions would be put out in other languages. This increase from \$5,400 to \$12,900 is to provide a contribution to the production of a French edition of the terminology.

Mr. Johnston: How many other countries are involved, Dr. Prebble?

Dr. Prebble: I am sorry, I do not think I know how many other countries are involved. It is a joint enterprise under the International Union of Forest Research Organizations and FAO, which comprises many participating countries, but I cannot say offhand how many are involved.

Mr. Johnston: Would one then assume an equal sharing by all of the members involved?

Dr. Prebble: I expect that Canada will pay a somewhat larger share than some of the smaller countries. I imagine the United States and Canada will probably be sharing about equally but some of the smaller countries will

be paying substantially less. Our share of it will only be for the English and French versions. The German version will be paid for by the German-speaking countries, and so on. We are only involved in contributing to the English and French versions of the terminology.

Mr. Johnston: I would find it a bit odd if we had a multilingual forest terminology and then an English and a French and a German version of something which I should think would be complete. It seems to me in some areas—for example, soil sciences—we get along with the Russian terminology and we let other countries learn the terminology in the area. People working in psychology learn the German terminology, I should think, and then transpose it into their own language. I was wondering, what the basis was in connection with forestry, for working in this way?

Dr. Prebble: I am not a linguist, sir, but I think this probably represents two things in one nutshell. First of all there is the desire of people to use definitions which are in their own language and, secondly, to ensure that the version of those terms in the different languages mean the same thing. I cannot go much further than that by way of providing an explanation for it.

Mr. Johnston: There was mention made of five years. How many more years would you expect it would take to complete the program?

Dr. Prebble: I think it has another two or three years to run. It is two years for the English program, sir, and the French program is now on its first year. The French will presumably run for another four years.

Mr. Johnston: Thank you.

Mr. Lefebvre: I believe Mr. Flemming asked most of the questions in which I was interested. I wanted to ask you, Dr. Prebble, about these grants in aid of forestry research. Would it be too much trouble for you to enumerate for us the names of the universities and the amounts of these grants?

Dr. Prebble: Our program for 1967-68 includes those that are now in their second or third year and others that are to be started in 1967-68. Those that are continuations of earlier programs, and I will read them in sequence, are as follows: University of Manitoba, University of New Brunswick, University of Calgary, University of Guelph,

Macdonald College at McGill, University of Saskatchewan, University of Victoria, another one at the University of New Brunswick and another one at Queens University, McGill University and the University of Toronto. Those are the ones which presently exist and they amount to \$54,000.

Mr. Lefebvre: Is that \$54,000 in total, sir, or each?

Dr. Prebble: That is in total. The ones I have listed vary from \$3,000 to \$9,000. We have a considerable number that are presently under review, the awarding of which depends, of course, upon the results of the estimates review. These are from the University of New Brunswick, the University of Waterloo, the Nova Scotia Technical College, Dalhousie University, McGill University, Queens University, University of Toronto, University of Alberta, University of British Columbia and Laval University.

Mr. Lefebvre: These are all new programs?

Dr. Prebble: These are new programs which will be started this year, depending upon the passage of estimates.

Mr. Lefebvre: I understand the federal government owns only one—I guess you could call it—forestry farm and I believe it is near Petawawa. Is that correct?

Dr. Prebble: It is on National Defence land at Petawawa. We have a working agreement on quite a large piece of land there. At the present time it is National Defence land and we are there as non-paying tenants on a long-term basis.

Mr. Lefebvre: Is some of this research being performed on this particular piece of ground?

Dr. Prebble: Yes. We have a good program in operation there covering forest soils, tree breeding, genetics, silviculture and also a fire program. At that station we have the elements of two of the institutes which we established in the Hull area on soils and tree biology. They are housed there for the time being because at the moment we have no accommodation in this particular area for them.

Mr. Lefebvre: Does this principally relate to red pine or white pine, or what type of trees does your program cover?

Dr. Prebble: There has been a lot of work done on pine types, the white and red pines, in that area because it is a pine area. There has also been some work done on the tolerant hardwoods of the area, the yellow birch, maple, and so on. However, the work is particularly centred around the important types of the region, which are the pine types. We are also conducting quite an extensive program there on tree improvement. Materials are gathered from various parts of Canada and tested and the results are compared region-to-region, according to the source of the material. That program has covered spruce as well as red pine.

Mr. Lefebvre: Does quite a bit of your research pertain to woods for pulp and paper manufacture or is it mostly for lumber?

Dr. Prebble: In the forest products field we do not duplicate the work of the Pulp and Paper Research Institute, which is located outside of Montreal, that is concerned with pulping and paper. We are doing a limited amount of work on pulping, particularly in our Vancouver laboratory, in connection with species which are not now being used by industry or materials which have deteriorated because of fire, insect or disease attack. I think that our program covers the important tree species of Canada regardless of whether they are going into pulp and paper, lumber, plywood or whatnot. The end product depends on area as well as on species.

Mr. Lefebvre: Your interests are principally in the growth and not the end result of the product?

Dr. Prebble: In the Forest Products Laboratory we are very interested in product development. As I explained earlier the work of the Forest Products Laboratory is mainly built around harvesting, basic properties, physical properties, chemical properties, timber engineering, preservation against rot, insect attack and fire, coatings, aid to the furniture industry in dimension stock and finishes. We are doing a lot of work on veneers, adhesives and the formation of plywoods. I think that covers the major areas.

Mr. Lefebvre: Would your work on harvesting include trials of new machinery used in the harvesting of lumber in the forests and the methods of harvesting?

Dr. Prebble: Our work on harvesting has primarily been concerned with residue mate-

rial, small sizes and materials that under former conditions would have been left as waste. In other words, finding out what volumes of such residue materials there are on the ground, whether they constitute economic values and methods of getting them out and making products of them.

We have not been heavily involved in equipment development. Equipment development is a matter that has been quite largely taken up by the forest industries themselves. They have received some assistance from the Department of Industry if it is a question of devising new techniques or the development of equipment, prototypes of which have already been demonstrated as well as the feasibility. We have not been heavily involved in the devising of logging machinery or anything of that kind because we have not been competent to do so. The equipment industry and the forest products industry have been heavily involved in that program.

Mr. Alkenbrack: Mr. Chairman, I have a few questions. Speaking as one who has had to depend on forest products for a living all his life, I am quite interested in this department.

Dr. Prebble: what services does the Forest Products Laboratory on the Montreal Road perform?

Dr. Prebble: The laboratory on the Montreal Road carries out programs in all the fields I have mentioned with the exception of the pulping field. It provides liaison services to the lumber industry, the plywood industry, the furniture industry and the preservation industry. It is strongly represented on a large number of the committees which have been drawn up for the development of standards. It is involved in packaging research in the sense of designing packaging of products which will give good protection to the contents. It is heavily involved with NRC in the Division of Building Research on the engineering aspects of building programs. It is quite heavily involved in the fire-proofing of wood by using various coatings and impregnations. I think it is safe to say, sir, that it is very heavily involved in the analysis of problems in the forest products industry. It is heavily involved in research and in seeing that research through to participation in committees, work programs, and training programs. It trains people in timber grading problems. I think you might say that it runs the whole range of activity from problem

analysis and co-operation with the industry to attempts to encourage the application of research results.

Mr. Alkenbrack: Should not some of that very expensive research be done by private enterprise? We have a number of giant corporations across this country, and especially in the west, that can well afford to conduct their own research and which should be done by private enterprise. Are you not, so to speak, infringing on research and there are places where the taxpayers' dollar could be spent to far better advantage in the natural field, in the forest itself.

Dr. Prebble: We keep in very close touch with the Pulp and Paper Research Institute in Montreal. As I indicated earlier, there is no overlap there. We are well aware of the work being done by some of the large corporations, such as the Abitibi Corporation and the MacMillan Bloedel Corporation in British Columbia. As a matter of fact, representatives of those industries, especially the ones in British Columbia, are sitting on our research program committees for the forest products field. I think it is probably safe to say that the requests we get from industry are far greater than our ability at this time to satisfy. I think the one segment of the industry which feels it should do more than it has been doing is the furniture industry. Our part in the furniture industry has been very largely in the study of dimension stock, coatings, adhesives and things of that kind.

Mr. Clermont: Mr. Chairman, I wonder if the gentlemen would allow me to ask a short supplementary question? It is my understanding, although we know the natural resources belong to the provinces, that the Forestry Department is mostly if not entirely research?

Dr. Prebble: That is correct, sir.

Mr. Alkenbrack: Do these corporations assist you financially in any of your research out there or does the federal government take care of the total cost?

Dr. Prebble: We have received very extensive co-operation from the industry in the field, in the harvesting work and also in what I might call plant research, plant work. In other words, some of our research programs are better carried out in the plants of the industrial concerns. We have had very good co-operation from them in that respect.

Mr. Alkenbrack: But they only contribute that way, they do not contribute financially?

Dr. Prebble: They do not contribute dollars, no.

(Translation)

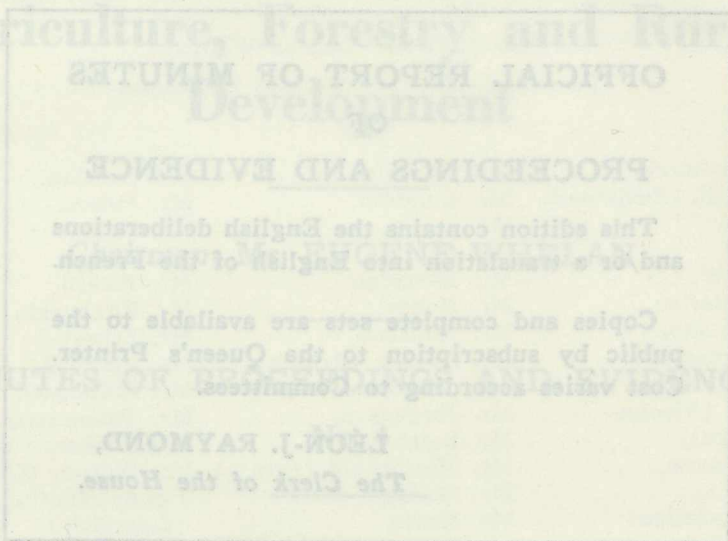
• (11.00 a.m.)

The Vice-Chairman: Mr. Alkenbrack, please excuse me, but on Thursday next you will be the first to be allowed to put several further questions, if you so wish. We have to vacate this room, as another committee is

about to hold a meeting here. The same applies to the three other members who have already informed me that they have questions to ask. Now if we could bring our examination of these three votes—15, 20 and 23—to a fairly rapid conclusion, would the Committee be agreeable to inviting the persons in charge of rural development to next Thursday's meeting?

(English)

Does the Committee agree to this? This meeting is now adjourned until next Thursday.



RESPECTING

Estimates (1967-68) of the Department of Forestry and Rural Development

WITNESSES:

From the Department of Forestry and Rural Development: Dr. M. L. Prebble, Assistant Deputy Minister, Forestry; Mr. André Samich, Assistant Deputy Minister, Rural Development.

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... I think the Committee gave to this meeting is now advanced with some final details but in connection with the

Mr. Albenstark but they only contribute that way, they do not contribute financially. Dr. Fiebbler: They do not contribute dollars. I would like to know if you have any questions. I will be the first to be allowed to put several further questions if you so wish. We have reserved this room, as another committee is

**OFFICIAL REPORT OF MINUTES
OF
PROCEEDINGS AND EVIDENCE**

This edition contains the English deliberations and/or a translation into English of the French.

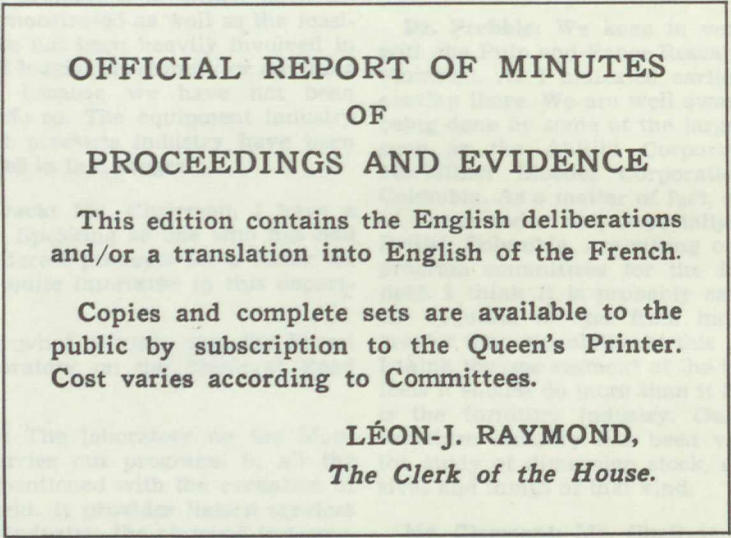
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LÉON-J. RAYMOND,
The Clerk of the House.

Dr. Fiebbler: That is correct, sir.

Mr. Albenstark: Do these reports contain any information on any of the research that you or your government have done in the past or are you planning to do in the future?

Dr. Fiebbler: We have received very extensive information from the industry in the past, in the harvesting work and also in what I might call plant research, plant work. It is not all plant work, some of our research programs are carried out in the plants of the individual countries. We have had very good cooperation in that regard.



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HOUSE OF COMMONS

Second Session—Twenty-seventh Parliament

1967

STANDING COMMITTEE

ON

**Agriculture, Forestry and Rural
Development**

Chairman: Mr. EUGENE WHELAN

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

THURSDAY, JUNE 22, 1967

RESPECTING

Estimates (1967-68) of the Department of Forestry
and Rural Development

WITNESSES:

From the Department of Forestry and Rural Development: Dr. M. L. Prebble, Assistant Deputy Minister, Forestry; Mr. André Saumier, Assistant Deputy Minister, Rural Development.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

HOUSE OF COMMONS
Second Session—Twenty-seventh Parliament
1967

STANDING COMMITTEE

ON

AGRICULTURE, FORESTRY AND RURAL DEVELOPMENT

Chairman: Mr. Eugene Whelan

Vice-Chairman: Mr. Herman Laverdière

and

Mr. Alkenbrack,	Mr. Gauthier,	Mr. Nowlan,
Mr. Asselin (<i>Richmond- Wolfe</i>),	Mr. Gendron,	Mr. Peters,
Mr. Beer,	Mr. Godin,	Mr. Pugh,
Mr. Berger,	Mr. Grills,	Mr. Rapp,
Mr. Chatterton,	Mr. Herridge,	Mr. Ricard,
Mr. Choquette,	Mr. Honey,	Mr. Roxburgh,
Mr. Clermont,	Mr. Hopkins,	Mr. Schreyer,
Mr. Comtois,	Mr. Horner (<i>Acadia</i>),	Mr. Stafford,
Mr. Côté (<i>Nicolet- Yamaska</i>),	Mr. Johnston,	Mr. Stefanson,
Mr. Crossman,	Mr. Jorgenson,	Mr. Thompson, ¹
Mr. Éthier,	Mr. Lefebvre,	Mr. Tucker,
Mr. Fairweather,	Mr. MacDonald (<i>Prince</i>),	Mr. Watson (<i>Château- guay-Huntingdon- Laprairie</i>),
Mr. Flemming,	Mr. Madill,	Mr. Yanakis—45.
Mr. Forbes,	Mr. Matte,	
	Mr. Neveu,	
	Mr. Noble,	

(Quorum 15)

Michael B. Kirby,
Clerk of the Committee.

¹ Replaced Mr. Olson on Wednesday, June 21, 1967.

WITNESSES:

From the Department of Forestry and Rural Development: Dr. M. I. Prebble, Assistant Deputy Minister, Forestry; Mr. André Samuier, Assistant Deputy Minister, Rural Development.

MINUTES OF PROCEEDINGS
ORDER OF REFERENCE

WEDNESDAY, June 21, 1967.

Ordered,—That the name of Mr. Thompson be substituted for that of Mr. Olson on the Standing Committee on Agriculture, Forestry and Rural Development.

Attest.

Witnesses present: Messrs. Berger, Clermont, Côté (Nicolas-Yves), Crossman, Ethier, Flemming, Forbes, Godin, Lavoie, Lévesque, Lefebvre, MacDonald (Prince), Madill, MacLennan, MacLennan, Schreyer, Stefansson (21).

LÉON-J. RAYMOND,
The Clerk of the House of Commons.

Also present: Mr. Olson.

In attendance: From the Department of Forestry and Rural Development: Dr. M. L. Prebble, Assistant Deputy Minister, Forestry; Mr. R. D. McAnisley, Chief of Finance; Mr. R. H. Dowdell, Director of Personnel Administration; Mr. L. Cameron, Director of Information; Mr. André Saumier, Assistant Deputy Minister, Rural Development; Mr. R. August, Chief of Administration.

The Vice-Chairman introduced the witnesses and the members concluded the questioning of the officials on items 15, 20 and 23 of the Main Estimates (1967-68) of the Department of Forestry and Rural Development.

Later, on motion of Mr. Clermont, seconded by Mr. Berger.

Resolved,—That items 15, 20 and 23 of the Main Estimates (1967-68) of the Department of Forestry and Rural Development carry.

The Vice-Chairman thanked the witnesses from the Forestry Branch for their attendance on, and helpfulness to the Committee. They were excused.

The Vice-Chairman called items 25, 30 and 33 of the Main Estimates (1967-68) of the Department of Forestry and Rural Development and introduced the witnesses, Messrs. Saumier and August from the Rural Development Branch.

Mr. Saumier proceeded to make a statement.

Later, at the request of Mr. Clermont, it was agreed that Mr. Saumier's notes be distributed by the Clerk of the Committee to the members of the Committee.

Mr. Saumier continued making his statement and at 11:00 o'clock a.m., the Vice-Chairman adjourned the Committee to 9:30 o'clock a.m. on Tuesday, June 27, 1967.

Michael B. Kirby,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

THURSDAY, June 22, 1967

(4)

The Standing Committee on Agriculture, Forestry and Rural Development met this day at 9.50 o'clock a.m. The Vice-Chairman, Mr. Laverdière, presided.

Members present: Messrs. Berger, Clermont, Côté (*Nicolet-Yamaska*), Crossman, Éthier, Flemming, Forbes, Godin, Herridge, Jorgenson, Laverdière, Lefebvre, MacDonald (*Prince*), Madill, Matte, Neveu, Noble, Ricard, Roxburgh, Schreyer, Stefanson (21).

Also present: Mr. Olson.

In attendance: From the Department of Forestry and Rural Development: Dr. M. L. Prebble, Assistant Deputy Minister, Forestry; Mr. R. D. McAuley, Chief of Finance; Mr. R. H. Dowdell, Director of Personnel Administration; Mr. L. Cameron, Director of Information; Mr. André Saumier, Assistant Deputy Minister, Rural Development; Mr. R. August, Chief of Administration.

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Mr. Saumier proceeded to make a statement.

Later, at the request of Mr. Clermont, it was *agreed* that Mr. Saumier's notes be distributed by the Clerk of the Committee to the members of the Committee.

Mr. Saumier continued making his statement and at 11.00 o'clock a.m., the Vice-Chairman adjourned the Committee to 9.30 o'clock a.m. on Tuesday, June 27, 1967.

Michael B. Kirby,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

Thursday, June 22, 1967.

The Vice-Chairman: I think we can begin now.

(Translation)

The Vice-Chairman: Tuesday last the Committee examined Items 15, 20 and 23. In further consideration of these items, I am happy to welcome Dr. Prebble, Assistant Deputy Minister of Forestry, Mr. McAuley, Chief of Finance, Mr. Dowdell, Director of Personnel Administration and Mr. Cameron, Director of Information. We also have present other officials who will be at our disposal. After we have completed consideration of these three items we will proceed immediately to rural development.

Mr. Alkenbrack, who has not yet arrived was to continue asking questions. Since he is not here I am going to ask Mr. Madill to proceed with his questions.

(English)

Mr. Madill: Mr. Chairman, I have three questions and they are short and pointed. The first concerns the Dutch elm disease. Is it prevalent only in the Province of Ontario or has it spread across the whole Dominion? Is it a provincial matter alone or are the federal authorities engaged jointly with the provinces in trying to stamp out Dutch elm disease? The second part of that question relates to a news item which I read stating that turpentine is being used to eliminate the disease. The article I read—research—you probably know about it, stated that three pints of turpentine are administered to a tree. How is it administered? Is it effective? It would be fairly costly. I wonder if you would care to comment on that.

Dr. M. L. Prebble (Assistant Deputy Minister, Forestry and Rural Development): Mr. Chairman, before I answer the questions that have been raised by the gentleman, I would like to make a comment which I would have made on Tuesday had I known the circumstances. Dr. Rousseau was absent that morning and I did not know until much later that he was quite ill. That was why he was absent

on Tuesday. Today he is in Quebec on government business and that explains his absence today.

With regard to Dutch elm disease, it has been in Canada for 23 or 24 years. It was first discovered in the City of Sorel in the Quebec lowland valley area and subsequently spread extensively through Quebec. A few years later it entered southern Ontario from the adjacent area of the United States and spread widely throughout southern Ontario. Subsequently, it was discovered in New Brunswick, having crossed from Maine. We have infestations extending throughout New Brunswick, Quebec and Ontario, affecting elms in those three provinces but it does not reach farther west than Ontario at the present time.

It is spread by a native beetle found on elms throughout Canada. In southern Ontario it is also spread by a European beetle which came into Canada from the United States. So far as we know there is no climatic limitation to the spread of the disease. However, we expect that in due course it may become widespread with the distribution of elms. It has not done so yet.

The control of Dutch elm disease consists in sanitation, the removal of the dead limbs from elms which harbour the beetles and are a breeding ground for the spread of the beetles. In addition to sanitation, chemicals are used to deter the beetles from entering the elm trees to feed. The use of chemicals has run into a great deal of opposition in some parts of North America owing to their deleterious effects on birds which inhabit areas where elms grow. DDT, in particular, falls to the earth from the leaves of the trees and from the spray and is absorbed by the earthworms which in turn poison the birds. Many municipalities are reluctant to use insecticides to protect elms because of the pressure from people who prefer to see the birds remain unmolested.

There have been successful containment programs in parts of the United States and Canada where municipalities have organized very carefully designed sanitation and chemical control programs. Losses have been held

to approximately 1 per cent of the elm population per annum, which is tolerable, but effective control requires very well organized and co-ordinated action to keep the trees in good healthy condition, to remove dead branches as they are discovered, and especially to remove and destroy trees that have died from the disease.

At the present time through the Department of Forestry the federal government is carrying out an extensive program of surveys to identify Dutch elm disease when it occurs. They maintain a diagnostic service so that any person who is suspicious that elms are infested can send a sample in and have confirmation of it or an indication that the trees are not diseased, as the case may be. Also we are carrying on a research program to learn more about the disease and its behaviour on the trees, the means of dispersal and the means of control of the disease.

In the early stages of the introduction of the disease into North America, the Plant Protection Division of the Department of Agriculture assisted in the removal of infested trees but after 25 years it is considered a native disease and that assistance is no longer available. There is assistance, however, through the winter works program in municipalities for the removal of diseased elms. It can be organized as part of the winter works program. Funds are available to assist municipalities in getting rid of their diseased elms which are a hazard to the living population.

• (10.00 a.m.)

With reference to the last part of the question concerning the use of turpentine, there have been many suggested panaceas, mostly by way of injections into trees for destruction or for prevention of the disease. None of them are proven. Many of them have been based on very inadequate information. In other words, they have been stabs in the dark, even one or two that have been given careful investigation. Bidrin is an insecticide which has been used for that purpose. It is injected into the trees. It is a hazardous insecticide as far as human handling of it is concerned. If used in too heavy doses, it is also injurious to the trees. Our feeling is, based on work in the United States and in Canada, that it is not a proven remedy. As far as the use of turpentine is concerned, I am not aware of any work having been done to indicate that as far as Dutch elm disease is concerned it has any beneficial effect whatever.

I read the recent report in the paper to which you referred and it falls in the category of "stabs in the dark". If you read the article carefully, you will note that even the people who were reporting it made no claim as to its effectiveness against Dutch elm disease.

Mr. Madill: Thank you very much. My next question is similar; it pertains to white birch. First you notice that the leaves turn brown and if you take a leaf and hold it up to the sun you will see the little grubs inside the leaf. Will this kill the trees? Is this becoming widespread or can it be controlled fairly easily?

Dr. Prebble: It is a native pest which is widespread and has been prevalent in this area in the past few summers. It can be controlled quite readily in small trees by spraying thoroughly with a common insecticide and there is also a material which is available that can be painted on the tree trunk in a very narrow band at ground level or very slightly above ground level which acts as a systemic insecticide and will prevent the hatching of the eggs, which are laid just about the time the new leaves are appearing. If that is done early in the spring you will have no trouble. My neighbours have birch trees and they are in very good condition because they treated them properly. On the other hand, you will find birch trees which are browned up very badly if such treatment has not given.

Mr. Madill: I have a last question, and probably this should have been asked when the Minister, the Hon. Mr. Sauvé, was here. Is marginal land being acquired by ARDA and leased to the farmers with the option of buying?

Dr. Prebble: That question would be more properly directed to the Rural Development Branch later because that is part of their program. I am sure that Mr. Saumier will be glad to answer it in detail. I should not attempt to answer that question.

Mr. Madill: Thank you very much. I will pass now.

Mr. Noble: Mr. Chairman, I have a supplementary question on Dutch elm disease. I do not know whether the officials have heard of this but in our area a chap has come up with the idea of driving galvanized nails into the trees about an inch and a half or two inches

apart around the base of the tree, perhaps two feet from the ground, and he claims to have had good results. I know a lot of people who are doing this; whether it is going to amount to anything or not, I do not know. I am wondering whether you know anything about this.

Dr. Prebble: Dutch elm disease is one of the maladies that is the object of treatment by copper nails, or galvanized nails. This is a reputed remedy that goes back many, many years and, I think, has no basis in fact. The evidence of success has to be looked at in light of the statistics that are available. For sake of argument, if Dutch elm disease is taking 1 per cent, 2 per cent or 5 per cent of population per annum the chances of having your particular tree—or a treated tree, for that matter—infested is roughly 1 in 100 or 2 in 100 or 3 in 100, and the chances of what we call an environmental escape or an ecological escape are, therefore, very high. A person can do a thing of that kind and when nothing happens he feels that the result is attributable to his action. I think the answer, sir, is that galvanized nails have no connection whatever with Dutch elm disease.

Mr. Noble: What would be the principle of this? Would the poison from the nails go up through the sap, or what would be the idea?

Dr. Prebble: The insecticide I referred to earlier as Bidrin, which is organo phosphate, is carried through the transportation systems of the tree, gets into the smallest elements of the tree and the small twigs and branches, and is reputed to prevent the beetles from seeding through the bark and getting into the transporting systems of the tree where they carry the fungus with them. The process is to get the material into the tree, which prevents the elm bark beetles from penetrating the bark at a point where the spores they carry can be injected into the sap stream.

Therefore, you have to visualize a material that is easily transported in the sap of the tree and which also can be carried to the very fine vessels or fibres which conduct the moisture throughout the tree. I think I would simply say, sir, that galvanized nails do not fit into that sort of scheme at all.

Mr. Herridge: May I ask a supplementary question, Mr. Chairman, while we are on the question of diseases. What is the latest with respect to the control of white pine blister rust?

Dr. Prebble: White pine blister rust is a disease which depends on the co-existence of two hosts, the pine tree and a gooseberry or a wild currant. If they are not together within a matter of a thousand feet or so, you will not have infection on pine trees.

In other words, eradication of currants and gooseberries has been a traditional method for getting rid of white pine blister rust on pine trees. It has been quite successful in areas where the program has been kept up intensively either through grubbing out the currants and gooseberries bushes or using herbicides to kill them.

In the case again, four or five years ago a material was claimed to be very successful in preventing the occurrence of white pine blister rust if sprayed from the air. A great deal of work was done in the United States and some in Canada but, unfortunately, those easy panaceas do not turn out well and the work has been quite thoroughly discredited.

I am sorry; there is another point I would like to make in replying to Mr. Herridge. Very fortunately, there is a great deal of genetic variation in pine and quite a number of pine stocks have been developed both in Canada and the United States on an experimental basis that show a natural resistance to white pine blister rust. Through a very extensive program of propagation and using the resistance stocks in reforestation, there is a good prospect for pine which is not susceptible to white pine blister rust.

Mr. Herridge: Has that difference between pines been established in nature, because I happen to have a timber holding at one place which is affected by white pine blister rust and another one 50 miles away which is not affected and never has been. Do you think that is found in nature as well?

Dr. Prebble: What is found in nature, sir, is more in the nature of an occasional tree which escapes rather than the whole stand. I suspect that the difference you referred to has its basis more particularly in the distribution of the alternate host, the gooseberries and currants. That might be the explanation. They might be prevalent in one place and not in the other. If you could answer that question perhaps it would give you a clue. If you have currants and gooseberries in the vicinity of one of your pine stands and not in the other, that is the explanation.

Mr. Herridge: Well, there are wild black currants in both instances on the mountain sides.

(Translation)

The Vice-Chairman: Mr. Flemming, do you have a supplementary question to ask Mr. Prebble?

(English)

Mr. Flemming: I have a brief supplementary question, Dr. Prebble. It has to do with the aphides on the balsam fir. Have you anything to report by way of progress in this particular field of tree disease?

Dr. Prebble: Yes, the aphid on balsam fir was referred to briefly on Tuesday. It is an introduced pest and in Canada it occurs in the Maritimes region, British Columbia and the eastern part of Quebec. It also occurs in several locations in the United States, in the states of Washington and Oregon and in the area of the southern Alleghany Mountains and also in the New England States. It has been exceedingly destructive to the balsam fir in the Maritimes region, Newfoundland, and in the western part of Canada and the United States.

It is a very small insect which is heavily concealed during much of its life cycle. It is quite impossible to deal with it by use of insecticides which are satisfactory for the defoliating pests. We have been doing a very intensive program in recent years on insecticides that have what we call a systemic action. They are carried throughout the tree through the sap stream. From experimental work, we have two or three very promising materials when applied from what you might call simulated area spraying, and this year we are taking those insecticides to the air to see if the work which has been done with the ground application, simulating spraying, can be done from the air using aircraft.

For many years we have been engaged in a program of biological control, bringing in predators of these aphides from their native home in Europe, Japan, Australia, New Zealand, India, Pakistan and all over the world and we have a number that have become established, but unfortunately, they are not effective at sufficiently low densities of the aphid. In other words, it takes very few aphides to cause serious damage to trees, whereas the predators are very effective at high densities but not at low densities of the aphid.

(Translation)

The Vice-Chairman: Mr. Côté.

Mr. Côté (Nicolet-Yamaska): Mr. Chairman, my question is for Dr. Prebble and concerns the field of research. If I have understood right, the central government is empowered or entitled to carry out research in each of the provinces. Is the government obliged to request permission from the provinces to carry out specific research in one or several provinces or does it have an entirely free hand?

(English)

Dr. Prebble: Sir, the Forestry Branch works in very close collaboration with the provincial governments, especially the departments of lands and forests. In every part of Canada we try to work in the closest possible collaboration with the provincial authorities. In the fields of insects and disease work and surveys relating to them, our program is of equal intensity throughout Canada.

In the research program dealing with other aspects of forestry some of the provinces have their own research organizations and we try to work out better arrangements to prevent overlap and duplication.

(Translation)

Mr. Côté (Nicolet-Yamaska): Therefore, if I am right, suppose the central government discovers a greater need in one province than in another; is it able to invest, on its own account, certain sums of money in the way of funds allocated to the Department of Forestry and Rural Development or is it obliged to maintain a sort of balance between the provinces?

For instance, if the province of British Columbia, or Ontario or any other province experiences a seemingly definite need, is the central government obliged to respect a certain average or does it have to consult with the province concerned, informing it of that need and pointing out any particular danger? Is it only at that stage that the government may venture to invest money, or does it have an entirely free hand?

(English)

• (10.10 a.m.)

Dr. Prebble: Our programs are built up in the various regions of Canada on a co-operative basis with the provinces.

I do not know whether the gentleman was present the other day when I described the regional advisory committees. We are setting up advisory committees in each region of Canada in which the provincial departments,

industry and the universities co-operate very closely with our own people and jointly review forestry problems, establish priorities and decide on programs to meet the needs of each region.

Your question is rather difficult to answer in the sense that if a need is not recognized by the provincial department of the industries in that province, probably it would not enter into the system of priorities and develop as a program. But I should say one additional thing, that part of our program is a rather long-term program and there are basic programs. If a problem occurs in several parts of Canada we like to see the problem in its whole range and scope and some of our research programs are designed to fill in gaps in information and, therefore, extend somewhat beyond what you would call the expression of priorities or needs of a particular provincial government. They might represent our need to get a full grasp of the problem as it occurs throughout Canada.

(Translation)

Mr. Côté (Nicolet-Yamaska): I would now like to ask a second question: when a need is clearly established in any province, how do you proceed? Are equal amounts of money then invested by the federal and provincial governments for the work which is to be done? Are the sums of money necessarily equal or does the federal government rather have the right to put forward more money than the province, or the province more than the central government? It may be a many-sided question, but I repeat it.

When a need is established in a province, are you first obligated to obtain permission from the province concerned to carry out certain work? Let us for instance take drainage. Suppose the province agrees—and as far as I can see, the province has to agree where the implementing of solutions to its problems is concerned—may the central government pay only a 50 per cent share of the money to the province or rather may it pay whatever share it deems appropriate? Since you gave quite a good reply to my other question, telling me the the province must first indicate its needs, I wonder if the same applies to the paying out of money.

(English)

Dr. Prebble: I think possibly there is some confusion here concerning the programs of the Forestry Branch and the Rural Development Branch. What I said previously ap-

plies to the research program and related surveys of the Forestry Branch. Those programs are financed by the federal government. The programs are developed as a result of collaboration with the provinces, industry and the universities. Our programs do not require the provinces or industry to spend money in similar research. As a matter of fact, the application of research results depends on a demonstration that those research results have some utility in operating practice. When Mr. Côté referred to drainage, I wonder whether he is not confusing the programs of the Rural Development Branch and the Forestry Branch?

(Translation)

Mr. Côté (Nicolet-Yamaska): No. I noticed in an official statement—I think it was about New Brunswick—that in order to try to increase forest development in certain wooded areas, some drainage had been installed. Actually, some streams were drained in order to decrease the surface area of the water and thus to increase forest development. I noticed then that the provincial government had invested a certain sum of money and it seemed to be complaining that the federal government had not invested enough money to proceed further with the drainage.

The Vice-Chairman: Mr. Côté, would this not as a matter of fact be something which has to do with rural development?

Mr. Côté (Nicolet-Yamaska): No. It is concerned with the use of the forest and the preservation of the forest in the wooded areas.

Mr. Matte: That comes under ARDA.

Mr. Côté (Nicolet-Yamaska): In what respect does it come under ARDA?

(English)

Dr. Prebble: Let me put it in a negative way, sir. If the results of similar research indicated that drainage might be helpful to the development of a forest stand, we would make that information available and provide demonstrations for it. The actual application of that result and the cost connected with the application, so far as the forest research program is concerned, would be borne by the province or the industry. We do not make subventions or contributions to the actual cost of the implementation of research results. Therefore, I still think, sir, there may be some confusion between the forestry and the rural development programs.

(Translation)

Mr. Côté (Nicolet-Yamaska): Thank you very much.

The Vice-Chairman: If you have finished with your questioning, Mr. Côté, I would ask Mr. Roxburgh to ask his questions.

(English)

Mr. Roxburgh: I would like to ask a question supplementary to Mr. Flemming's of last Tuesday. It has to do with the prevention of forest fires. As he pointed out, and rightly so, the most important aspect of fighting fires is prevention. I do not know if this question has been asked before as I was a little late arriving but I would like to know what laws there are, if any—and how strict they are—to require the lumbering companies to clear up all the brush after the cuttings have been finished. Are there any special laws? If so, are they enforced and if there are not should there not be?

Dr. Prebble: This matter clearly falls within provincial jurisdiction. The requirements differ somewhat from province to province depending upon the circumstances. In British Columbia, of course, brush and logging debris clearance is a very important part of the provincial administrative requirement. In some other parts of Canada where there are different climatic situations and less hazardous fire conditions, the requirements are not quite so stringent. In any case, those are problems that fall within provincial jurisdiction and their arrangements with the private companies.

Mr. Roxburgh: Are there provinces that have no laws whatever to deal with this most important question? I happen to have a little experience in that line and I would say it is absolutely essential if we are going to prevent forest fires. Which provinces, if any, have no laws to handle this most serious situation?

Dr. Prebble: So far as I know, sir, every province that has timber limits under license to various companies has laws and regulations dealing with the removal of timber and handling of debris. I believe they are quite variable and I think, in many cases, the companies themselves are quite anxious to improve the prospects of natural or artificial generation by getting rid of debris. I do not think I am in a position to pinpoint the differences among the various provinces so far as the regulations are concerned.

(Translation)

The Vice-Chairman: If you have finished, Mr. Roxburgh, Mr. Jorgenson may perhaps have some questions to ask?

(English)

Mr. Jorgenson: Dr. Prebble, does the federal government maintain or help to maintain forest fire fighting equipment in the provinces? Do you share any cost with the provinces of ensuring that adequate forest fire fighting equipment is maintained?

Dr. Prebble: Not at the present time, sir. That was one of the provisions of the agreements which came to an end on March 31. Until that time contributions were made for the actual purchase of equipment, the maintenance of lookout towers and hiring of aircraft for patrols, and so on, but that program terminated on March 31 with the ending of the composite agreements.

Mr. Jorgenson: Why has it not been renewed? Do you not think this is a very important part of forest fire fighting?

Dr. Prebble: As I understand it the fiscal arrangement between the federal government and the provincial governments is designed to put funds in the hands of the provinces from tax sharing, and so on, that will permit the provinces to maintain a program from the start under the composite agreements.

Mr. Jorgenson: But you have no idea where that money is going or if it is being spent on forest fire fighting equipment?

Dr. Prebble: It would go to the provincial Secretary-Treasurer, I would expect, rather than to the Forestry Department.

Mr. Jorgenson: But there is no effective control over where the money is going and no way of knowing whether it is going for fire fighting?

Dr. Prebble: I have to say that is entirely outside the province of the Forestry Branch. You are asking me to tread on very, very thin ice there.

Mr. Jorgenson: The longer I am here, the more I am convinced that there has to be some constitutional amendment. Does not the Army play a role here? I know that the Army is frequently called in to assist in helping communities that have been ravaged by flood. Is it not possible for the Army to maintain a certain quantity of forest fire fighting equipment that could be used wherever fires break out, to be transported from one province to

another if necessary? Or, better still, maintain a certain quantity of that type of equipment in each of the provinces to be used when they are called in?

• (10.25 a.m.)

Dr. Prebble: That has happened. The Department of National Defence has responded. The requests have to come officially from the provinces. In the case of an emergency they have been of assistance and also there have been collaborative arrangements between provinces so that if one province makes an official request of another during the time of a severe emergency they get assistance that way. So there are collaborative arrangements for dealing with the worst emergency situations which are somewhat outside the realm of the first question you asked.

Mr. Jorgenson: Who bears the cost of this type of operation? For example, if the Army is called in, is the Army on loan to the province or does the province have to pay for the force that goes in there?

Dr. Prebble: I think the beneficiary, you might say, has to bear the expense. I do not believe it includes what you might call the regular salary or income of the Army, but I think any out-of-pocket expenses that have to do with moving the group from one area to another is borne by the province that requested it.

Mr. Noble: Mr. Chairman, I have a supplementary question with respect to fires. It was reported in the papers some time ago that many of the forest fires that occurred during the dry period we had were caused by sparks from the brakes on trains. Is there any truth in this? If so, could there not be more surveillance along the railroads to put these fires out in the early stages?

Dr. Prebble: I am not at all sure of the facts you have recited, but there certainly is provision for this. I think the railway companies themselves maintain an inspection and a fire fighting service along the railways. There is also the Canadian Forestry Association which uses railway cars quite widely for educational programs and provides the most up-to-date and useful information programs to make people aware of such hazards.

Mr. Schreyer: I should like to ask Dr. Prebble whether he is of the opinion that in the course of the past decade there has been a slow but steady improvement in the forest fire fighting capability of some provinces, or do they remain more or less the same?

Dr. Prebble: I think there is no question that there has been a progressive improvement. The general history has been that the number of fires has not decreased because of the great increase in the number of access roads and the number of people using the woods.

I believe the actual number of fires has not decreased but the size of the fires has greatly decreased in the past eight or ten years. The fire fighting capability has been very greatly improved but, at the same time, they are dealing with a much greater opportunity for fire to develop.

Mr. Schreyer: Is there any likelihood of or practicability to an arrangement where the federal authorities would maintain a pool of really up-to-date fire fighting equipment to be made available to the provinces? I ask that because the Province of Manitoba has, from time to time, found itself lacking some of the more expensive equipment and has had to go to private industry to rent certain specialized aircraft, and so on.

Dr. Prebble: This question has been discussed at various times in the past and has been brought up again recently by one of the provincial deputies. Many factors are involved which make it extremely difficult to give a snap answer to your question. I fully expect that the matter will be under review as time goes on.

Mr. Schreyer: That really is the point of my question. Is the matter receiving consideration?

Dr. Prebble: Yes. There is not unanimity, of course, among the provinces about the types of equipment, where it shall be and what sort of arrangements there shall be for its use.

Mr. Schreyer: Thank you.

Mr. Crossman: Going back to Mr. Roxburgh's supplementary question about forest fire hazard from debris left in the woods after a lumbering operation, has any thought been given to researching the utilization of this debris so as to make its removal profitable? For example, sawmills are now using the slab, which was formerly waste, for chip for pulp.

Dr. Prebble: Considerable work is being done in the two forest products laboratories on so-called logging residues from several

points of view, one of which is what you might call investigation of the fire content, what is actually there. A lot of work is also being done on the manufacture of particle boards and things of that kind that can use small debris. Considerable work is being done on the chemical extractives of the wood and bark of small materials.

I believe the over-riding problem that still remains in many cases is the transportation cost to get the material out.

The Pulp and Paper Research Institute in Montreal has been doing much work on pipe lines for chip transport and I am sure that, as time goes on, much material now left in the woods in eastern Canada will be used. There has been a tremendous change in British Columbia in the last 15 or 20 years concerning material left in the woods. Material which was non-profitable at that time is quite profitable at the present time.

The Vice-Chairman: I think this completes the study of these three items. Is it agreed that Item Nos. 15 and 20...

(Translation)

Mr. Matte: I would like to ask a question.

The Vice-Chairman: Yes, Mr. Matte.

Mr. Matte: At Lac Normand in Saint-Maurice-Lafèche county, an entomological research station was constructed recently. Does this station come under the jurisdiction of the federal government alone? Did the federal government make any particular contribution towards the construction of this station?

(English)

Dr. Prebble: No, sir; let me start again. The investigations at Lac Normand in Quebec are an extension of the work that has been going on for many years primarily tied into tests of jack-pine. Formerly we were located in another area which was very difficult to reach because it was at the end of a company road which had not been maintained. Therefore our investigation crew was having trouble in simply getting there and getting about in the woods.

A co-operative arrangement was made between the provincial department and our own Department and they were kind enough to locate an area adjacent to and accessible by a provincial highway. They granted permission for a small area to be reserved for a field station which we established and are staffing. The results are available to the provincial people and to the industry.

They have not been involved in the payment of construction of the field station or its operation and maintenance but they provided the site. This has been done by a collaborative arrangement between the two departments.

(Translation)

Mr. Matte: Are there many similar stations in the province and in the country?

(English)

Dr. Prebble: There are quite a number throughout Canada. We maintain several kinds of field investigations. If problems in a particular area are known to be perennial and require continuous attack year after year, we prefer to maintain a field station which is a fixed establishment. Lac Normand is such an establishment.

We have quite a number of others throughout the greater part of Canada. In practically all provinces we have one or more. We also maintain trailer camps which we use quite extensively if the problem is of short duration and if it is thought to be one that can be investigated fully in two, three or perhaps five years. In this case we would not establish a permanent field station; we would operate from a trailer camp.

In our surveys, of course, we have a lot of what you might call overnight stands using tents and so on when operating from aircraft. We have nothing on the ground at all except people coming through, making their investigations and moving on. But Lac Normand is a type of which we probably have 15 or 20 throughout Canada.

Mr. Flemming: Mr. Chairman, may I ask Dr. Prebble why the vote for the grant to the Canadian Forestry Association is double this year? I have no reason to disagree with this because I think they are performing exceptionally efficient work but I would like to know whether they are assuming additional responsibilities thereby justifying the increase in the grant, or is it considered that the grant has not been on an appropriate basis prior to this year?

Dr. Prebble: The Canadian Forestry Association has considered for many years that it was quite inadequately financed. The methods of financing the provincial associations and the federal association have been rather different in the sense that the provincial associations have had access to the forest industry, whereas the national federation was, more or

less, dependent on a small contribution from the Department and what they could pick up from banks and other corporations not intimately associated with the forestry industry. They have felt greatly deprived and underprivileged for a number of years and I think, sir, that the increase in the grant would be not greatly to extend its program but to do a better program in the fields they have been covering so far.

(Translation)

Mr. Godin: I have asked Mr. Prebble whether the federal government is making a minute investigation or examination of the damage caused in the forests of Quebec, for example, by excessive use of machinery. Twenty or twenty-five years ago, we had the age of the hand-saw and the horse. The wood was cut into lengths before leaving the forest. Today, large machinery is being used. You can look after ten, fifteen, or perhaps twenty trees at a time. Yet, when you visit these forests at the end of a timber-felling season, you realize that a really clean sweep has been made. Formerly, the law demanded that saplings of five, six, or eight or more inches be left to grow, for example; today, however, young saplings of only two or three inches high have disappeared. What is the government doing in this case? Is this a case only of provincial jurisdiction?

(English)

Dr. Prebble: No, sir. In our program of silviculture research we are very much concerned about the consequences of mechanical logging and the use of heavy equipment from several points of view. As the gentleman has said, much of the advanced growth is destroyed in the process of mechanical operations and, in addition, there is quite a strong possibility of compaction of the soil in certain areas.

We are investigating those problems primarily from the point of view of the establishment of regeneration following such operations. That work will go on in several parts of Canada. At the moment, I think it is somewhat further advanced in New Brunswick than in other parts of Canada.

• (10.40 a.m.)

Mr. Herridge: I should like to ask just two simple questions, Mr. Chairman. Under Vote No. 15, there is an item entitled, "Membership in Scientific and Other Institutions". Would you mind outlining this?

Dr. Prebble: Yes, that is a very unusual item. Certain associations or institutions make

their publications available only to their members and our memberships in them are designed solely for the purpose of obtaining the publications of those organizations.

Mr. Herridge: Does that include "other institutions"? What institutions would be other than scientific?

Dr. Prebble: Certain trade and technical associations. Scientific institutions would not be involved because they are glad to dispense their materials freely, as a rule. These would be mostly trade associations.

A large part of that is a grant to an agency known as the International Agricultural Aviation Society located in The Netherlands which is very active in the European countries in promoting aviation for agricultural and forestry purposes. Our membership started a couple of years ago because we were quite keen to be aware of the current developments in the use of aircraft for forestry and agricultural purposes. That actually takes up a little better than two-thirds of this Vote so the actual subscriptions we get amount to about \$700. The membership in this International Agricultural Aviation Society costs us \$1,600.

Mr. Herridge: I should like to ask one more question, Mr. Chairman. I see you are looking restless. Regarding this item, "Participation in FAO Associate Expert Scheme or an Alternative Arrangement, \$100,000". What would this be provided for and what is the alternative arrangement?

Dr. Prebble: I spoke about this very briefly on Tuesday. FAO Agency is very anxious to increase the support to some of the developing countries by the assignment of recent graduates to work with their seasoned and experienced officers. Canada has been requested to collaborate in that program. We have not had a thorough study of it yet.

A proposal has been advanced that Canada might make available as many as eight or ten recent graduates to work with seasoned FAO officers in various parts of the world and to pay the actual costs of their involvement. In other words, the sponsoring country—in this case, Canada—would be asked to make a contribution to FAO through the payment of the cost of putting recent graduates to work in various other countries.

As yet, we have not made a decision. It has not been thoroughly investigated with Treasury Board. We have consulted two or three other departments that have been in-

volved in similar proposals and there are alternative ways. For example, the Department possibly might send its personnel directly to the other country rather than working through FAO. In other words, the Department would make a person available as a secondment for a period of a year or two. That is one possibility. In this case our expenses would be primarily for salary and transportation costs for the person to the site and back again.

I cannot be more specific about the alternative. The alternatives have not been thoroughly explored because the main venture has not yet been thoroughly explored with Treasury Board.

Mr. Herridge: Thank you. If this idea is accepted, would you expect these persons provided to assist other countries to report their experience in writing to your Department to provide a basis for future activities of this kind?

Dr. Prebble: We would expect a considerable feed back, but possibly through FAO. Actually we would expect a feed back from both sources so that we would know whether the senior officers of FAO were giving the kind of assistance we thought we should be getting and whether the young graduates were getting the kind of experience that would be useful to them. We have had a number of people on FAO assignments in recent years, usually for short term assignments. They are more experienced people. We have had a fair number of people in Africa and parts of Asia on FAO assignments and we do get information back from both the officers themselves and through the FAO organization in Rome.

• (10.45 a.m.)

(Translation)

The Vice-Chairman: Mr. Lefebvre, do you wish to ask any questions?

(English)

Mr. Lefebvre: Yes, I have just one question. Perhaps you are not the right gentlemen to answer but I thought I would ask you, Dr. Prebble. It is a question that interests a lot of people who live in western Québec and northern Ontario and probably other areas. To your knowledge are there any people in your Department or possibly in the Department of Agriculture who carry on research into the problem of how to get rid of black flies,

mosquitoes and insects that infest the forests of these two provinces and probably others.

Mr. Crossman: We have them down home, too.

Mr. Lefebvre: Do you have them in New Brunswick also? I would like to know whether anyone in the federal government is looking into this or do the people working in forests, and I would say, tourist camp operators and their guests, have to live with this problem? Can something be done about it?

Dr. Prebble: There is a group in the Department of Agriculture that has been very actively concerned with fighting flies in the woods and also in the Arctic for a number of years, in the woods in co-operation with the pulp and paper companies and in the arctic in co-operation with the Department of National Defence. Quite a number of studies have been made and quite a number of operations carried out in the field for black flies and mosquitoes in co-operation with the pulp and paper companies, particularly in Québec and Ontario. A gentleman at Queen's University has been on a contractual basis for a number of years doing work in both provinces on black fly control.

Mr. Lefebvre: This would be in the Department of Agriculture and not your Department.

Dr. Prebble: That is right, sir, in the Entomology Research Institute of the Department of Agriculture at the Central Experimental Farm. If you wish I can give you the name of the person to contact. Would you like that?

Mr. Lefebvre: Yes, I would very much. Probably there are other gentlemen here who would be interested also.

Dr. Prebble: You could contact Dr. George Holland who is the Director of the Entomology Research Institute at the Central Experimental Farm.

The Vice-Chairman: Thank you sir. Is it agreed that Items 15, 20 and 23 shall carry?

Items 15, 20 and 23 agreed to.

(Translation)

The Vice-Chairman: Dr. Prebble, gentlemen, I believe that all the members of the Committee are most grateful for the information which you have given us. I thank you on behalf of all the Committee members and I am sure that this information will be of very

great benefit to us. Thank you very much, gentlemen.

I shall now ask the officials of the Department of Rural Development to kindly be seated at the witnesses' table.

(Translation)

To answer questions concerning these items, I have the pleasure of welcoming Mr. André Saumier, Associate Deputy Minister for Rural Development and Mr. August, administrative officer. Perhaps Mr. Saumier would like to make a statement, and afterwards we shall proceed to the question period. Mr. Saumier.

Mr. André Saumier: Mr. Chairman, first of all, I wish to thank you for your kind words and to assure the Committee of our complete cooperation. I am informed that the Committee wishes to adjourn at eleven o'clock. I shall therefore try to be as brief as possible.

(English)

In his remarks to the Committee a few days ago, the hon. Mr. Sauvé, I think, fairly well covered the general philosophy of the ARDA Branch in the Department of Forestry and Rural Development so I do not intend to go into that in detail except as the result of questions which may be asked by members of the Committee.

If we turn to Vote 25, Administration, we see that it provides for operating expenses for the entire Rural Development Branch. The Branch at present administers three acts. The first is ARDA, the Agricultural and Rural Development Act, which comprises three main activities; the Rural Development Agreement, federal research and the Canada Land Inventory.

The second is FRED, the Fund for Rural Economic Development Act under which three agreements for comprehensive rural development programs have been signed so far, and under which, a number of other agreements are now at various stages of discussion or negotiation.

The third is MMRA, the Maritime Marshland Rehabilitation Act under which three Maritime provinces, New Brunswick, Nova Scotia and Prince Edward Island have entered into agreements with Canada. This Act goes back to 1948.

The members of the Committee will undoubtedly have noticed the considerable increase in this vote. The increase is \$919,000 or roughly 40 per cent over the previous year.

About one-third of that amount is for salaries; \$100,000 is to provide a regular budget for the Canadian Council on Rural Development; \$546,000 is for a stepped-up information program designed to inform the Canadian public of the ARDA and FRED programs. The remaining small amount of \$41,000 is for miscellaneous office expenses.

The Rural Development division operates through a fairly well-decentralized system. We have a central core in Ottawa which is comprised mainly of the Policy and Planning group. We have four Regional Offices which are the actively operating sections of the Branch. There is one for the West, located in Winnipeg; one for Ontario, located in Ottawa; one for Quebec, located in Montreal and one for the Atlantic Provinces which is in the process of moving from Amherst to Moncton.

The staff increment, which is a substantial one, arises from two sources. The first is precisely the establishment and staffing of the four Regional Offices which I just mentioned. These offices were established last year and as our program gathered momentum it became necessary to staff these offices with fuller complements in order to provide the provinces with the kind of services they need to live with the ARDA agreement and the FRED program.

The increment was also required to adequately staff the MMRA administration which is attached to our Atlantic regional office in order, again, to enable that staff to carry out its undertakings to the provinces.

Finally, the increment is required to staff the Ottawa office, particularly the Policy and Planning group which has increasingly heavy duties and responsibilities as the ARDA agreements gather speed, especially as we are getting increasingly involved in the negotiation and implementation of a number of very complex and very novel agreements for comprehensive rural development. Of course, Mr. Chairman, there is the usual amount included for increases in salaries.

I move now, Mr. Chairman, to Vote 30 and the Maritime Marshland Rehabilitation Act.

Mr. Flemming: May we ask questions on Vote 25?

Mr. Saumier: At your pleasure, Mr. Chairman.

Mr. Jorgenson: Mr. Chairman, might it not be wiser, since it is five minutes to eleven o'clock, to allow Mr. Saumier to complete his

statement? There is no point in questioning today because we will not be able to get very far.

The Vice-Chairman: Is that acceptable to the Committee?

Some hon. Members: Agreed.

(Translation)

Mr. Clermont: Does Mr. Saumier have any additional copies of his notes either in English or in French?

Mr. Saumier: Yes. I could easily make copies available to the Committee.

Mr. Clermont: Could we have them before the next meeting?

(English)

The Vice-Chairman: I am informed that the Clerk is going to try to supply all members of the Committee with Mr. Saumier's notes. Is it agreed?

Some hon. Members: Agreed.

Mr. Saumier: Then, Mr. Chairman, with your permission, I will move very quickly to Vote 30, the MMRA. As I said, the MMRA was created some years ago—almost 20 years ago—and during 1966 agreements were signed with Prince Edward Island, Nova Scotia and New Brunswick whereby Canada agreed to continue certain marshland reclamation construction projects and to bring to given standards all previously existing structures.

As a counterpart it has now been agreed with these provinces that by 1970 all structures will be turned over to the provinces for future upkeep. After that date new construction will not be undertaken through MMRA but through other existing legislation, for example, ARDA. So, in effect, after 1970 the MMRA will fall into disuse.

The current approved major construction projects under MMRA are the Petitcodiac Dam in New Brunswick; the Avon River Dam in Nova Scotia for which, I should hasten to say, there is as yet no agreement with the province; Great Village Marsh; Dentiballis and the Habitant Marshes. There are about 44 other minor projects under way. The increase in the vote of approximately \$560,000 is largely to provide for the newest of these projects, the Avon River Dam and Causeway.

Vote 35 provides for projects under the Rural Development Agreement; for all 100 per cent Federal research projects initiated under ARDA including the Canada Land Inventory. The current ARDA agreement provides a maximum annual allocation to the provinces of \$25 million. This \$25 million is provided by a specific formula amongst the ten provinces. In previous years no province spent its full allotment and under this vote we are providing for the current year only \$18 million rather than \$25 million. There is an additional \$4 million set aside for federal research.

Mr. Chairman, in view of the short time left at my disposal I will mention only another aspect without making any general comments on the ARDA programs, and that is what is referred to in the estimates as Statutory. This is the first year this item has appeared in the estimates and it refers specifically to the expenditure under the FRED Act—the Fund for Rural Economic Development Act—approved by the House last year and which was increased a few months ago from \$50 million to \$300 million.

This is a fund specifically designed to enable the federal and provincial governments to devise and implement together comprehensive rural development programs to deal with problems of particular acuteness in regions of rural poverty. We anticipate that in the current year claims will be made on the fund and disbursements made in the following amounts: \$3 million under the agreement with the Province of Manitoba for the Interlake development plan; \$3 million under the agreement with the Province of New Brunswick for the Northeast New Brunswick development plan; \$1 million under the agreement, again with New Brunswick, for the Mactaquac development plan and a contingency amount of \$2 million for agreements now in the process of negotiation and which may or may not be signed before the end of the fiscal year.

I think, Mr. Chairman, I will end my remarks at this point and leave further comment for the next sitting of the Committee.

(Translation)

The Vice-Chairman: We shall continue with the examination of these three votes on Tuesday next, June 27th. Thank you, gentlemen.

**OFFICIAL REPORT OF MINUTES
OF
PROCEEDINGS AND EVIDENCE**

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LÉON-J. RAYMOND,
The Clerk of the House.

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...that acceptable to ...

...Members Agree

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The Clerk of the House.

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Mr. Chairman, in view of the short time left at my disposal I will mention only another

general com- ... and that it ... estimates as ... this item has ... and it refers ... the expenditure ... Rural Economic ... by the House ... increased a few ... \$100 million. ... signed to the ... governments to ... comprehensive ... to deal with ... in regions of ... the cur- ... of the fund ... the following ... the agreement ... for the In- ... \$1 million under ... Province of New ... \$1 million under the ... agreement, again with New Brunswick, for the Montserrat development plan and a contingency amount of \$2 million for agreements now in the process of negotiation and which may or may not be signed before the end of the fiscal year.

I think, Mr. Chairman, I will end my remarks at this point and leave further comment for the next sitting of the Committee.

The Vice-Chairman: We shall continue with the examination of these three votes on Tuesday next, June 12th. Thank you, gentlemen.

HOUSE OF COMMONS

Second Session—Twenty-seventh Parliament

MINUTES OF PROCEEDINGS

1967

Tuesday, June 27, 1967

STANDING COMMITTEE

ON

**Agriculture, Forestry and Rural
Development**

Chairman: Mr. EUGENE WHELAN

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

TUESDAY, JUNE 27, 1967

RESPECTING

Estimates (1967-68) of the Department of Forestry
and Rural Development

WITNESS:

From the Department of Forestry and Rural Development: Mr. Andre
Saumier, Assistant Deputy Minister, Rural Development.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

1981

STANDING COMMITTEE

ON

AGRICULTURE, FORESTRY AND RURAL DEVELOPMENT

Chairman: Mr. Eugene Whelan

Vice-Chairman: Mr. Herman Laverdière

and

Mr. Alkenbrack,	Mr. Gauthier,	Mr. Orlikow,
Mr. Asselin (<i>Richmond- Wolfe</i>),	Mr. Gendron,	Mr. Peters,
Mr. Beer,	Mr. Godin,	Mr. Pugh,
Mr. Berger,	Mr. Grills,	Mr. Rapp,
Mr. Chatterton,	Mr. Honey,	Mr. Ricard,
Mr. Choquette,	Mr. Hopkins,	Mr. Roxburgh,
Mr. Clermont,	Mr. Horner (<i>Acadia</i>),	Mr. Schreyer,
Mr. Comtois,	Mr. Johnston,	Mr. Stafford,
Mr. Côté (<i>Nicolet- Yamaska</i>),	Mr. Jorgenson,	Mr. Stefanson,
Mr. Crossman,	Mr. Lefebvre,	Mr. Thompson,
Mr. Éthier,	Mr. MacDonald (<i>Prince</i>),	Mr. Tucker,
Mr. Fairweather,	Mr. Madill,	Mr. Watson (<i>Château- guay-Huntingdon- Laprairie</i>),
Mr. Flemming,	Mr. Matte,	Mr. Yanakis—45.
Mr. Forbes,	Mr. Neveu,	
	Mr. Noble,	
	Mr. Nowlan,	

(Quorum 15)

Michael B. Kirby,
Clerk of the Committee.

WITNESS:

From the Department of Forestry and Rural Development: Mr. André
Saurier, Assistant Deputy Minister, Rural Development.

MINUTES OF PROCEEDINGS

TUESDAY, June 27, 1967

(5)

The Standing Committee on Agriculture, Forestry and Rural Development met this day at 9:40 o'clock a.m. The Chairman, Mr. Whelan, presided.

Members present: Messrs. Berger, Choquette, Clermont, Comtois, Crossman, Fairweather, Flemming, Forbes, Godin, Herridge, Jorgenson, Lefebvre, MacDonald (*Prince*), Matte, Neveu, Noble, Rapp, Roxburgh, Schreyer, Stefanson, Tucker, Whelan (22).

In attendance: From the Department of Forestry and Rural Development: Mr. André Saumier, Assistant Deputy Minister, Rural Development; Mr. R. August, Chief of Administration, Rural Development; Mr. R. H. Dowdell, Director of Personnel Administration; Mr. J. J. Quigley, Acting Chief, Information Services, Rural Development.

The Committee resumed consideration of items 25, 30 and 35 of the Main 1967-68 Estimates of the Department of Forestry and Rural Development.

The Chairman introduced the witnesses.

Mr. Saumier proceeded to make a statement. He was questioned.

It was *agreed*,—That copies of the A.R.D.A. Report on Blueberries be distributed to members of the Committee by the Clerk.

Questioning continuing, it was also *agreed*,—That a breakdown showing Blueberry projects by Province be made an appendix to the Minutes of Proceedings and Evidence of this day. (*See Appendix C*)

At the suggestion of Mr. Roxburgh, it was *agreed*,—That the breakdown showing monies spent on A.R.D.A. projects during the last fiscal year by the several provinces be made an appendix to this day's Minutes of Proceedings and Evidence. (*See Appendix D*)

The examination of the witnesses being concluded,

On motion of Mr. Berger, seconded by Mr. Schreyer,

Resolved,—That items 25, 30 and 25 of the Main 1967-68 Estimates of the Department of Forestry and Rural Development be approved.

The Chairman and members of the Committee thanked the witnesses for their attendance and helpfulness to the Committee.

At 12:20 o'clock p.m., the Chairman adjourned the Committee to the call of the Chair.

Michael B. Kirby,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

Tuesday, June 27, 1967

The Chairman: I call the meeting to order. Mr. Saumier was making his statement last Thursday, I understand, and he will continue his statement. Mr. Saumier, for the information of the members, is Assistant Deputy Minister of the Department of Forestry. The gentlemen next to him are Mr. August, Chief of Administration; Mr. Dowdell, Chief of Personnel and Mr. Quigley, Acting Chief of Rural Development and Information Services.

Mr. Clermont did you wish to make a remark?

(Translation)

• (9.43 a.m.)

Mr. Clermont: Mr. Chairman, personally and on behalf of my colleagues, I am happy to welcome you here today. I hope that your stay in the hospital has mellowed your dispositions to some extent.

Mr. Lefebvre: I concur wholeheartedly, Mr. Chairman.

(English)

The Chairman: I know that you are probably 100 per cent in agreement.

Mr. Clermont: I said in French, gentlemen, that I welcomed our Chairman and hoped that his stay in the hospital has not hardened his character. He is tough enough for us.

Mr. Lefebvre: That would be almost impossible, Mr. Chairman.

The Chairman: I certainly would not want my character to change on account of an operation or anything else because my constituents would not vote for me again if my character changed too much.

We will proceed with the meeting and ask Mr. Saumier to continue with his presentation.

Mr. André Saumier (Assistant Deputy Minister, Rural Development, Department of Forestry): Mr. Chairman, I should like to add only a very few words to what I have said. The point I would like to stress is that the ARDA program has gone through a number of stages. When it was initiated in 1963 it was

basically an agricultural program. In 1965 when the second ARDA agreement was negotiated it became a rural development program because it was realized that the problems becoming apparent were not only agricultural problems but rural problems.

I think it is fair to say that the year 1966-67 has been marked by the voting by Parliament of the Fund for Rural Economic Development Act which has added an entirely new dimension to the Agricultural and Rural Development Program. For the first time it has given us an instrument, as far as we know, quite without precedence in the Western world, with which to attack in a coherent, concerted federal-provincial way—concerned federally among the various departments, provincially among the provincial departments and then between the two governments—with fairly substantial means, deep-seated problems of rural poverty.

I mention this because I think it is important to remember, Mr. Chairman, that the FRED program especially is a brand-new program. It is a new program in Canada. A few days ago I was in Paris at a meeting of the Committee on Economic Development of the OECD. We looked at the legislation and state of affairs in Scandinavia and I can assure you that by and large our legislation is as advanced as theirs, perhaps more than the one I saw in Paris at that meeting.

So, this is a new program and, of necessity, we have some growing pains. These growing pains are quite normal and it is my hope that as we move along in this new field we will be able not only to avoid the same mistakes—I do know that we will make mistakes—but also to continue innovating in the area of rural economic development and regional economic development.

Mr. Chairman, having said this I think it would be much more fruitful for me to put myself at the disposal of members of the Committee to answer whatever questions are directed to me so far as I am able.

The Chairman: Thank you, sir. Mr. Clermont has intimated that he has questions. There are several more on my list.

● (9.47 a.m.)

(Translation)

Mr. Clermont: Mr. Chairman, may we ask our questions concerning the three votes, namely, 25, 30 and 35?

(English)

The Chairman: Yes on page 182, Votes 25, 30 and 35. I should have mentioned this when we started. I was supposed to ask Committee members their feelings on whether we should set aside a special meeting for the Livestock Feed Board to appear before the Committee say, on this Thursday or next Tuesday. They are separate; their offices are in Montreal and we would have to give them some notice so they would be able to appear before the Committee.

An hon. Member: Mr. Chairman did you say page 182?

An hon. Member: I have 192.

The Chairman: I am wrong I should have said page 40. The book I have is Proceedings No. 1; on the bottom it has page 40 and on the top page 182.

Mr. Flemming: Page 192 shows the details and at page 182 is the summary.

The Chairman: Yes, that is right. Before Mr. Clermont proceeds with his line of questioning has anyone any feelings to express on when the Canadian Livestock Feed Board should appear before the Committee? Are you agreeable to leaving it in the hands of the Chairman to try to make arrangements for their appearance as soon as possible?

Mr. Clermont: I will go along with that. It is in your hands.

The Chairman: Are there any other remarks?

Mr. Jorgenson: Mr. Chairman, I have had extreme difficulty in making flight arrangements. It is necessary for me to be home next week and I just cannot get a flight back here.

The Chairman: In time for Tuesday?

Mr. Jorgenson: No.

The Chairman: If they were able to come this Thursday, would that suit you?

Mr. Jorgenson: I have a problem there as well. The only flight I can get out of here is on Thursday.

Mr. Clermont: As a Western member is he very interested in that?

Mr. Jorgenson: This is why I mentioned it; it does concern me.

The Chairman: It does concern you.

Mr. Jorgenson: It concerns me quite considerably and I would like to be here but Air Canada is just not able to provide me with accommodation.

The Chairman: I know it is very difficult to get reservations.

Mr. Herridge: Mr. Chairman, we must understand that was a satirical remark on the part of our colleague.

Mr. Clermont: I thought the member from B.C. was not a Western member.

The Chairman: I will try and to arrangements for the Livestock Feed Board to be here at a time suitable to everyone concerned. We are going to deal non with Items 25, 30 and 35.

(Translation)

Mr. Clermont: Mr. Saumier, at page 192, under the heading "Technical, Operational and Service" for the 1967-68 year, you show ten persons, and none for the 1966-67 year. Are these additions the result of the organization of regional officers?

Mr. Saumier: Mr. Chairman, there was no employee in the \$14,000-\$16,000-salary range in 1966-67 and there are ten in 1967-68, is it not? On the whole, two factors are involved in the figures shown in this table: first, the salary increase factor which causes certain people to be transferred from one category to another; it explains to some extent the increased figures.

Secondly, there are also the various regional branches of ARDA which have been created last year; they now have reached their contemplated size. When we set up regional branches, they were given minimum staff because we did not know then how many autonomous employees they would require. But now that has become necessary.

(English)

I am sorry, is the translation not operating?

The Chairman: Yes it is.

(Translation)

Mr. Saumier: Then, we chose to forecast needs, and increase the staff gradually rather than start with intangible ideas and pre-determine the number of employees each region would need. Especially so, since there

are problems of bargaining, setting up of development programs, for example; such programs, because of their vast involvement, will compel the regional offices to increase their staff.

Mr. Clermont: Mr. Saumier, has it been difficult to secure the services of rural development specialists? I think that one of the reasons of the slow progress made in developing that program has been the difficulty of securing the services of economists well aware of rural development methods.

Mr. Saumier: There is a general problem which faces us to the same extent it does other federal and provincial departments of industry. Economists are few in number and, generally speaking, they can set their own conditions. At first, we met with some difficulty in engaging economists and other highly qualified personnel, because our program was not widely known. We notice now, as ARDA's achievements are progressively better known across the country, that requests to join our group are received from more and more people. This seems like a good omen.

Mr. Clermont: At page 192, item 22, I see an amount of \$100,000 for the Canadian Council on Rural Development for 1967-68, while there was nothing in 1966-67. Is this a subsidy, a grant, a gift?

Mr. Saumier: No. The Canadian Council on Rural Development is an organization provided by the Act respecting ARDA, wherein it is provided that the Minister may set up any advisory council he may deem advisable. The Minister has set up such a council, namely, Canadian Council on Rural Development, and the sum of \$100,000 is deemed to be the budget of the Council.

The reason why no such estimates appeared in 1966-67 is that the Council's estimates were embodied in various departmental items; this year, however, we have decided to present distinct estimates for the Council, which seems to be justified by the Council's identity as a growing concern.

Mr. Clermont: For the current year, i.e. 1967-68, Mr. Saumier, I notice that you have allotted 22 million dollars to ARDA namely, 18 million dollars towards eventual federal-provincial agreements and 4 million dollars towards research; I also notice that, as you pointed out last Thursday, although \$25,000,000 were put at the federal government's disposal each year under the agreement of 1965,

the provinces have never received the full amount voted every year since the setting up of the ARDA program. Why?

Mr. Saumier: This, Mr. Chairman, is one of the particular features of the ARDA Act, which may be spelled out as follows: the ARDA Act and the federal government, in a way, make up financially to the provinces for the programs they have decided to set up under that Act.

In other words and to make the actual process crystal clear, I may say that when any province agrees to adopt a program under ARDA, it submits it to Ottawa for approval and eventual reimbursement; so that the sums actually paid as federal subsidies under the terms of the ARDA Act are basically dependent on provincial activities within the terms of the federal-provincial ARDA agreement. In other words, the responsibility of initiating projects of the ARDA type rests with the province, any province, within its administrative services; once such programs are set up, they are submitted to us by the province for approval and sharing of the costs.

Mr. Matte: So, you are there solely to approve?

Mr. Saumier: If you want to put it that way, theretically we approve. In fact, all the work performed in recent years has consisted in perfecting the whole mechanism which, from being a buffer of a sort, has become a mechanism of cooperation whose function is to determine, with the provinces and in close cooperation with their own services, the type of program that both governments, federal and provincial, deem advisable in the best interests and needs of the province.

Mr. Clermont: Mr. Saumier, does this mean that local groups, such as county or municipal councils are barred from applying directly to the federal government, and that they have to go through the provincial authorities?

Mr. Saumier: All requests have to be addressed to the province.

Mr. Clermont: In other words, we, from the federal government, have to provide means to support these projects, but the only programs we may initiate are in the research field?

Mr. Saumier: You are in the hateful position of having to levy taxes to provide funds which you give to the provinces who, in turn, have nothing to do but spend them and get all the credit therefor.

Mr. Clermont: But I do believe that the federal government may take no initiative, except in the field of research and studies.

Mr. Saumier: There are two types of research: there is the research done mainly under the Canada Land Inventory, which is entirely financed by the federal government. There are also the joint research projects initiated by the provinces which we finance on a 50 per cent basis.

But if you will let me, Mr. Chairman, I would like to revert to the question that Mr. Clermont just asked. All the work we do, which work progresses quite rapidly, consists, as I said, in seeing that instead of being a program where the federal government acts as a mere paying agent, we transform the ARDA program becomes a program of close cooperation between the provincial and the federal government.

Mr. Clermont: Would that mean, Mr. Saumier, that the federal government would also be able to take initiatives, if we except the fields of research?

Mr. Saumier: According to the terms of the federal-provincial ARDA agreement, the federal government, presently, cannot act directly in the provinces' areas. The way we proceed to make this situation, this state of affairs change is essentially by way of joint projects of rural development under which we try to set up agencies which will enable us to show more clearly that the federal government is not merely a tax collector but also a government which develops concrete projects for the people living in the territory.

This is becoming possible since, under the FRED convention, certain federal departments step in, for example, the Department of Public Works or the Central Mortgage and Housing Corporation or the Department of Agriculture. Under the ARDA agreement, the Rural Development Branch of the Forestry Department is not an operating agency, but a financing agency. Thus, in order to get concrete realizations, we must ask for the help of other federal departments which are in a position to act in a more visible fashion.

This is precisely what we are increasingly doing with the rural development plans where the other federal departments like the Department of Manpower, the Central Mortgage and Housing Corporation, the Department of Transport, are setting up, in the provinces, realizations quite revealing of their

activity, and at this point the federal government role is apt to become much more manifest than it is under the ARDA federal-provincial agreement itself.

Mr. Berger: I would like to ask a supplementary question related to the question asked by Mr. Clermont, Mr. Saumier. Since the request must come from the provincial government and must be reviewed by the department to which you belong, who accepts or rejects it? Would it be an indiscretion to ask, up until now, for example, in what approximate percentage have projects submitted by a province, been accepted or refused?

Mr. Saumier: This is a question quite difficult to answer, and I will tell you why. It so happens that we go along we work more and more in close cooperation with the province, thus taking part in the actual development itself of the project. Thus, in so far as the provincial and federal technicians, remain in close relation, before the project is submitted to us, as far as that relation exists, the projects rejected are very few.

Effectively, we can see, looking back, that less and less projects submitted by the provinces are rejected by the federal (there are still a few) because less and less projects are developed in isolation. In so far as collaboration exist at the start of the reflexion process, for the submission of a project to Ottawa often is the result of several months and even of over a year of technical work, in so far as collaboration is accused at the beginning of the project, right from the start we make sure that the project meets the federal as well as the provincial requirements. But when the projects are submitted to us ready for application, without previous consultation, evidently, the project's fate in Ottawa is rather uncertain. First consideration.

Secondly, one must bear in mind that the ARDA Federal agreement is a relatively recent agreement and, as is the case for all legislative texts, it can be given different or conflicting interpretations. Gradually, as time goes by, we settle for interpretations that are similar on both sides and at that moment, the proportion of refusals is reduced to a minimum by the absence or the small number of conflicting interpretations.

Mr. Lefebvre: One more question, Mr. Saumier. According to you, has the federal government ever refused a project submitted

by a province after said province had offered its collaboration?

Mr. Saumier: Yes, this has happened and still happens, in fact.

Mr. Lefebvre: Could you tell us why the federal government would want to refuse such a project?

Mr. Saumier: The only reason, Mr. Chairman, for which the federal government might see fit to refuse a project, is when the financing of the project cannot be shared, under the terms of the Act.

Mr. Lefebvre: That does not come under the terms of the ARDA Act.

Mr. Saumier: Very often, a province will decide that a certain project is valuable. Then, the province immediately puts it in action, finances it at its own expenses and, afterwards, sends us the bill. We must then examine the elements of the project to see if it can or cannot be financed by the federal, in part, under the Act. If the project can be financed, we pay the share provided for in the Act; if not, we tell them that we are terribly sorry that the project does not, in our view, come within the meaning of the Act.

Mr. Lefebvre: These are mostly projects that come ready for application to the federal, as you mentioned earlier.

Mr. Saumier: Right.

Mr. Clermont: Mr. Chairman, I am sorry if I insisted on obtaining explanations from Mr. Saumier, but, as you know, we, the MP's in Ottawa, are often criticized in respect of the ARDA program. As you explained and as is provided for in the Act, Mr. Saumier, the initiative must be left to the provinces who submit projects to the federal government, and the federal government shares or does not share the cost of the projects. Under the 1965-1970 agreements, Mr. Saumier, a sum of 25 million dollars is made available to the federal government for each year covered by the agreement, and these sums are divided between the provinces according to a specified formula.

Mr. Saumier: The government formula, Mr. Chairman,—

Mr. Clermont: Only in general terms.

Mr. Saumier: It is a rather complex formula where the rural population of each province is taken into account, as is also, within the rural population, the poverty element of the same in respect of certain income

standards considered acceptable for the country as a whole. In other words, the formula, essentially, takes into account the proportion of the rural population of a province earning an income inferior to a certain level.

Mr. Clermont: Do you think, Mr. Saumier, that one, two or three counties, or a region like the Western Quebec region where two or three of these counties are situated in designated areas, could be places likely to be eligible for ARDA projects?

Mr. Saumier: Effectively, indeed, I would say that a large part of the province of Quebec has been designated, under the terms of the ARDA Act, as eligible to certain programs of special aid under the Act. There is barely no part of the province of Quebec, except areas contiguous to larger cities practically free of rural populations, there is consequently almost no area where the benefits of the ARDA Act do not apply, in so far, of course, as these areas submit projects through their province.

Mr. Clermont: What puzzles me, Mr. Saumier, is that we receive, from time to time, from your Department or from your service, reports on certain projects, either from British-Columbia, Alberta, or Nova-Scotia, etc. Unless I am wrong, I can find no report announcing projects for the province of Quebec, and I know that in 1966, more than 56 or 58 individual projects have been signed between the province of Quebec and the federal government. Why?

Mr. Saumier: Mr. Chairman, there is a very simple reason for this. If you consult a certain part of the ARDA agreement, you will find that under the agreement, we are in a position to contribute financially to the establishment, within the provincial administration of the ARDA, of Information Services. And, as far as it is possible, we prefer that the releases about ARDA projects, in a province, to be made by the Information Services of the province, within a certain framework mutually agreed upon. As far as Quebec is concerned, effectively, the publicity respecting any ARDA project in Quebec is the responsibility of the provincial administration for ARDA.

Mr. Clermont: Yes, but does the federal government contribute?

Mr. Saumier: The federal government contributes to the Service, yes; it shares the financing of—

Mr. Clermont: Why are we not, as representatives, at the national level, informed of these projects otherwise than by the index of the work done—

Mr. Saumier: You do not receive any information from the province of Quebec?

Mr. Clermont: I learned of projects upon receiving the index of accomplishments. Then why, if the federal government contributes to the projects,—I don't know if it is on a 50 or a 75 per cent basis—

Mr. Saumier: Fifty per cent.

Mr. Clermont: To the cost of the information,—can't the federal Member of Parliament be informed that such and such a project has been approved for such and such an area in the province of Quebec? It seems to me that this is the only province where the press releases do not come from your Department, in conjunction with the provincial administration for ARDA?

Mr. Saumier: The press releases, generally, are issued jointly, but as far as Quebec is concerned and some other provinces also, the press releases come from the provincial capital instead of coming from the national capital.

Mr. Clermont: I am sorry if I must insist. I was looking this morning through my file of press releases. I found, Mr. Saumier, releases concerning projects from the different provinces of Canada except from the province of Quebec. And you tell me that 50 per cent of the information services are financed by the federal government. I think it would only be fair and reasonable that the federal Member of Parliament be informed also of the individual projects approved by the province of Quebec and the federal government, and not learn about it only six or seven months or a year later, or read about it in the newspapers.

Mr. Saumier: Could I, Mr. Chairman, suggest that Mr. Clermont contact the Quebec administration for ARDA and ask them to send him the releases?

Mr. Clermont: I do not think, Mr. Saumier, that this should be my own problem. Since your Department signs agreements with the government of the province of Quebec and pays 50 per cent of the cost, I would think that it falls to your Department, to your service, to ask the province to send us the release at the time they are dispatched to the newspapers.

(English)

The Chairman: I just want to find out—

● (10.10 a.m.)

(Translation)

Mr. Lefebvre: I just want to explain one other thing, Mr. Chairman; it will take me about two seconds.

Recently, a study was made on the North-Western Quebec, the Sice report, for example. I really had a hard time obtaining a copy of that report. Finally, I wrote to Clément Vincent, a minister in Quebec. I tried also to contact your Department on several occasions and I have not been able to get one. That report cost \$12,000. The federal government has contributed \$6,000 and the federal member of Parliament has no way to obtain a copy. I see there a lack of organisation, of planning. Something is wrong.

Mr. Saumier: Mr. Chairman, I cannot remember the details concerning the project, but it is possible that the report was issued in only one original, and has not been reproduced anywhere else.

It can be, on the other hand, that the province that asked for the realization of the project also wants the announcement of the projects to be restricted. This is possibly a legitimate requirement. It might also be that the report is presently being printed or that a summary of the report is being prepared for distribution. In that case, I would have to inquire upon the exact situation of the particular report you mention.

Mr. Lefebvre: The report was already published, but the federal authorities could not get hold of any copy.

Mr. Saumier: You have not been able to get hold of a copy?

Mr. Lefebvre: I finally got one after all the others.

Mr. Clermont: Mr. Chairman, I think I have gone beyond my 20 minutes time limit, even if I still have several other supplementary questions.

(English)

The Chairman: Yes; I can tell by the looks of several members that they feel you have gone to your limit, and my watch says so, too.

I think I should point out to the members that we will not have to vacate this room at 11 o'clock. Mr. Kirby has made arrangements so that we can continue. I have several members on my list. The next is Mr. Stefanson and then Mr. Herridge, Mr. Jorgenson, Mr. Choquette—Mr. MacDonald (Prince) was on my list, but he is not here—Mr. Forbes and Mr. Flemming.

Mr. Stefanson: Mr. Chairman, I have just a few short questions, but now that Mr. Clermont has been given half an hour, I think—

Mr. Clermont: Pardon me, I did not get half an hour, Mr. Stefanson; that is not true, because there were supplementary questions.

The Chairman: We did not start at 9.30 and he was not very far past the 20 minutes.

Mr. Clermont: I started at 10 minutes to 10 o'clock. It is a quarter past ten o'clock now.

Mr. Stefanson: It was an unusually long time and if every member is going to ask questions for that length of time I think we are going to sit a very long time, Mr. Chairman.

The Chairman: Mr. Stefanson, I want to point out that it is very difficult for me to keep an accurate account of time because of the number of supplementaries that are entered, and that is why I as Chairman—

Mr. Clermont: Should we not ask questions that you do not like, Mr. Stefanson? Do you not want the government members to ask questions?

The Chairman: Order, please. I do not think we are getting anywhere here at all. One of the reasons I do not like supplementaries is because we lose track of the time and some members who indicate they want to ask questions ask the same questions as supplementaries. I think we can continue now with your line of questioning, Mr. Stefanson.

Mr. Stefanson: Thank you, Mr. Chairman. I have just a few questions I want to address to Dr. Saumier. I thought I heard you say in your statement this morning that ARDA was initiated in 1963. The ARDA legislation was passed in 1961 and the first agreement was from April 1, 1962, to March 31, 1965. That is the first three year period.

Mr. Saumier: I stand corrected, Mr. Chairman.

Mr. Stefanson: Then the second agreement, of course, is from April 1, 1965, to March 31, 1970. You did dwell also on the fact that the program has been expanded a great deal. The original aims of the ARDA program were:

... to put to better use some marginal land that is not very productive in its present use; to develop income and employment opportunities in rural areas; to develop and conserve the water and soil resources of rural Canada.

I think basically that is still the program of ARDA.

Mr. Saumier: Yes.

Mr. Stefanson: Perhaps you have expanded the interpretation of different projects that have been submitted. This is strictly the ARDA program, not the FRED.

I am going to ask questions on those three votes. Under Vote 25 there is \$350,000 for advertising and films; last year it was \$61,000. What is the reason for stepping up this program so much? What are the plans for this particular vote?

Mr. Saumier: Mr. Chairman, the ARDA administration, of course, is concerned about the amount of knowledge of its program across the country. We had a survey made by an independent organization to assess the extent of knowledge about ARDA in rural Canada. I must say that we found, not entirely to our surprise, that this knowledge was very slim indeed; that a small percentage of the rural population in Canada was not even aware of the existence of ARDA.

This seemed to us a deplorable situation, because this program is aimed at the rural population and unless people know of its existence and what it can do for them, they will not be able to take full advantage of it. This has led us to consider launching a publicity campaign across the country some time this fall or early in 1968, with the goal of informing the rural population of Canada about the existence, programs and benefits of ARDA. This is precisely what this vote is for: namely to design and launch a nation-wide publicity and information campaign across rural Canada within the next few months to solve the problem or, at least, try to solve it.

Mr. Stefanson: Will this be by newspaper advertising?

Mr. Saumier: It will be an integrated program of newspaper, radio and television advertising. We will follow the advice of whatever specialist is best suited to do that.

Mr. Stefanson: Thank you. Under Votes 35, the arrangement with the provinces, I believe you mentioned in your statement—the item here is \$18 million and \$4 million, identical to last year—that this was not the full amount allowed under the agreement and that the full amount has never been expended so far. Has any province used up the full amount that it is entitled to under the program in any one year?

Mr. Saumier: I am told that no province has. In fact, this is a little complicated because it is one thing for a province to announce that it is going to spend so much money and another actually to spend it. We have to work with provincial decisions to engage in a program, and then if this program gets moving full steam ahead the moneys are actually expended. But no province has spent its full allotment so far.

● (10.20 a.m.)

Mr. Stefanson: Thank you. Then concerning the statutory Fund for Rural Economic Development—Project Payments, \$11 million, in your statement you broke it down to \$3 million for Manitoba, \$4 million for the two projects in New Brunswick, and then another \$4 million. Is it correct that any expenditure from this particular fund is used only in designated ARDA areas?

Mr. Saumier: That is correct, but I should like to make it clear. There are two kinds of areas. There is what the agreement calls the rural development area, and also the special rural development area. The fund for rural economic development applies only to the special rural development areas. These funds can be spent only within these special rural development areas which are areas where there is, on the one hand, a development potential and, on the other, a special poverty problem which together justify the launching of a comprehensive development scheme.

Mr. Stefanson: To date you have signed three agreements for special development projects, the two in New Brunswick and one in Manitoba. My understanding is that in New Brunswick preparation for the projects was done by a task force, but in Manitoba many local area development committees were set up to work with the provincial authorities, and so on. Which form of approach do you think is better?

Mr. Saumier: I suppose I have no official view on that. The development of the plan is a joint endeavour between the province and the federal government. We have our specialists and our own ways of developing a plan; the province has its way, and we hope the two mesh at some point.

The intent of the FRED Act is that the preparation and implementation of the plan involve local participation to the fullest extent possible. This requirement of the FRED Act we try to observe as closely as we possibly can, to see that the people are not only in-

formed of what the plan is going to be, but that they take an active part in looking at their own problems and evolving their own solutions to these problems. These solutions are then scrutinized by specialists who are aware of the technical considerations and wider issues at hand, and it is by this co-operation between the local population and the specialists that the plan ultimately is evolved.

The extent to which this goal can be achieved varies, of course, from situation to situation. But the aim we have in mind is to involve the local population in the development of the plan as much as possible in a real way and, once the plan has been approved, in its implementation.

Mr. Stefanson: I realize that you must have local participation for the program to work. This is why I like the idea of local development committees. I think by having the local development committees working in this way before the program is implemented you have the people prepared to implement it.

You were at the signing of the comprehensive agreement for the Interlake area in Manitoba at Arborg on May 16. With the implementation of that particular agreement, does the federal government set up a staff, or is it strictly a provincial government staff that will operate it?

Mr. Saumier: No, Mr. Chairman. The structure that is envisioned for Interlake is a joint structure. The Interlake plan has three aspects. Some programs are strictly a provincial responsibility, for instance education; some programs are strictly a federal responsibility, for example housing subsidies; some programs are joint responsibilities. The purpose of the plan is to have these three aspects move together in a co-ordinated fashion so that the plan gets going as a whole as opposed to a mix of independent elements.

To ensure this the structure is a joint Federal-Provincial Advisory Board, composed of senior provincial and federal officials, which meets periodically to review the progress of the implementation of the plan and to approve budgets. As a matter of fact, the first meeting of the joint Advisory Board is going to be held in Winnipeg tomorrow.

Mr. Stefanson: Is this Board composed of just federal and provincial officials?

Mr. Saumier: That is right. The Board has two co-chairmen; I am the federal co-chair-

man, and there is a provincial co-chairman who, as a matter of fact, far Interlake is the Deputy Minister of Agriculture.

Then there are two officials in the federal and provincial offices. The federal official is called the Federal Plan Co-ordinator and the provincial official is called the Provincial Plan Director, whose duty it is to see, on a day to day basis, that the right kind of projects are developed within the broad program to be found in the plan and that they get off the ground and move as they should be moving.

The Provincial Director has a small staff and the Federal Co-ordinator will also have a small staff as needs may require. We are moving here so far as we can in a very empirical fashion. We are trying to make our establishment proportionate to the needs rather than the other way around, so as of this morning there is a Federal Co-ordinator for the Interlake plan situated in Winnipeg who finds his counterpart in the Provincial Director who is also situated there.

Mr. Stefanson: I have just one more brief question. Under these comprehensive agreements not only ARDA and FRED can participate but for projects like Interlake money comes from other departments such as the Department of Manpower and Immigration and possibly others such as Central Mortgage and Housing Corporation. This is correct, is it not?

Mr. Saumier: Yes.

Mr. Stefanson: Do you have plans under study in the other provinces at the present?

Mr. Saumier: We have plans, Mr. Chairman, in various stages of development in the provinces of Quebec, Nova Scotia, Prince Edward Island and Newfoundland. We have other plans in various preliminary stages of development in some Western provinces as well.

Mr. Stefanson: Thank you. I have some other questions, but I will pass, Mr. Chairman.

The Chairman: All right, Mr. Stefanson. May I ask a supplementary? Do you have any plans in Ontario at the present time?

Mr. Saumier: We are having discussions with the Ontario government for the establishment of a special rural development area in Ontario.

The Chairman: Thank you.

Mr. Herridge: Mr. Chairman, I am very interested indeed in the work of this Branch

but I am going to be fairly brief in order to give other members of the Committee an opportunity to ask questions during this hearing.

The Chairman: You are too close to the microphone, Mr. Herridge. Your voice carries very easily.

Mr. Herridge: That is one of my faults; I am always getting too close to people.

I was very interested in your remarks with respect to the development, more or less, from the strictly ARDA program to rural development in general. I am interested in the philosophy behind it. Could you, Mr. Saumier, give us some idea how that development occurred? Was it as the result of federal-provincial experience or did it come from criticisms of the ARDA program itself from local organizations? I would like to know what caused this because I think it is a very interesting point.

Mr. Saumier: Mr. Chairman, I should preface my remarks by saying that I have been associated with the ARDA program for only a few months, actually since the beginning of the year, so my knowledge of what went on before is academic, if you will; it is not from experience.

My feeling is that the ARDA program has evolved in response both to its own success and to the new needs that became apparent because of that success. In other words, because the program that was initially launched was successful it generated some new needs. These needs were perceived both by the provinces and by the federal government. As a consequence of this awareness of these new needs, the ARDA program was gradually enlarged.

So I do not think it is far to say there was a monopoly of wisdom on either side. If the program had been a failure it would not have progressed; it would not have been enlarged. This happened because it was successful. When it was successful it was realized that the roots of the problem were deeper than some might have previously thought. Therefore, the program was made more pervasive in order to reach further and further towards the roots of the problem of rural poverty. Does that answer the member's question?

Mr. Herridge: Yes sir, and I am very satisfied with the answer. Now, so far as the procedure is concerned, Mr. Saumier, could

you explain to the Committee the procedure in developing a program of this type? Does it come in some instances from the local people to the provincial governments and then they make a proposal to the federal government? I am just interested in getting an over-all picture of the procedure used at the present time to get a program instituted.

Mr. Saumier: May I ask the member, Mr. Chairman, whether he is referring to a Fred type of program, namely, a comprehensive development type of program or to the regular type of ARDA program?

Mr. Herridge: No, I am referring to the FRED type of program.

Mr. Saumier: This is a bit complex, Mr. Chairman. It is complex because we are dealing with complicated problems on the one hand and on the other with a new approach to these complicated problems. It is complex also because the situations vary from province to province and from area to area within each province.

Perhaps we can take a concrete case. Let us take the Interlake case. Some years ago various local groups were formed in the Interlake that were concerned with the development of their area. They were aware that their area had some deep-seated problems and that the solution of these problems was not entirely within their own hands. So they formed various committees to study these problems. These were local committees which met many times for a period of months and, indeed, years and with the assistance of ARDA they prepared various reports which were, if you will, concerned with several identifiable problems of the area.

Meanwhile the FRED Act was passed by Parliament and it became possible to think in terms of a comprehensive plan for this area. A special effort was made then by the province to integrate the reports of the local development boards into a more comprehensive document. This was, by and large, a provincial effort in the case of the Interlake. The local boards were assisted by specialist technicians from the province, and the provincial ARDA office in Manitoba worked very hard to integrate all these documents into a comprehensive plan.

Meanwhile we were kept informed of this progress and we began discussions with the provincial authorities about the content of the plan and the timing of the various elements within the plan because, as was mentioned

before, this was a plan which brought together the efforts of a number of federal and provincial departments which traditionally operate more or less in isolation. We tried to put all these together within a regional framework.

This culminated in a series of technical discussions between federal and provincial officials towards the end of last year. When there was agreement between officials—meanwhile, of course, the various federal departments in Ottawa were kept fully briefed on the impact or content of the plan as it concerned them—at the federal and provincial level a preliminary agreement was drafted.

This agreement on the federal side was submitted to a body called the Advisory Board to the Fund for Rural Economic Development which is composed of ten senior officials, deputy ministers and assistant deputy ministers. The Board studied the plan and made recommendations. There were further discussions with the province. There was a second submission to the FRED Advisory Board. The FRED Advisory Board indicated that it was then willing to recommend to the Minister of Forestry and Rural Development that he submit the plan to the federal cabinet for approval. There was a similar procedure on the Provincial side at the same time.

So at a given point the plan, as recommended by the Minister of Forestry and Rural Development, went to the Cabinet Committee and eventually to Cabinet. It was approved by the Cabinet and a formal agreement was signed by the Premier of Manitoba and our Minister in Arborg some weeks ago.

Basically, in a very brief outline, this is the progress of the plan. I am sure, Mr. Chairman, that members will realize this is only the tip of the iceberg, and to make sure there is agreement among all federal departments, provincial departments and the two cabinets is a complex process, which, at times, is very time consuming. I might mention this is one of the reasons we have such a high vote for travel expenses. These consultations have to be on the spot with the people who have to make the decisions.

Mr. Herridge: Thank you. Mr. Chairman, I was very pleased to hear Mr. Saumier mention there is going to be an improvement in public relations. I think that is very necessary. In the district from which I come—I represent the Garden of Eden, Kootenay West, sir—there was criticism by farmers' or-

ganizations and even by the press. A land survey was being undertaken and, you know, local people like to know what is going on. I think it is most essential that through the press and local organizations, and so on, the people be informed of the objectives even of the surveys in question, because I think local participation is essential if the program is going to be successful.

I was interested in your remark that on some occasions the provincial government would request that a report on a project not be made public. What would be the reason for that? I should have thought the more publicity the greater advantage to both governments.

Mr. Saumier: I suppose Mr. Chairman that when a client asks somebody to do some work for him it is possible for the client to request that the report also be made to him. Then, after he has seen the report, he may decide that the report should not be published, perhaps because the report is not as good as he thought it would be or because it is too controversial.

Mr. Herridge: Actually, because it has not been finalized?

Mr. Saumier: That is right.

Mr. Herridge: I am interested in the development of recreational areas because there are quite a number of hot springs in my constituency and the most magnificent ski jumps in Canada. Does your Branch enter into plans with provincial governments for the development of recreational areas and, as a result, the tourist development of the area?

Mr. Saumier: Mr. Chairman, I think it is important to know that the over-all aim of the ARDA program is not tourist development as such; it is the improvement of rural income.

Mr. Herridge: Yes.

Mr. Saumier: Any recreational projects have to be assessed from the point of view of the extent to which they improve the income situation in the areas of rural poverty. I say that because I think it is important to stress that primarily we are not in the business of recreation. Therefore, any recreational development program which comes to us has to be looked at not only for its own intrinsic merits, if you like, but also for the impact it will have on the rural area in which it will be located.

This, of course, creates a real difficulty. If we were, for example, to support the building of so-called local amenities it would be a very vast exercise indeed and the \$25 million voted annually for ARDA would be quite insufficient. So we have taken the position that we will consider recreational development only in cases where these developments are owned by public authorities of some kind as opposed to private development and only where it can be clearly established that such developments, by means of benefit-cost analysis, would be of benefit not only to the population of the immediate area, but also to broader populations to bring to the area income from outside the area.

Of course you can define an area in such terms that anybody coming from five miles away will bring income. But we have to think in terms of a broader area and this is why you will find in the agreements a requirement that for certain types of recreational projects there should be a plan of some kind to show how this development fits into a broader package so that we avoid a situation where two communities build identical facilities, one next to the other, and neither of the two can succeed and grow in a profitable manner.

Mr. Herridge: I have one final question. Have you had any applications from the government of British Columbia for the development of ski hills in provincial parks?

Mr. Saumier: Offhand, Mr. Chairman, I do not remember seeing any such request so far.

Mr. Herridge: Would such an application be considered?

Mr. Saumier: It could be considered, surely.

Mr. Fairweather: Are there possibilities of ski slopes in the Garden of Eden?

Mr. Herridge: Many.

The Chairman: Thank you, Mr. Herridge.

Mr. Jorgenson: Mr. Chairman I notice in looking over the projects listed that quite a number of them deal with the establishment of blueberry farms. I did a rough count and I am beginning to wonder whether we are starting to flood the market with blueberries. Could you tell me how many such projects are in existence, or for which you have signed agreements, across Canada and in what provinces they are located?

Mr. Saumier: Mr. Chairman I would like to assure you—

Mr. Jorgenson: While you are looking for this information I wonder whether you could tell me just to what extent these blueberry projects are improving incomes in the areas in which they are located? How many people are involved? There is one project for the development of 3,460 acres for blueberries. It is in Roberval County and the total cost of that project is \$185,000.

An hon. Member: How much?

Mr. Jorgenson: It is \$185,861. I was wondering just how that money was spent in developing that particular project.

Mr. Saumier: Mr. Chairman, this question about blueberries is a very interesting one because it has been preoccupying us for some time. I will explain the rationale behind blueberry development and I say this not as a specialist but from what I understand from the specialists in the area. By and large blueberry growing right now is what we call in French "artisanat". It is a more or less accidental development. People go into the forest lands which have been burned down for some reason—I am told apparently they even help the process of their own accord—and they gather blueberries, and a vast conglomeration of people come from various parts of the area and at times even from far afield. I am told that Americans with trucks have been seen in Lake St. John coming to pick blueberries.

Nonetheless, there are people coming from a wide area and picking blueberries in a very disorganized fashion. The market is not organized and the production is not organized. What we have been trying to do with these blueberry projects is to organize the production side. In other words, we have been trying to find ways in which blueberries can be grown, the same as strawberries and raspberries are grown. There are wild raspberries and strawberries, and then there are the varieties which become horticultural. We can grow them specifically. In the blueberry field, by and large, we have been dealing so far only with wild blueberries and we are trying to change this to an agricultural industry where the blueberries will be grown under controlled conditions and exploited like any other crop.

This poses technical problems of soil, humidity, climate and so forth and it also poses problems of a sociological nature because, as I mentioned before, traditionally the way to gather blueberries is almost a part of folklore. So when we want not only to change the

technology but to change the social environment surrounding the blueberry-gathering process, this is bound to be quite a complicated situation because we are breaking new ground in both areas. We are trying to install a technology of blueberry growing and gathering which is, by and large, still experimental and we are trying to structure around this technology a behaviour which was not present before.

This is why, as you can see, this process has been quite expensive and I must say in all fairness it has not, so far, been entirely successful. But generally we are not deterred by our initial failures and in the case of the Quebec projects particularly the Quebec government has retained the services of experts.

Mr. Lefebvre: Is that in northwestern Quebec, Mr. Saumier?

Mr. Saumier: That is physically in the Lac St. Jean area. There have been some very important projects there. The actual results of the projects have not met our expectations, but we are confident now that we have found the reasons and with the new projects coming forward these difficulties will be eliminated in an effective fashion.

It is not only a matter of growing the blueberries and gathering them but of training a work force with new implements to gather them and of having the industrial equipment to freeze the product and to market it in Canada and the United States. We have grading and freezing problems and we are developing new technologies from one end of the spectrum to the other. That is why this has been such an extensive project.

We believe we are reaching the point where the benefits from this involvement will become apparent.

The Chairman: Mr. Jorgenson, Mr. Tucker has a short supplementary.

Mr. Tucker: What is the blueberry industry worth to us?

Mr. Saumier: This is an industry which eventually will be worth many millions of dollars. As it is now, the supply side being quite unorganized, the full demand has not been tapped yet. The reports we have lead us to believe that the demand for blueberries vastly exceeds the actual production, and that this demand would be further increased if the production were organized in such a way that blueberries could be graded and aggressively marketed. The demand would be even greater than it is at present.

Mr. Tucker: Are we not importing blueberries from the United States? I think we are bringing them in from Maine.

Mr. Saumier: I believe we are to some extent; also there is a substantial export movement.

Mr. Tucker: Can I get more information on this industry from you?

Mr. Saumier: Yes, we have published a report on blueberries which we could send you.

Mr. Tucker: Thank you.

Mr. Saumier: We will see this report is distributed to all members of the Committee.

The Chairman: Fine; all the members of the Committee will get a copy.

Mr. Schreyer: Mr. Chairman, I have Mr. Jorgenson's permission to ask a supplementary.

The Chairman: I know how Mr. Jorgenson likes supplementaries; about as much as I do, so go ahead.

Mr. Schreyer: My question is simply this: I am not quite sure I understood what you meant, Mr. Saumier, when you make reference not only to changing the technology involved in blueberry gathering and production but also to "re-structuring" the behaviour of those engaged in that work. I am not sure I know what you are referring to. Could you elaborate?

Mr. Saumier: Well, somebody from the Lac St. Jean area in Quebec who is a very important blueberry producer could be more explicit than I, but I understand gathering blueberries takes place over a short period of time and that it is almost a festival. People come from great distances; they have parties; they sing; they dance; they drink at night. Blueberries are gathered on very difficult terrain in the woods. This is an occasion for universal rejoicing. I suppose in a way it is like a harvest on a small farm.

The Chairman: It is like a harvest festival for blueberries.

Mr. Schreyer: It sounds like a wine festival in Germany or something like that. I think I get the point Mr. Chairman.

Mr. Saumier: We want to grow blueberries on specially prepared land with automatic machinery to gather the blueberries, and so forth. Then we need professionals. We need

workers, not people who come to gather blueberries and enjoy themselves at the same time.

Mr. Schreyer: Are you thinking in terms of almost steady employment; making it an occupation rather than a diversion? Is that the idea?

Mr. Saumier: I do not think that in the very near future it will become a full-time occupation for a great number of people. Rather it will become a means of supplementing the income of some people who otherwise live in a difficult position.

The Chairman: If I have Mr. Jorgenson's permission I would say that living near the State of Michigan I know people who do blueberry farming and they live in Florida all winter. They come back, make sure their blueberries are growing and then harvest them. It is a very successful business for them. So far as I am concerned I think blueberry production in Canada certainly has terrific potential. The departmental people, for encouraging this to be done in a businesslike fashion, certainly are to be congratulated.

Mr. Jorgenson: I note also, Mr. Saumier, that you have signed an agreement with the Province of Quebec to study the blueberry marketing scheme and to set down standards for plants, and that this program cost you \$37,333. What was involved in studying blueberry marketing for that amount of money? From looking over the lists of the schemes that have been studied and the amount of money involved in these studies it seems to me that the economists of this country have found a real porkbarrel.

There is another example here: Master Plan for Town Planning in the Pilot Region, whatever that means. That was \$38,000 of which the Provincial Government paid half. Then there was a supplementary of \$15,500 added to that for a total of \$53,500 just for studying a town planning program.

Mr. Saumier: Could you give us the number?

Mr. Jorgenson: Yes, the number of that is 24015; the supplementary is 240151.

The Chairman: Mr. Jorgenson, what are you quoting from?

Mr. Jorgenson: This is a list of ARDA projects that have been signed.

The Chairman: Is there a number or anything on that?

Mr. Jorgenson: ARDA projects approved up to—

Mr. Saumier: Yes, Mr. Chairman; this was part of the research for the preparation of the comprehensive plan for the development of the Gaspé area. The exact title which you will find in the ARDA catalogue is: Definition of Standards for Physical Town Planning in the Gaspé Pilot Region. The reason for that is as we move people out of certain depressed rural areas they have to be taken to other centres. It is necessary to study beforehand the impact of the movement on these smaller urban centres to see how they have to be organized, even from the physical planning point of view of being able to receive and adequately service the displaced population.

Mr. Jorgenson: Yes, I can see the logic of that. What size of town was involved that would cost something like \$53,000?

Mr. Saumier: Mr. Chairman, this was a study which applied to the Gaspé area generally. It was not designed only for one particular townsite but it was designed generally to fit the situation of the area which included climate and so forth.

Mr. Jorgenson: I have another one here, project No. 24039, for, Improvements to the Banks of the Batiscan River in Champlain County, \$15,850. Would you mind telling me just how improving the banks of the river would improve the income of the people of that area?

Mr. Saumier: It was in fact the construction of a river embankment at Ste-Geneviève-de-Batiscan. It was a sort of water conservation project designed to prevent erosion of the sides of the river by periodic floods plaguing the area.

Mr. Jorgenson: The next one is for blasting a rocky spur in the bed of the Rivière Noire in Charlevoix County. Just what did that involve?

Mr. Saumier: It was also a flood prevention project. I am not familiar with the particular geography of St. Siméon. I suppose there was a geographical formation there which caused water to accumulate and flood the area. This boulder was removed.

Mr. Jorgenson: It caused flooding of farm lands?

Mr. Saumier: That is right.

Mr. Jorgenson: At this stage, I do not think I want to ask any more questions, Mr.

Chairman. I will let somebody else ask them now.

The Chairman: Mr. Schreyer, on a supplementary.

Mr. Schreyer: In connection with specific project expenditures, I have here Project No. 7030 that has to do with a study made under joint federal provincial cost-sharing in the Province of Manitoba. If I understand it, it was a population analysis and I have the figures here showing that it cost \$20,000. The amount is not particularly significant but the component deserve some comment. For example, the major item of expenditure involves the services of a provincial staff analyst at a cost of \$10,000. Now, that provincial staff analyst is a full-time official of the provincial Department of Agriculture. I am wondering whether the \$10,000 that is imputed to his service was actually paid? He is, in fact a full-time provincial civil servant. Would ARDA be paying an additional amount?

Mr. Saumier: Mr. Chairman, what happens in cases of that kind is that if for a given project the province says: For that particular project we are going to hire a man; here he is and his name is so and so; he is a new body required for the specific purposes of this particular project; then the salary of this official is shareable under the ARDA agreement between the province and Canada.

Mr. Schreyer: The federal government actually pays out \$5,000 for this man's services?

Mr. Saumier: That is right, because he is working on a specific project the cost of which is otherwise shareable under the agreement.

Mr. Schreyer: The specific project mentioned had to do, as I said, with a population analysis and I looked through the published report. If I may say so it seemed to duplicate much that could, in fact, be deduced from census data. Why would ARDA be doing a population analysis of a particular area—it could be a census division—when a good statistician can get this information from looking in detail at the published census data?

Mr. Saumier: Mr. Chairman I suppose this was a project that had to do with the preparation of the plan for the Interlake. In a case like this, since we are trying to devise a program that will last for ten years, it is necessary to know what the probable evolution of the area will be over a ten-year period

from the economic, sociological and partly from the population point of view to see whether the area might not be losing population at such a rate that problems will be solved simply because the people will be leaving the area.

In a case like this there is no argument, or there is a weaker argument, for intervening with very strong incentives to develop an area, the problems of which will be righted by this population movement. So it is necessary to undertake some detailed work from the available census data to know how many people will be living in the area over a certain period of years; how many will be leaving the area and how many will enter the area, so that we have a fairly good idea of the kind of population which will be there and which will have to be able to live in an economic fashion within the area. At that moment we can devise methods and incentives to assist the population as projected, who derive their way of living from the resources of the area.

• (11.00 a.m.)

Mr. Schreyer: As I recall, the main emphasis of the report and of the study has to do with fertility ratios as between urban and rural women and I am quite sure that this can be obtained from census data. As a matter of fact, sir, in a rather serious vein, too, some of the measurements, statistical concepts used, left the layman puzzled. For example they had fertility ratios among different cohorts of mothers, and I must confess that I had never heard of this concept of cohorts of mothers used in a statistical analysis; but anyway, you have answered the main question that I put and that is whether or not there is duplication of that work as between census work and population studies made by ARDA itself.

I have other questions, Mr. Chairman, but it is not really my turn now, is it?

The Chairman: No, it is not.

Mr. Jorgenson: I had a question originally when I started, concerning the number of these blueberry projects that were in existence. I presume it will take you some time to give us this information. If you will put it on the record, then.

Mr. Saumier: We have 13 research projects in establishing blueberry stands, packing the crop and marketing, defining the standard and the procedures; and we have 27 projects which involve the acquisition and development of land. The research projects involve

total expenditures of \$239,000, sharable fifty-fifty between the provincial and federal governments, and the land acquisition and clearing project involves \$1.59 million, also shareable between the two governments.

Mr. Jorgenson: Could you break them down as between provinces where—

Mr. Saumier: Yes, Mr. Jorgenson, I can read it into the record.

The Chairman: I think that it might be faster and more satisfactory to you if we were to print it as an appendix to the proceedings.

Mr. Jorgenson: As long as it is placed on the record, I do not mind.

The Chairman: Does the Committee agree that this be printed as an appendix to today's proceedings?

Agreed.

(Translation)

Mr. Choquette: Mr. Saumier, let me first of all tell you all our appreciation. You belong to this new generation of qualified and dynamic officers and we are very happy to avail ourselves of your knowledge.

I gather from the documents which have been distributed to us that an annual allowance of \$25 million is provided for the implementation of ARDA projects and that an amount of \$18 million only has been spent during the current year. Have the \$7 million which have not yet been spent been earmarked for projects to be implemented during subsequent years?

Mr. Saumier: Yes, Mr. Choquette.

Mr. Choquette: In other words, the total amount, sooner or later, will be spent?

Mr. Saumier: We hope so.

Mr. Choquette: It is available. Could you explain to us, in a more detailed fashion, what is the difference between the proposed criteria for a program implemented under ARDA and for a program implemented under a rural development policy, that is for a program administered with funds provided by ARDA and for a program administered with funds provided for the rural development plan. Could you possibly name a few criteria that differentiate these programs from one another?

Mr. Saumier: If I understood your question correctly Mr. Chairman, you refer to the clas-

sical ARDA program, so to speak, if I can use this expression. . .

Mr. Choquette: Exactly.

Mr. Saumier: . . . and to the FRED program, on the other hand.

Mr. Choquette: The program deriving from an Act passed last year, that of rural development.

Mr. Saumier: Then, as far as the Act underlying the ARDA program, either classical or typical, is concerned, it consists essentially of isolated and regional projects. In other words, we may want to do drainage work somewhere in a province or implement a land consolidation program somewhere else and carry out a tourist promotion project at a third place. It is not necessary that all those projects form an integrated and coherent whole. That is the first difference.

As far as the entire development plans are concerned, so to speak, all the different projects must be integrated within the framework of a plan which maintains the internal coherence between the different aspects of the plan, so that all the projects are mutually sustaining and can meet specified objectives under the agreement generally pertaining to the economical progress of the rural area concerned.

A second difference is that, in the ARDA programs or projects, we have projects without implication of intervention from the other federal departments, like the Department of Manpower, the Central Mortgage and Housing Corporation or the Department of Transport, and so on, whereas. . .

Mr. Choquette: These are ARDA programs. They come under the direct jurisdiction of the Department.

Mr. Saumier: They come under the direct jurisdiction of the federal department concerned. There is no necessary intervention from the other federal departments, whereas, as far as the entire development plans are concerned, we are seeking, expecting the intervention of the different federal departments within the area and we try to co-ordinate, integrate and harmonize these interventions within the framework of the plan. Thus, *grosso modo*, in one case, a program may involve only a provincial department, may be "district minded" and isolated, and in another case, a program may involve several departments, federal as well as provincial, which program is not "district minded" but regional

and integrated within certain territorial limits.

Mr. Choquette: Can the rural development fund be considered like a fund especially earmarked for the war against poverty program and thus require a certain consideration from, for example, the Special Secretariat responsible for the war on poverty program?

Mr. Saumier: I shall answer, Mr. Chairman, to the second question first. The Rural Economical Development Fund, or the FRED fund, is essentially administered by an inter-departmental committee, called the Advisory Council for the Rural and Economical Development Fund, and composed of ten federal officials. The Director of the Special Plans Secretariat is among the ten officers making up this committee so that, automatically, through him, is secured the integration of the different activities undertaken under the FRED fund and the other activities of the federal government in the war on poverty field.

Mr. Choquette: A last question, Mr. Saumier, concerning the famous Eastern Quebec Development Bureau which submitted its report to the provincial authorities, last year.

How do you propose to implement the report submitted by the Eastern Quebec Development Bureau? What commitments are required of you, or, finally, what is the relation that can exist between the administration of this program and the activities of your Department?

Mr. Saumier: Mr. Chairman, as you said, the plan has been submitted to the provincial and federal authorities last year. This plan has been closely reviewed, in Ottawa as well as in Quebec. We held many technical meetings with the provincial officers who were examining the plan in order to specify what was to be accepted from the projects submitted by the consultants. The Eastern Quebec Development Bureau was essentially a group of consultants informing us on economic and social problems in the Gaspé Peninsula, that is the designated area stretching out of Gaspé, and on the remedies to be applied. Consequently, it was a working paper.

In the light of this working paper, the onus is on the two governments to decide what policy is to be followed for the area. This means that, even if a project, or a kind of action, is recommended by the consultants, that project is not necessarily accepted. It

may be amended or abandoned altogether, according to our own imperatives and policies.

Following this consultation between the federal officers and the provincial officers, we have straightened our position on both sides, a project has been submitted to the approval of the provincial government and the same project will be officially submitted to us shortly.

It will act as a starting point for formal negotiations between the central administration of the rural development in Ottawa and the group selected by the provincial government to work on an agreement which will reflect, in part, the recommendations of the Eastern Quebec Development Bureau.

A policy statement was made a few weeks ago by the Minister of Agriculture of Quebec, on the one hand, and by the Minister of Forestry and Rural Development of Canada, on the other hand, in which both governments committed themselves to continue the process and expressed the hope that an agreement might be signed before the end of 1967, to start the development plan for the designated area of the Province of Quebec.

Mr. Choquette: I would like to have something clarified concerning the rural developments. I am talking about the Mont Sainte-Anne which was developed under an ARDA program. Would you have considered this project as likely to be included in a program of rural development or a program to which could have been allocated rural development funds?

Mr. Saumier: In the case of Mont Sainte-Anne, Mr. Chairman, the ARDA contribution has consisted, certainly in the purchase of land which was used afterwards for tourist skiing purposes. If you look at the recommendations of the Eastern Quebec Development Bureau, you will find that several of these recommendations concern tourist development projects, so that the tourist development may very well be part of a global development plan as is the case, in fact, as far as the EQDB recommendations are concerned. It seems to me that some tourist development projects are likely to be retained in the preparation of the final agreement for the designated area at the Gaspé Peninsula and the Lower Saint Lawrence.

Mr. Choquette: Thank you, Mr. Saumier.

• (11.15 a.m.)

(English)

The Chairman: The next member who has intimated that he wants to ask questions is Mr. Forbes.

Mr. Forbes: Mr. Chairman, may I first congratulate the witness on his ability to answer questions. As a matter of fact as I was sitting here listening to him, I was thinking if he were only a cabinet minister in the present government, what an improvement it would make on the situation. I have not heard any questions asked on the problem that I have in mind.

The Chairman: You could have used the past tense too, Mr. Forbes.

Mr. Forbes: Probably I should cite the problem. Our town with a population of approximately 8500 people is in a designated labour and industrial area, but we do not have a sufficient water supply to provide for the needs of the town over the next number of years. The project that has been surveyed will cost approximately \$1½ million and you can readily understand it is too much for a town with a population of that size. Under what department or plan here could we make application for financial assistance to develop the necessary water facilities?

Mr. Saumier: Mr. Chairman, I am not aware of the exact dispositions or laws that apply in Manitoba from the provincial point of view for the development of such water supply. From the ARDA point of view it is clearly stated in the agreement and in the Act itself as a matter of fact, that we are concerned with the rural population as opposed to the urban population so that if a water supply system is designed mostly to satisfy the needs of the urban population, then it cannot be shared between the federal and provincial governments under the ARDA legislation. There has to be a rural component, a very important rural component in a given project, for this project to become shareable under our own Act.

Mr. Forbes: I think we have that component through the employment created in the industry.

Mr. Saumier: It has to be related to the needs of the rural part of the population. In other words, it must be shown that this water will serve the needs of the rural population for irrigation purposes or whatever the purposes might be, as opposed to the needs of the urban population as such.

Mr. Forbes: Of course, I think we can do this by the employment it provides for rural or part-time farmers.

Mr. Saumier: I think it has to be more than the employment. In other words, the water must be needed, not by the urban people but essentially by the rural people in the area. It is a matter of who needs this water for this project for it to become sharable under the ARDA Agreement.

Mr. Forbes: Some of the industries that have been established there under this Industrial Development Plan are of direct assistance to agriculture. Do you not think that this would be a point to which we could approach it to?

Mr. Saumier: Do you mean because of the manufacture of agricultural implements, or—

Mr. Forbes: Well, a dehydrating plant for seeds and this type of thing.

Mr. Saumier: It has to serve directly the needs of the rural people, the farmers and so forth, in the area, as opposed to the needs of some more removed accessories.

Mr. Forbes: My colleague here suggests that it would provide a market for agricultural products. Would this be sufficient?

Mr. Saumier: It would have to be clearly related to the needs of the immediate user.

Mr. Forbes: All right, then, one further question. Supposing that the town officials discussed this with the provincial officials and that they, in turn, made application to you. Would you then give the project consideration?

Mr. Saumier: We would have to examine the extent to which it satisfies the criteria which I have just mentioned. This is something which we have to do because of the terms of our legislation.

Mr. Forbes: But, you do go outside of what we would call the ARDA areas for separate projects. Is this right?

Mr. Saumier: Well, we can at times.

Mr. Forbes: You can. Thank you.

Mr. Stefanson: I have a supplementary question.

The Chairman: Mr. Stefanson has a supplementary question.

Mr. Stefanson: In your definition of rural—

The Chairman: I think you should get a microphone closer to you, Mr. Stefanson.

Mr. Stefanson: In the definition of rural, surely a small village and a small town are counted as rural. Let us look at the Interlake area, for example. There is nothing there but small towns and I think the whole area would be a rural area, even though there may be a town with 800 or 1,000 people.

Mr. Saumier: Mr. Chairman, this is indeed a difficult question. When is a town, a town, and when is it a village, and when is it rural or urban? In the case of the Interlake, however, we are enabled to get beyond the difficulty because of the special terms of the FRED Act which imposes fewer constraints than the ARDA legislation, as such. This is one of the advantages of having a Conference on Development Plan because then the difficulties in interpreting what is rural and what is not rural can be ironed out much more easily.

Mr. Forbes: Would you suggest then that any application we might make for consideration by your Department should be made through the FRED Act?

Mr. Saumier: The FRED Act, while it eliminates certain difficulties, creates others, because it has to be a very comprehensive effort.

Mr. Forbes: This is one of the problems that I find with this present Government. They are always creating difficulties.

The Chairman: May I ask a supplementary question. Are you aware of the Prairie Farm Rehabilitation Association?

Mr. Saumier: Oh yes, we work very closely with PFRA.

The Chairman: Are you aware of how the Western Provinces have been able to take advantage of Prairie Farm Rehabilitation to, in some instances, get water just outside of an urban area as a reservoir? I am thinking that from my own knowledge of Prairie Farm Rehabilitation, in many instances it is superior to ARDA and more beneficial to farm people.

Mr. Saumier: Well, it has been more beneficial in the past, Mr. Chairman, because ARDA was not in existence then.

I think it is fair to say that at present, by and large, what can be done under the PFRA can also be done under ARDA, but whether

this is more or less beneficial to the provinces from a financial cost-sharing point of view is a different question altogether.

The Chairman: PFRA does not have income restrictions like ARDA does.

Mr. Saumier: That is right.

The Chairman: This is a terrible thing, as far as I am concerned. The income restrictions on ARDA limit many cases where it could be beneficial to many people.

Mr. Roxburgh: Mr. Saumier, the information that I have seems to indicate that the Province of Ontario is doing very little towards ARDA projects compared with provinces with much less financial backing. There has been a recent survey made through Ontario which points out that they have many very poor areas. Could you give me information as to the number of areas that come under this? And with that number, why is it that the province is not taking advantage and is being so delinquent compared with other provinces that have taken advantage of ARDA?

Mr. Saumier: I think, Mr. Chairman, that it is fair to say that the Province of Ontario has taken considerable advantage of the ARDA Program keeping in mind, however, the distinction which I made earlier between conceiving and financing certain projects and the actual implementation of these projects. In other words, if you compare the number of projects which have been approved for Ontario in relationship to their allotment, or any other allotment, and the number of projects, and the value of these projects, it is quite comparable to what is taking place elsewhere in the country. But then it becomes more difficult to evaluate how many of these projects have actually been carried forward. It is one thing to say we are going to do such and such a thing.

Mr. Roxburgh: Yes, that is right.

Mr. Saumier: It is a different thing to do it in the field. In Ontario, the number of projects and the amount of money involved which have been approved is quite comparable to the number of projects which have been approved for other provinces. Whether these projects in Ontario have moved forward, once approved, as fast as they might or as fast as in other provinces is something which—

Mr. Roxburgh: Well, it does not seem that way from the information we can get. They

seem to be lagging badly and especially with the finances behind them. You do not know how many of those areas are... Have you got that information?

The Chairman: You want to know how far they have progressed?

Mr. Roxburgh: That is right.

Mr. Saumier: I have a figure here, Mr. Chairman, which may be informative. The total allotment to Ontario is \$25.3 million over the five years of the agreement. They have committed about \$17 million out of that \$25 million.

Mr. Roxburgh: Over a five-year period.

Mr. Saumier: That is right. The commitments in Ontario are very good—as good as they are anywhere else in the country. Whether the follow-up issue on these commitments has been as good as it might have been, I do not know.

The Chairman: You have no way of telling the Committee how much Ontario has spent on each project.

Mr. Saumier: In the last fiscal year, Ontario has actually spent \$1.4 million. There is, as there is in almost every case; a discrepancy between the allotment and the actual expenditures.

Mr. Roxburgh: How would that compare with Quebec?

Mr. Saumier: Quebec has spent \$4.4 million actually. Ontario has spent \$1.4 million.

Mr. Roxburgh: How does Ontario stand, then, with the rest of the provinces—say Quebec and the Maritimes and Manitoba? I would like a record of that if it is possible.

Mr. Saumier: We can make that available.

Mr. Roxburgh: Could you? Then, one final question. It comes from Mr. Clermont's question at the beginning and I think you partly answered it, but I do not know whether I really got the idea or not—that an application comes from the province to the federal government. But, you said that in some instances it can be turned down or it has been turned down by the federal government. Surely the province, if it is putting the money into this thing, is not going to throw away \$100,000 on some wild scheme, then pass it on to the federal government only to have it turned down. Politically it is bad business. What is the reason and why would the federal gov-

ernment turn it down after it has been approved by a provincial government?

Mr. Saumier: The only reason, Mr. Chairman, why we can turn down a project approved by a province is because this project does not fall within the purview of the Act. In other words, the province can decide if a certain expenditure is legitimate from its own point of view. But, then, whether this expenditure can be shared under the ARDA Act is a different thing altogether.

Mr. Roxburgh: In other words, the province should know that before it applies.

Mr. Saumier: This is why, as I indicated before, Mr. Chairman, we try to work as closely as possible with the provinces when the projects are being prepared so as to avoid a kind of situation when we are confronted with a request for cost sharing which in our opinion we do not have the authority to approve.

Mr. Roxburgh: That is fine, thanks ever so much.

Mr. Crossman: As a supplementary question on expenditure, I gather that this is a cost-sharing program of expenditures of fifty-fifty with the provinces.

Mr. Saumier: Well, it can go as high as fifty-fifty, Mr. Chairman, but it is not always fifty-fifty.

Mr. Crossman: Are there cases where the federal share would be more than fifty per cent?

Mr. Saumier: This is the maximum share except under the FRED Agreement.

Mr. Crossman: As far as the provincial employees connected with ARDA are concerned, such as directors, co-ordinators, and people working in research, who are considered to be provincial employees, do their salaries come direct from the province or is it on a fifty-fifty basis with the federal government?

Mr. Saumier: In the case of the regular ARDA agreements, supposing, to take a concrete example, that the province decides to start to lend for some program which is sharable according to the formula. Then, if the province says that in order to have this program they must hire, say, ten extra people, then, the salaries of these people, who are provincial employees, are sharable under the agreement. In addition to these provincial employees, we have federal employees, whose

salaries are, of course, paid entirely by the federal government. In the case of a comprehensive rural development agreement, the part of the administrative expenses which is sharable under the agreement is determined individually in each agreement. This may vary from case to case, it may go as high as 75 per cent, or it may be less.

Mr. Roxburgh: May I ask a quick supplementary on that one, Mr. Chairman, concerning the fifty-fifty per cent. Therefore, in a case like that it runs a little tougher, shall we say, on a province, or a poor province, to get work done, or a project through, on the fifty per cent basis, does it not? For example, let us compare a wealthy province, like the Province of Ontario—coming back to Ontario again—with the Maritimes, or Newfoundland, or some of the other provinces. Those provinces that are not wealthy, in comparison, are actually doing more because they have less money to do it with. It is pretty hard to put it in dollars and cents. As Mr. Crossman suggested in his question there is nothing extra for any of these provinces like that. It is a fifty-fifty basis right across the line.

Mr. Saumier: What you say is quite correct. However, in arriving at the allotment, at the amount of money which is available for a province, what you might call the degree of rural poverty of the province is taken into account so that a comparatively poor province will have more money available under the ARDA Agreement than a comparatively rich province, on a per capita basis, so that although the cost sharing may be the same, the amount of money which is actually available will be proportionately greater.

Mr. Roxburgh: Thank you.

Mr. Crossman: As a matter of expenditure, though, the poor provinces have limitations of matching fifty per cent with the federal government.

Mr. Saumier: Yes, this is true.

Mr. Crossman: That would be a detriment to its continuation.

• (11.30 a.m.)

Mr. Saumier: We hope to be able to take care of that situation precisely within the confines of the Rural Development Agreement where there is no fixed cost shares between the federal and provincial governments so that we can adapt the cost shares not only to the magnitude of the problem but also to the financial strength of the province.

Mr. Crossman: In that case it will go beyond that.

The Chairman: Mr. Stefanson has a supplementary question.

Mr. Stefanson: The federal government has paid 100 per cent, though, for surveys and research projects?

Mr. Saumier: In some cases, yes we have.

Mr. Stefanson: Yes. I know this was done in the Interlake. But are the projects themselves shared on a 50-50 basis?

Mr. Saumier: Yes.

Mr. Stefanson: Thank you.

Mr. Forbes: Could I ask a further supplementary question? Do you use your PFRA engineers for making this survey or have you special—

Mr. Saumier: No, we use the PFRA engineers.

Mr. Forbes: Thank you.

(Translation)

Mr. Godin: I wish to join with the previous speakers in congratulating the witness, Mr. Saumier. He gives the lie to the map which leads us to believe that this is a vast country. The answers which he has given us are quite perfect for every region in the country, and he leaves us with the impression that the country is fairly concentrated and quite easy to run.

And, with your permission, I shall return to the blueberry issue. We have spoken about dancing, we have spoken about harvesting, but when we speak, for example, about seeding (it is a subject about which I know nothing, probably like most mortals), are we talking about plants, shrubs or grains? Where do these seeds come from? Are they domestic seeds, that is, improved seeds, and how long is it since these improved seeds were introduced? And suppose that this year I were to plant seeds for thousands of trees, how many years will it take for the harvest to be sufficiently profitable for me to be able to join those who have taken in their harvest and to dance and thank the Lord for having sent us such a fine harvest?

Mr. Saumier: Mr. Chairman, with your permission, I should like to inform the speaker that, if our projects come to fruition, there will be neither dancing, no public rejoicing, therefore it will be impossible for you to take

part in it. Now, with regard to the technical details of the seeding problems and growing of shrubs, I have to admit that I do not have these details at present. We are going to supply you with a document containing these details and then, if yourself or any other members of the Committee have any questions to ask, we shall be pleased to answer them. I have to admit that as far as the technical side of blueberry farming is concerned, my knowledge is still quite limited. I apologize, Mr. Chairman.

(English)

The Chairman: Can you make the publication available to the Committee members?

Mr. Saumier: That is right. We will make the publication available to all the members of the Committee and we will be pleased to answer whatever questions remain unanswered.

The Chairman: That is fine. Thank you.

Mr. Noble: I presume the witness could tell us whether they have looked over the plantations in the United States which have been successful. I examined some of these myself and I know they grow blueberries there which are about four times as large as our wild blueberries and so I would presume that some of the areas that you are propagating and helping to propagate will be areas that are not useful for any other purpose. They have these areas there which are low sandy areas and are very adaptable to the production of blueberries. I might say, too, that this is one of our pet schemes which I suggested long ago when first they brought the ARDA Program in. I am glad to know that you are making the effort you are to expand it and make it a profitable industry.

Mr. Saumier: Mr. Chairman, we have in fact looked at the blueberry production in various parts of the U.S.A. and the reason we have become interested in this is precisely because it provides a use for some lands which are not suited to any other kinds of agricultural development. This is the basic reason.

(Translation)

Mr. Lefebvre: Thank you, Mr. Chairman. The questions Mr. Clermont put to you and Mr. Saumier have enlightened me and, I hope, the other committee members too. I would like to give you an example and would ask for a reply.

Let us suppose that you are the reeve of a county. At a meeting of your county council, the mayors of the municipalities agree with

you on a given plan for a region or a county, say for the development of a site for camping, blueberry farm or a nursery. What procedure should be followed and to whom should the first application be made? And what are the stages which lead to the successful implementation of a plan? Can you tell us where the county reeve must first make enquiries?

Mr. Saumier: Mr. Chairman, in the case of a specific project, as described by the speaker, such as the development of a camping site or a blueberry farm, or something of that nature, the application should be made in the first place to the ARDA administration office for the province in which the county is located. If it is in Quebec, then the application would go to the Quebec provincial ARDA administration office in the city of Quebec. This ARDA administration office will then study the problem in cooperation with us and, eventually...

Mr. Lefebvre: Still with you?

Mr. Saumier: ...Ideally, yes. If the provincial administration selects the project, an official application will be made on behalf of the provincial government to the federal ARDA administration to approve the project and share in the cost. The requests must be addressed in the first place to the competent provincial administration.

Mr. Matte: A supplementary question. What can a Member of Parliament do, either directly or indirectly, with ARDA?

Mr. Saumier: The member of Parliament, Mr. Chairman, can inform his electors, that is, the people of his area, of the programme. This is all the more important since, as I have mentioned, enquiries reveal that very few people in our rural areas actually know of the existence of the ARDA programme and its facilities. Therefore the Member of Parliament can enlighten his electors and encourage them to submit projects to the administration and to the competent provincial officials.

Mr. Lefebvre: Firstly, the province will study with you the request from a county; whether it is a county in Quebec, Ontario, or any other province, it makes no difference. Are there any engineers or economists in your Department who will study this problem with the provincial officials?

Mr. Saumier: Yes, Mr. Chairman.

Mr. Lefebvre: And do you send people to the locality?

Mr. Saumier: Mr. Chairman, that differs of course from one project to the next. In certain cases we shall be able to send a small group of federal and provincial officials to the locality to study the problem. In other cases the provincial officials will be able to do it alone, and we shall discuss the problem with them later. That varies with the circumstances. But, either in ARDA itself or in the various federal departments with which we operate very closely, we have all the specialists we need to help us discuss with the provincial officials whether the problems connected with the project submitted to them are genuine.

Mr. Lefebvre: If the first request to the province is categorically refused, perhaps for valid reasons, is there nothing more to be done?

Mr. Saumier: Mr. Chairman, I should perhaps add that the province has a certain annual grant at its disposal. Evidently, it is possible that the requests may be far in excess of this annual grant for ARDA projects, so a province has itself to establish certain priorities and decide to concentrate its efforts this year on one particular region of the province or on one particular kind of problem. In that case, projects not falling within those categories are postponed to other years—

Mr. Lefebvre: May I make a suggestion? Could you, sometime in the future, travel through the rural counties especially in order to explain your programme to the people and perhaps hold a meeting of the councils of three or four counties in a region? I feel that it is most important. I have had the pleasure of attending a meeting of the county councils to which the Minister had been invited and at which many questions were asked, because people do not know about the Agricultural and Rural Development Act.

Mr. Saumier: Mr. Chairman, this seems an excellent suggestion and I hope that we shall be able to carry it out in addition to the advertising programme which we intend to launch anyway.

Mr. Lefebvre: Thank you, Mr. Chairman.

Mr. Matte: Are the provinces doing very much to advertise ARDA?

Mr. Saumier: Certainly.

(English)

The Chairman: Mr. Noble on a supplementary question.

Mr. Noble: Mr. Chairman, I would like to ask the witness if by publicizing the ARDA Program or making its knowledge more common across the country, he plans to use these films on television or are they going to be used some other way? Are you going to use them through service clubs? How do you plan on using these films?

• (11.40 a.m.)

Mr. Saumier: Mr. Chairman, we are now in the process of elaborating our plans for the publicity campaign, so this planning process is not yet far enough advanced for me to be able to indicate, with any degree of certainty, exactly what publicity means will be used for this. I do not know yet whether it will be mostly through films on television, through films for service clubs or possibly through mobile trailers that will go from area to area with information specialists that can show movies and invite the people to come in and ask questions. This has not yet been finalized sufficiently to answer your questions with any degree of certainty.

Mr. Schreyer: Dr. Saumier, about 18 months ago a Farm Enlargement and Consolidation Conference was held with regard to the eastern provinces. Do you know if, to date, there is planning under way for a similar conference regarding the western provinces.

Mr. Saumier: There is, Mr. Chairman.

Mr. Schreyer: Do you have an approximate idea as to when this might take place?

Mr. Saumier: Did you say where or when?

Mr. Schreyer: I said when.

Mr. Saumier: When? We are hoping to have it, if everything moves according to schedule, either later this year or early in 1968.

Mr. Schreyer: To follow up the line of questioning that was going on a few minutes ago with respect to the initiation of ARDA projects, I understand that all ARDA projects must initiate with the provinces. This includes projects that might take place on Indian reserve lands. I cannot understand what the basis is for insisting that the provinces take the initiative with respect to projects that could or should take place on Indian lands inasmuch as (a) Indian lands are under the exclusive jurisdiction of the federal government and (b) my understanding is that most of the Indian people prefer to have it

that way, at least in western Canada. What is the reason for this rigidity?

Mr. Saumier: This is one rigidity which has to be admitted. However, the flexibility, that we have comes from the fact that for projects that affect Indian lands the federal share is 100 per cent.

Mr. Schreyer: Yes, I understand,

Mr. Saumier: So that why do these projects go through the provincial offices? The province should have very little reluctance in moving forward because it implies no financial commitment from the province whatsoever. Therefore, whatever allocation they have made within their own budgets for other programs is not at all altered by the projects going to Indian lands.

Mr. Schreyer: But, more specifically, I would like to know if there is some good technical or administrative reason why we are expecting the provinces to take the initiative with respect to projects in Indian lands?

Mr. Saumier: In a case like this, Mr. Chairman, we would not necessarily expect the province to take the initiative. We would expect the local people to take the initiative and then forward their projects through the province to our regional directors who are right there on the spot, as it were, and can handle these projects quite readily.

Mr. Schreyer: So that the local residents of the reserves, with the help of the Indian agency, would have to channel their plan or their request through the provincial ARDA co-ordinator?

Mr. Saumier: That is right. This is an administrative mechanism which has some advantages and some disadvantages like any other mechanism.

Mr. Stefanson: This kind of program could affect the Indians and the adjoining lands.

Mr. Schreyer: All right. I can see it in that case. But with respect to land clearings exclusively on Indian lands, can you tell me if there are any ARDA projects currently, or almost, in the works to begin on Indian lands?

Mr. Saumier: Yes, we have some projects already going and some projects in various stages of preparation for that. There is, of course, difficulty with projects affecting the Indian lands, owing to the fact that the Indians do not hold title to the land. Therefore,

it is difficult for them to find the financial means or to secure the money from lending institutions to develop that land further but we are working very closely with various federal departments to find a way around that difficulty.

Mr. Schreyer: I understand, for example, that at the present time in the province of Saskatchewan there are two ARDA projects for the clearing of Indian land which amount to approximately \$20 per acre for clearing. Are there any similar projects being carried on?

Mr. Saumier: There are some more being prepared, for example, in Manitoba.

Mr. Schreyer: Could you tell us in what reserves or part of the province these projects are located?

Mr. Saumier: The projects are Interlake, among others, and also in Manitoba there are some areas north of Interlake. I do not have the names of the Indian reserves in mind at the moment but I could provide you with them if you wish.

Mr. Schreyer: Yes, if you would. In relation to the ratio of expenditure on the ARDA general program and the specific area programs can you give us the approximate ratio of expenditure in the current fiscal year?

Mr. Saumier: Expenditures as a ratio of what?

Mr. Schreyer: The ARDA general program to the specific area programs?

Mr. Saumier: I am not sure, Mr. Chairman, if I follow that question too well.

Mr. Schreyer: You have the ARDA program which applies generally across the country and then you have the designated area program under FRED-ARDA. I would like to get some idea of the approximate expenditure ratios.

Mr. Saumier: We can only give you an anticipated expenditure ratio because, as a matter of fact, no project has as yet actually been approved under FRED as such. This will happen tomorrow or Thursday in Manitoba.

Mr. Schreyer: It is anticipated.

Mr. Saumier: Mr. Chairman, if the member will look at page 193 of the Estimates under Vote No. 35 he will see the ARDA programs as such in the amount of \$18 million for 1967

and 1968. Under the item Statutory—Fund for Rural Economic Development—Project Payments we anticipate \$11 million this year. I suppose this is the ratio that you were looking for. This year we anticipate spending about \$11 million out of the Fund for Rural Economic Development for programs under these comprehensive plans, whereas we anticipate in that co-operation with the provinces we will spend roughly \$18 million of ARDA's funds for ARDA projects. I should add that under FRED this amount will eventually increase much more quickly than it will under ARDA.

Mr. Schreyer: It is anticipated that expenditures under FRED will rise toward a peak in about four or five years?

Mr. Saumier: It is difficult to say, Mr. Chairman, because it will depend on the timing of the signing of the agreement with Quebec and with Nova Scotia, and so on. This will have a variable impact on FRED.

Mr. Schreyer: But as I understand it, under the FRED agreement the general trend will be towards a steady increase in expenditures until about the fourth or fifth year of operation, when there will be somewhat of a downturn.

Mr. Saumier: This is possibly true for Interlake. Whether it will be true for the other plans will depend upon the nature of the plans and the kind of financial commitments which the provincial and federal governments are willing to make at that time. I should like to stress the fact that each comprehensive development plan is a tailor-made plan; we do not arrive in an area with a strict criteria or a strict precedence, every plan is tailor-made both as to the needs of the area and the financial strength of the province. For this reason it is very difficult to say beforehand what will be contained in any given plan or what the pattern of expenditures will be for that plan.

Mr. Schreyer: Then, Mr. Chairman, I have a further question which may be difficult to answer but I regard it as important. It concerns the ratio of expenditures under ARDA for administrative purposes and actual works. As Dr. Saumier may be aware, there seems to be some evidence of a growing dissatisfaction or disenchantment with ARDA for the reason—real or imagined—that it has proliferated as to studies and administrative expenditures but it has not given the appearance of translating this into actual works. Apart from

that criticism, if it is possible to get these figures, I would like to know the ratio of administrative expenditures to expenditures on actual works. Is it possible to get these figures?

Mr. Saumier: Yes, it is quite possible to obtain these figures. I should like to stress the fact, Mr. Chairman, that the amount of money which has actually been spent on research under ARDA, if we forget about the Canada Land Inventory, is really quite small. Most of the money has gone for actual projects in the field. Sometimes research projects are quite visible because they are used as an excuse for doing nothing but we try to use our research projects, not as an excuse for doing nothing but as a means of knowing exactly what should be done so that in the first stage, if you like, the research projects are more visible. However, by and large, these research projects are always aimed at the specific problem in order to guide us in deciding what we should do with that problem. As I said earlier, the ratio of research projects to actual projects is in fact quite small. It is \$7 million out of \$57 million, which is actually quite a small ratio.

Mr. Schreyer: \$7 million out of \$57 million is used for administrative purposes and research?

Mr. Saumier: That is right.

Mr. Schreyer: That sounds encouraging, Mr. Chairman. I will have to make a more specific study of that.

In respect to some of the auxiliary programs being carried out under ARDA, I notice that ARDA has become involved in a project relating to river bank erosion and also in a study of the feasibility of setting up an industry to utilize peat moss, et cetera. These two examples impress me as the kind of thing that can get ARDA into all sorts of difficulties. For example, river bank erosion is a very difficult problem with which to deal. In Manitoba, 18 or 20 miles, or even more, of the banks of the Red River have presented an erosion problem over the years. If ARDA is seen to be entering into this problem of river bank erosion, in one part of the country it seems to me that it will find itself in the position of receiving applications from the province of Manitoba, the city of Winnipeg, or rural municipalities down stream in Manitoba for assistance in combating this condition. I will put the question bluntly: what does river bank erosion have to do with

the main intent of the concept of the ARDA legislation?

Mr. Saumier: Mr. Chairman, those provinces which put forward projects dealing with river bank erosions all claim very strongly that control of this phenomenon is essential to the development of their agriculture and the well-being of their rural areas.

Mr. Lefebvre: That is quite correct.

Mr. Saumier: I should add, Mr. Chairman, as a further consideration that the ARDA agreement does not permit a province to spend more than 50 per cent of its allotment on soil and water conservation projects of that kind, and therefore in the agreement there is a stopping device which prevents such projects from becoming the main area of concern of a province.

Mr. Schreyer: I certainly agree that research studies into drainage works is very much a part of ARDA but the matter of river bank erosion seems to be quite apart from that problem.

Referring to the example I gave of ARDA becoming involved in a feasibility study of the industrial use potential of peat moss, is this not something that should be done by a provincial Department of Industry? It seems to me that in the province from which I come over the years there have been a good many studies into the industrial use potential of peat moss. This was done by the Department of Industry and some tangible good came of it, a small industry was established. However, I notice under ARDA there has been some expenditure for investigating the possibility of setting up a small industry for peat moss processing. Would something like this not be better left to a Department of Industry?

Mr. Saumier: Mr. Chairman, I do not know to which project the member is referring.

Mr. Schreyer: I believe it is listed under ARDA circular RD 2. I think it took place in the province of Nova Scotia.

Mr. Saumier: If I may comment on this in general terms, it is quite possible that the agency that will actually do the research will be a provincial Department of Industry. In other words, a province may say, "We have a peat moss potential in this area of rural property. We would like to look at the characteristics of this particular patch of peat moss to see what its market value may be and we want our Department of Industry to do that

study". If it is hopefully going to help the people in this rural area of poverty to increase their incomes, then irrespective of who carries out the study this is the kind of project which legitimately can be cost shared under the ARDA program.

Mr. Schreyer: Finally, Mr. Chairman, I note that in Alberta agreement has been reached between the federal ARDA office and the province for the institution of a five-year \$3 million land assembly program. I would like to know if something similar and on the same scale is underway in Saskatchewan and Manitoba?

Mr. Saumier: In Manitoba there will be a large-scale program under the FRED agreement for Interlake so, in Manitoba there is going to be a similar program. There is a similar program in Ontario. I am not aware if Saskatchewan is contemplating this kind of a program or not. They have a small pilot program in Saskatchewan.

If I may make a further point, Mr. Chairman, a province has a certain amount of money to spend and it is up to the province to determine what priority it is going to follow in spending that money. Once the province has made that determination—and we hopefully work with them towards that goal—then various projects may or may not be maintained within this priority.

Mr. Schreyer: I cannot seem to find in the estimates how much is being allocated to land assembly for this fiscal year, that is, acquisition, alternate use, lease, rental, and so on. Can you tell me how much is being allocated to land assembly for this fiscal year?

Mr. Saumier: Mr. Chairman, we have found it very difficult to itemize it in the estimates by broad programs because these programs vary considerably from one province to another and because of the way the requirements for funds come from the provinces they are simply not broken down in this particular fashion. This is regrettable but it has not been possible to do that. However, the details on each project as they come through which relate to the amount of money for this kind of program and that kind of program are available. It is possible to have this information if you want to know the plus factor but from the provincial point of view it is impossible to provide that information.

Mr. Schreyer: How much in federal funds was spent last year for purposes of land assembly acquisition, et cetera?

Mr. Saumier: Does the member mean actually spent or committed?

The Chairman: In the fiscal year.

Mr. Saumier: The two can be quite different.

Mr. Schreyer: Either one, whichever is the more convenient.

Mr. Saumier: Over the last two years roughly \$10 million has been committed across the country for land assembly.

Mr. Schreyer: Yes. If \$10 million has been committed over the past two years, is it possible to say how much of that amount has actually been disbursed?

Mr. Saumier: We do not have this information. We know the commitment because it is organized under the various parts of the Act and land assembly comes under one part of it. As far as the actual expenditures are concerned, we do not have that information but it can be made available very shortly.

• (12.00 noon)

Mr. Schreyer: Mr. Chairman, I would like to conclude my questioning with an assertion which may or may not evoke a response from the witness.

It seems to me, judging from the response which I have been able to get from the people to whom I have spoken, who live in rural areas, that the ultimate value of ARDA will be judged on what it has been able to do in the way of these specific and concrete works; the acquisition of land, putting land to alternate use, the construction and programming of drainage works, and so on. While the signs are hopeful, until now there has not been too much in the way of concrete, tangible works which have been undertaken, let alone completed. Do you think that is a fair assessment?

Mr. Saumier: Mr. Chairman, my answer to that question would reveal a very biased and prejudiced point of view, I am afraid, so my opinion may not be entirely acceptable. However, I would like to make this point. When the ARDA agreements were signed there were, by and large, two possibilities open to the provinces. They could either say that they were going to add ARDA funds to their continuing programs, and then they would be able to move very quickly and spend a lot of money by adding ARDA funds to their regular programs, or they could say here is a new possibility for them to consider their programs and decide which program they are

going to select for funding under ARDA. The momentum, if you will, in this second possibility, gathers more slowly because the provinces are using these funds to strike in new directions. I dare say what happened is that the provinces, rightly or wrongly—this is something for them to decide—selected the second path. Initially they had to do a lot of work internally, to decide in what new areas the ARDA funds could more effectively be applied.

Once this preliminary sorting out process has taken place the momentum increases very quickly. Instead of proceeding on a haphazard and hit-or-miss basis, the provinces proceed with programs that are well conceived and rounded out, programs which are designed to achieve specific aims and embody the kind of control, which will ensure that these aims are in fact reached. Therefore part of your concern in which we share quite considerably, I think is answered by the attitude on the part of the provinces, which is that instead of just spending more money on their continuing programs they have tried to define new areas and to use ARDA funds for that purpose.

Mr. Herridge: Mr. Chairman, could I hopefully conclude this inquisition of Mr. Saumier by asking one question? Which of your officials should a member of Parliament or an organization in British Columbia, for instance, communicate with in order to get information on projects that are being proposed or undertaken in British Columbia?

Mr. Saumier: The person to communicate with, Mr. Chairman, is our Chief of Information, Mr. Couture.

Mr. Herridge: Thank you.

Mr. Forbes: Mr. Chairman, may I ask one question? Can I assume from your reply to Mr. Schreyer a few minutes ago about projects with respect to Indian reserves, and so on, that you are entering into agreements for development of certain projects outside the Interlake area in Manitoba?

Mr. Saumier: Oh, yes.

Mr. Forbes: Thank you very much.

Mr. Saumier: The regular ARDA programs, Mr. Chairman, which are carried on in the province outside the special planning area are carried on irrespective of that.

The Chairman: Mr. Noble has a question.

Mr. Noble: Mr. Chairman, I would like to ask the witness a question. Farmers receive

help in building farm ponds for the purpose of water conservation. If a farmer decided that he would prefer a well to a farm pond, will ARDA assist him in drilling this well?

Mr. Saumier: It could be done.

Mr. Noble: To what extent?

Mr. Saumier: I do not know what you mean by "To what extent".

Mr. Noble: How much money would they contribute toward the drilling of a well? Would they pay 50 per cent? What would be the amount of their assistance?

Mr. Saumier: Many provinces have programs for that very purpose. In some provinces the program states that the local authority or co-operative, whatever it may be—the local body doing the work—has to contribute, say, 15 or 30 per cent toward the cost of drilling the well. There is also the provincial share. ARDA shares with the province in the provincial share, so if the province said that according to its regulations the local share was 30 per cent, then the federal ARDA share would be half of the remaining 70 per cent. A province, of course, can use ARDA funds to reduce the local share or it can use them to increase the amount of money it has at its disposal to engage in more projects of that kind than it could do otherwise. As I said, this varies from province to province.

Mr. Noble: I understand it is 50 per cent in the province of Ontario, is this correct?

Mr. Saumier: Fifty per cent local share of—

Mr. Noble: Share of the cost of the drilling of a well.

The Chairman: There is a limit of \$500.

Mr. Saumier: Is this the local share?

Mr. Noble: The benefit which the farmer would receive would be 50 per cent of the cost of the well, is this correct?

Mr. Saumier: I think so, yes.

The Chairman: If I understand it, I think there is a limitation, Mr. Noble, of \$500.

Mr. Noble: It would have to be an oil well to be over that amount.

The Chairman: It all depends on how large an irrigation well you are going to instal. At times \$500 does not go very far. Mr. Berger?

(Translation)

Mr. Berger: Very well; yes. Having always been interested in advertising, I notice on

page 1952, items (10)—“Advertising and Films”—an increase in the estimates this year of some \$290,000. Could you please tell me what films are concerned? Can they, for instance, be obtained at the provincial level? Where are these films shown and what type of advertising is used?

Mr. Saumier: These films, Mr. Chairman, are mostly made by the National Film Board for ARDA. Copies of the films may therefore be obtained by writing to the office of the National Film Board which makes them available to the public.

Mr. Berger: Then all the members may take advantage of this offer, for example, to organize a public meeting and show people the films.

Mr. Saumier: If you notice, that item last year was \$61,000; now it amounts to \$350,000. That means that at the present time there are very few films on ARDA available. The NFB is, at the moment, in the course of preparing more for us. Perhaps if you contact the director of the National Film Board today, you will be able to obtain only one film, but in a few months there will be more.

Mr. Berger: Mr. Saumier, with your ironic little smile, can you tell me if the advertising is mainly directed towards the provincial governments to urge them to benefit more from ARDA by co-operating with the federal government, or if it does also have a tendency to drive away somewhat the obvious frustration of the people of regions like mine, for instance, who, because of provincial decisions, cannot benefit from ARDA?

Mr. Saumier: The purpose of the advertising, Mr. Chairman, is to show people all the advantages they could receive from ARDA if their project was accepted.

Mr. Berger: To encourage them to exert the required pressure where necessary?

Mr. Saumier: Precisely.

(English)

The Chairman: Mr. Matte has a question.

(Translation)

Mr. Matte: If I have understood right, small rural municipalities wishing to construct an aqueduct or a sewage system could be helped. Can ARDA help them?

Mr. Saumier: On condition, Mr. Chairman, that the aqueduct serves rural purposes rath-

er than urban purposes as such. Therefore, if it is to be a strictly municipal aqueduct for the people living in the small municipality, it does not qualify for the shared cost. If it is a matter of providing water for farmers, in that case, it may qualify.

Mr. Matte: What if it is combined and serves both purposes?

Mr. Saumier: If it is combined, then the proportion for each purpose is determined and a decision is made at that time.

Mr. Matte: Would it be possible to receive a list of the work ARDA expects to carry out? Say ARDA is expecting work for this year...

Mr. Saumier: Do you mean the definite projects which are anticipated?

Mr. Matte: Yes; the definite projects. We always receive the list a year or two after they have been completed.

Mr. Saumier: You mean that you are sent the list of projects which the provinces themselves submit to us?

Mr. Matte: Yes.

Mr. Saumier: Well, that brings up, I imagine, certain problems on the provincial side. Those are provincial documents which come to us, so it does not rest with us to make these requests public immediately. But once the project is approved, it is immediately made public in the form of a press release and, eventually, is included in the ARDA document. Mr. Chairman, if I may say so, the new ARDA catalogue will be ready in a few weeks' time. It covers the year just ended.

(English)

The Chairman: Does the catalogue list all the projects?

Mr. Saumier: Yes.

The Chairman: I think it would be a good idea if the Committee—

(Translation)

Mr. Matte: Does land-levelling in Quebec Province have any connection with ARDA?

Mr. Saumier: Yes, it may be financed by ARDA.

Mr. Matte: Thank you.

(English)

The Chairman: I suggest before we go any further that the list of projects, whether it is in catalogue or some other form, be made an

exhibit or inserted as an appendix. Shall it be appended?

• (12.10 p.m.)

I have been given to understand that it is going to be too big, there is a problem about the printing. I am a bit confused about this matter of printing. We were told by the coordinator of Committees that a lot of the proceedings were going to waste. My office was told by the printers when I was away that I could only receive so many copies of the proceedings. I do not know the reason for this. Is it that each member is allotted a certain number of copies and they are not using them? I was utterly amazed when I was told I could not have the usual 24 copies that I mail out to the different farm organizations and farm leaders who ask for them. I do not know if any other members have run into this problem or not.

Mr. Lefebvre: I think it especially applies to this morning's meeting, Mr. Chairman. This has been one of the most interesting meetings we have ever had and I was going to ask you for an extra 50 copies right now. I would like to object very strenuously about this because I am sure the other members who are present would also like to get some extra copies.

The Chairman: I follow a policy of mailing these proceedings out to certain farm leaders who request them every time a new issue is printed. Limitations have now been placed on us. I do not know if they are still going to waste. Perhaps the Clerk could find out. Mr. Kirby, the Clerk of the Committee, suggests that as Chairman I write a letter to the Distribution Office and if something further is needed for clarification that we put a motion to the Committee at the next meeting that sufficient copies be made available. How many members are having difficulty in getting extra copies?

An hon. Member: Well, I have never asked for any. I did not know this could be done.

The Chairman: You did not know you could get them. I received requests and last session I regularly mailed copies from my office to people who were not even in my own constituency, people who resided in different parts of Ontario and in Canada generally.

Mr. Lefebvre: I think most of the members agree that this has been one of the best and most informative meetings we have had, especially on the matter of ARDA, and I would

ask you to use your good offices to see that the printing is done as soon as possible—particularly the French translation—so that we do not have to wait until September in order to send copies to our constituents. Also, that you request we receive the English and French texts at approximately the same time.

The Chairman: I will do what I can.

Mr. Noble: May I ask the witness one question. In publicizing this ARDA program as you suggested, will the films which are made be 35 or 16 millimeter? The reason I ask is because if 16 millimeter film is used the ordinary person like myself who has a 16 millimeter projector can go around and show the film at service clubs and publicize the matter in that way. If 35 millimeter film is used we are out of luck.

Mr. Saumier: Mr. Chairman, the films that will be made for us by the National Film Board will, of course, be made available in both 16 and 35 millimeter, I suppose, but it will be principally 16 millimeter. This documentation will therefore be available to you in 16 millimeter film.

Mr. Noble: I am glad to hear that. Thank you.

Mr. Schreyer: Mr. Chairman, I think the record should be clarified on one point. It seems to me that in response to Mr. Noble's questioning about eligibility for grants for well drilling purposes that the reply was that individual farmers could qualify for a grant to cover the drilling of wells. That is not my understanding of the matter. I do not wish to challenge—

Mr. Saumier: The procedures vary from province to province. It depends on the mechanism which the provinces use.

Mr. Stefanson: It is for irrigation purposes, though, is it not?

The Chairman: It is for farm needs.

Mr. Stefanson: Or is it for whatever purpose you want to use it for?

Mr. Crossman: Mr. Chairman, on a point of clarification, does the province have to submit its program in order to receive the federal allotment for the year, or is the federal share given to the province on a project basis?

Mr. Saumier: It is given on a project basis, request by request.

The Chairman: As the project progresses?

Mr. Saumier: For example, when a project for drainage in a specific area is approved, then upon the receipt of accounts payment is made for the federal cost-share.

Mr. Crossman: What happens when a province does not utilize their full allotment, or has this ever happened?

Mr. Saumier: Then the allotment may be used later on as they see fit.

Mr. Crossman: I see. It is carried on?

Mr. Saumier: It is not lost.

Mr. Crossman: All right.

The Chairman: I think we have had a very good meeting. It has been a very long and very interesting one. I am sure the members have found it helpful. I do not think it is

necessary to recall Mr. Saumier and his associates. I would entertain a motion that items 25, 30 and 35 of the estimates of the Department of Forestry and Rural Development be passed. Moved by Mr. Berger and seconded by Mr. Schreyer?

Mr. Clermont: Can you do that?

The Chairman: Why not? Is everyone in favour?

Mr. Forbes: I think you should change the phraseology from "passed" to "approved".

The Chairman: It should then carry. Is it carried?

Items agreed to.

The Chairman: I want to thank you, Mr. Saumier, and your staff for the wonderful help you have been to the Committee.

APPENDIX C

FEDERAL COMMITMENTS AND DISBURSEMENTS ON SELECTED CATEGORIES OF ARDA

1. *Blueberry Projects (First and Second Agreements) to July 1967*

Research in establishing blueberry stands, packing the crop and marketing is indicated in thirteen projects set out below.

Province	Number of Projects	Shareable Cost	Federal Commitment
Newfoundland	3	65,000	37,000
Nova Scotia	3	12,000	26,000
Quebec	2	57,000	29,000
Ontario	3	41,000	22,000
Manitoba	2	64,000	32,000
Total	13	239,000	146,000

Projects involving the development of blueberry land (which may also include the acquisition of land) are concentrated in three provinces.

Province	Number of Projects	Shareable Cost	Federal Commitment
P.E.I.	4	128,000	64,000
Nova Scotia	2	22,000	11,000
Quebec	21	1,441,000	717,000
Total	27	1,591,000	729,000

Indications are that substantial sums will be committed, in Quebec and to a lesser extent in the Maritime provinces, to projects for the production of blueberries.

2. *Land Assembly Projects Related to Agriculture*

(Second Agreement to March 31, 1967)

Total Federal disbursements for ARDA projects, primarily concerned with the acquisition and development of land for agricultural use, total \$4,564,000. Agricultural use in this instance embraces community pastures, forage crop production, farm enlargement, tile drainage assistance, farm ponds and water supply. Funds have been disbursed on 81 such projects to date in the second agreement.

3. *Land Assembly and Improvement Projects Related to Forestry*

(Second Agreement to March 31, 1967)

Federal disbursements of \$940,000 have been made on 54 projects relating to forestry. Woodlot management on Crown and private lands, acquiring land suitable for forests, the maple syrup industry and related projects are under this heading. The acquisition of land for camp sites, recreation facilities and parks is not included in these statistics.

APPENDIX D

CUMULATIVE EXPENDITURES ON ARDA
PROJECTS TO MARCH 31, 1967

	Old Agreement		New Agreement		Total	Total	Total
	Shared-Cost	Federal-Research	Shared-Cost	Federal-Research	Shared-Cost	Federal-Research	Expenditures
Newfoundland	569,016	284,531	480,268	175,733	1,049,284	460,164	1,509,448
Prince Edward Island	222,639	66,512	348,105	230,038	570,744	296,550	867,294
Nova Scotia	440,222	178,141	1,241,407	402,066	1,681,629	580,207	2,261,836
New Brunswick	467,277	181,921	670,640	300,340	1,137,917	482,261	1,620,178
Quebec	9,440,445	198,513	4,394,293	507,050	13,834,738	705,563	14,540,301
Ontario	598,826	55,483	1,420,013	300,220	2,018,839	355,703	2,374,542
Manitoba	2,576,123	338,535	695,739	373,207	3,271,862	711,742	3,983,604
Saskatchewan	5,836,153	325,055	2,079,891	357,933	7,916,044	682,988	8,599,032
Alberta	1,449,389	95,540	720,983	405,563	2,170,372	501,103	2,671,475
British Columbia	1,403,350	111,208	540,907	717,274	1,944,257	828,482	2,772,739
Federal Projects	—	889,136	—	2,483,478	—	3,372,614	3,372,614
Total	\$23,003,440	\$ 2,724,475	\$12,592,246	\$ 6,252,902	\$35,595,686	\$ 8,977,377	\$44,573,063

Ottawa,
June 1, 1967.

HOUSE OF COMMONS
Second Session—Twenty-seventh Parliament

1967

STANDING COMMITTEE

ON

**Agriculture, Forestry and Rural
Development**

Chairman: Mr. EUGENE WHELAN

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6

THURSDAY, JUNE 29, 1967

RESPECTING

Estimates (1967-68) of the Department of Forestry
and Rural Development

WITNESSES:

From the Canadian Livestock Feed Board: Dr. R. Perreault, Chairman,
Mr. C. Huffman, Vice-Chairman; Mr. J. McDonough, Executive
Director.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

June 1, 1957
Ottawa

HOUSE OF COMMONS
Second Session—Twenty-second Parliament
1956-57

STANDING COMMITTEE

ON
AGRICULTURE, FORESTRY AND RURAL DEVELOPMENT

Chairman: Mr. Eugene Whelan

Vice-Chairman: Mr. Herman Laverdière

and

- | | | |
|--|----------------------------------|--|
| Mr. Alkenbrack, | Mr. Gauthier, | Mr. Nowlan, |
| Mr. Asselin (<i>Richmond-Wolfe</i>), | Mr. Gendron, | Mr. Peters, |
| Mr. Beer, | Mr. Godin, | Mr. Pugh, |
| Mr. Berger, | Mr. Grills, | Mr. Rapp, |
| Mr. Chatterton, | Mr. Herridge, | Mr. Ricard, |
| Mr. Choquette, | Mr. Honey, | Mr. Roxburgh, |
| Mr. Clermont, | Mr. Hopkins, | Mr. Schreyer, |
| Mr. Comtois, | Mr. Horner (<i>Acadia</i>), | Mr. Stafford, |
| Mr. Côté (<i>Nicolet-Yamaska</i>), | Mr. Johnston, | Mr. Stefanson, |
| Mr. Crossman, | Mr. Jorgenson, | Mr. Thompson, |
| Mr. Éthier, | Mr. Lefebvre, | Mr. Tucker, |
| Mr. Fairweather, | Mr. MacDonald (<i>Prince</i>), | Mr. Watson (<i>Château-guay-Huntingdon-Laprairie</i>), |
| Mr. Flemming, | Mr. Madill, | Mr. Yanakis—45. |
| Mr. Forbes, | Mr. Matte, | |
| | Mr. Neveu, | |
| | Mr. Noble, | |

(Quorum 15)

Michael B. Kirby,
Clerk of the Committee.

WITNESSES:
From the Canadian Livestock and Poultry Board: Mr. R. S. Peterson, Chairman, Mr. C. Hartman, Vice-Chairman; Mr. J. McDonough, Executive Director.

ROGER DUBAMEL, P.R.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1957

MINUTES OF PROCEEDINGS

THURSDAY, June 29, 1967.

(6)

The Standing Committee on Agriculture, Forestry and Rural Development met this day at 9.50 o'clock a.m. The Chairman, Mr. Whelan, presided.

Members present: Messrs. Choquette, Clermont, Côté (*Nicolet-Yamaska*), Crossman, Flemming, Forbes, Gauthier, Herridge, Jorgenson, Laverdière, Lefebvre, MacDonald (*Prince*), Matte, Noble, Roxburgh, Stefanson, Tucker, Whelan, Yanakis (19).

In attendance: From the Canadian Livestock Feed Board: Dr. R. Perreault, Chairman; Mr. C. Huffman, Vice Chairman; Mr. J. McDonough, Executive Director.

The Chairman called items 40 and 45 of the Main Estimates, 1967-68, relating to the Department of Forestry and Rural Development and introduced the witnesses from the Canadian Livestock Feed Board. Dr. Perreault made a statement and the members proceeded to question him.

Later, on motion of Mr. Clermont, seconded by Mr. Noble,

Resolved,—That items 40 and 45 of the Main Estimates, 1967-68 relating to the Department of Forestry and Rural Development carry.

The Chairman then made a short statement thanking the witnesses for their attendance and wishing them success in their future endeavours.

The Chairman recalled items 1 and 3 which had been stood by the Committee on Friday, June 16, 1967 and after discussion,

On motion of Mr. Flemming, seconded by Mr. Herridge, it was

Resolved,—That items 1 and 3 of the Main Estimates, 1967-68 relating to the Department of Forestry and Rural Development carry.

At 10.55 o'clock a.m. the Chairman adjourned the Committee to the call of the Chair.

Michael B. Kirby,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

Thursday, June 29, 1967.

The Chairman: Gentlemen, we can proceed now as I see a quorum.

We have with us today from the Canadian Livestock Feed Board Dr. R. Perreault, Chairman; Mr. C. Huffman, Vice-Chairman; and Mr. J. McDonough, Executive Director.

I think that, first, we should probably ask Dr. Perreault to make a statement. I will take the names of those who wish to question. Dr. Perreault, as this is a new board, we want you to feel free to make as long a statement as you wish.

(Translation)

Mr. Clermont: Mr. Chairman, has Dr. Perreault additional copies of these notes or remarks?

Dr. Perreault: No, I have not.

Mr. Clermont: Thank you.

(English)

The Chairman: I do not think Dr. Perreault has a prepared statement, but he is well known for his straight-forward, off-the-cuff discourses.

Mr. Clermont: Like the Chairman.

The Chairman: Much better.

Dr. R. Perreault (Chairman, Canadian Livestock Feed Board): Mr. Chairman, we appreciate this opportunity to be here this morning. As you mentioned, we have with us Mr. Charles Huffman, Vice-Chairman of the Canadian Livestock Feed Board, and Mr. McDonough, the Executive Director.

Mr. Dernier, who is the third member of the Canadian Livestock Feed Board wanted to be here this morning but he was prevented from coming because there is a Board of Directors meeting in the Maritimes.

As your Chairman mentioned, this Board is new. As you know, the members were appointed in early April. Since then the Board has held two meetings. I reported for duty around mid May. The Canadian Livestock Feed Board, as you are very well aware, is

located in Montreal. As the office was opened at the beginning of June, we have been in operation less than one month.

The biggest problems of course are those associated with organization and making contacts. Because the Board members have had few opportunities to orient policy, we are not in a position this morning to go very deeply into it, although we may just skim the surface. As you will realize, being less than one month in operation, with the many problems we have had with organization, we put top priority on acquiring a good team.

(Translation)

I was saying in English that we are very happy today to meet members of the committee. As you realize, the Board is just starting to operate; it has held only a few meetings. Its members were appointed at the beginning of April. The office was opened in Montreal in early June, which means that we have been in operation barely three or four weeks at the most. I will be happy to answer your questions this morning, although we may not be able to orient major policy in depth because the main problem at the moment is one of organization, making contacts and getting things generally settled. In any case, we will be happy to answer your questions to the best of our ability.

(English)

The Chairman: Mr. Jorgenson has intimated he wants to ask some questions. Mr. Clermont will follow Mr. Jorgenson.

Mr. Jorgenson: Dr. Perreault, I realize that you have been Chairman of the Canadian livestock Feed Board for a very short time but I wonder if you could outline briefly what you believe to be the objectives of your Board.

Dr. Perreault: The objectives are already spelled out in the Act. One is to supply farmers with the necessary feeds, so we must ensure that the grains are stored at the proper locations. Another is to maintain a reasonable price stability. I realize it is very difficult to have stable prices all the time when we are living in a dynamic economy but the Act says

that prices should be as reasonable as possible. Of course, equalization of prices of grains within Eastern Canada and within British Columbia is also an objective.

These are the main objectives of the Act but as the years go by, with the experience we gain, we will be better able to define the objectives in relation to the issues we face.

Mr. Jorgenson: There are two of these objectives that interest me. One is price stability and equality of prices in the areas where you have jurisdiction. How do you propose to achieve both of these objectives? Have you any idea of just how this can be done?

Dr. Perreault: For the time being, no, but through acquiring more operating experience and coming face to face with the various issues as they arise we would hope to be in a position to achieve both of these objectives. We are undertaking our duties with no preconceived ideas of any kind.

Whenever major decisions are made, we hope that they will be made on well-documented facts. As I said, we do not have any preconceived ideas of any kind and it is our wish to document any major decisions that are taken. Of course, we will have to cope with many urgent matters.

Mr. Jorgenson: You, by implication, have said that there is a fluctuation of prices of feeds in Eastern Canada. Do you know what causes these fluctuations and have you any idea of the reasons for them?

Dr. Perreault: It could be short markets, external factors, foreign factors—there are many, many factors. It could also be the fact that during the winter certain areas are paralyzed and people have to store for their winter needs. This is a matter of supply and demand and prices might fluctuate because of some practices of the trade. May I reiterate that do we do not have any preconceived ideas, we want to study every case on its own merits.

Mr. Jorgenson: Is it not a fact that the payment of storage in Eastern terminal elevators by the government should have relieved the problem of shortage of supplies, if it has not already done so?

Dr. Perreault: I was not a member of the Board when a decision was taken on this. I know the situation was studied before that decision was taken and perhaps Mr. McDonough would comment on this.

Mr. J. McDonough (Executive Director, Canadian Livestock Feed Board): I think I could say that an analysis of the price of grains in the Eastern port positions during the winter months, both before the storage policy was put into effect and during the time it was in effect, showed that there was not a noticeable difference in the price of grains. Our conclusion, after making this analysis, was that the storage policy did not achieve the objectives anticipated.

Mr. Jorgenson: Could you perhaps give us some reasons it did not achieve these objectives? When this matter was examined by this Committee several years ago, some of the practices of the trade became fairly obvious to us. I recall that one of the reprehensible practices of the trade was to move grain down to Eastern terminal elevator positions during the shipping season by water, using the cheaper water rates, and place it in storage. But immediately the navigation closed the price automatically rose. Whether or not the price had anything to do with the movement of grain down by rail, they just simply added the rail rates to the cost of grain that was in the terminal elevators and charged that price. Surely the payment of storage in those terminal elevators, which enabled the terminal elevator operators to fill those terminals with sufficient feed grains to carry them through the season, should have had some material effect on the price of grain. Can you explain to me why it did not.

Mr. McDonough: I think I can explain it by saying that the price of grain was based on a short position in store in Eastern Canada. The payment of storage did not encourage more supplies than in previous years being brought forward and therefore grain prices were still held at a replacement cost. This was not true in the first year. In the first year in which the storage was paid there were more supplies than there had been in previous years.

Mr. Jorgenson: In other words, the trade found a way to get around it again.

Mr. McDonough: They followed the same practices as they had in the past, keeping pricing at the demand value.

Mr. Jorgenson: That brings me to my next question. Do you feel that you Board will have power to stop this sort of practice? Do you think that you have been given sufficient powers and that the type of operation that

you are engaged in will be able to overcome this practice on the part of the trade?

Mr. McDonough: I think the Board has been given sufficient powers to accomplish the objectives that are set out for us.

Mr. Jorgenson: How do you propose to do that?

Mr. McDonough: This, of course, is a matter for the Board to decide and I think as Dr. Perreault mentioned, prior to any recommendations being placed before the Board we have to do a lot of economic research into some problem areas, for example storage, to determine what type of programs is better able to handle these situations.

Dr. Perreault: We have much published data but we feel that the Board should receive more on a continuing basis in order to orient its decisions. I have in mind for example, data on the movement in and out of storage, price information and so on. We have some good data presently but we feel that it is not sufficient, when so many decisions are required. Of course we have the power to obtain the necessary information but we want to start on a co-operative basis with the various farms—co-operation is necessary—in the hope that we can get data on a continuing basis. That is definitely a must for the operations of the Board.

Mr. Jorgenson: Do you believe that it will be necessary to construct additional storage facilities in eastern Canada in order to ensure that there are sufficient supplies of feed grains to last through the winter months?

Mr. McDonough: I think it would be premature for us to say.

Mr. Jorgenson: You have not really made an assessment of that situation.

Mr. McDonough: No.

Mr. Jorgenson: In order to determine what the price structure is in the area that you will be serving, is it your intention to ask the trade to submit to you weekly, reports of prices on each of the classes of grain? I ask this question because when the Canadian Wheat Board in western Canada removed the quota restrictions on feed mills in the west, they signed an agreement with the various feed companies that they would have to submit a list of prices of each of the varieties of grain that they were purchasing and that they were selling. That gave the Board com-

plete control over the price structure in western Canada. It has been proven to us that this type of system perhaps can do more to assist you in ensuring that there is equality of prices. For example, if one company in an area will submit a price structure that seems to be out of line with all the others, you immediately are going to look into it to see where and why the problem has arisen there.

Dr. Perreault: Let us say that we cannot talk about price equalization without having the basic information to see how equalized prices really are.

Mr. Jorgenson: But are you intending to ask the trade to submit to you prices each week of the commodities that they are selling.

Mr. McDonough: It would not have to be each week; it could be every two weeks. Let us say it is the intention of the Board to request such information as is needed for good operations, and the Economic Research Department will be asked to give this matter top priority.

Mr. Jorgenson: Thank you very much, Mr. McDonough.

The Chairman: The next member I have on my list is Mr. Clermont.

(Translation)

Mr. Clermont: Dr. Perreault, a price fluctuation occurred, I believe, during a given period of the year I think it was January, February and March because water transportation ceases in the fall. The trade in the Maritime Provinces had signed agreements with the railways whereby they would benefit by a rate equivalent to the water rates if they agreed to have their feed transported by rail over a period of twelve months. Has there been an agreement of this kind signed by the trade in the province of Quebec?

Dr. Perreault: No, not yet. I know that zone negotiations are taking place between the railway companies and representatives of the trade as you mention.

Mr. Clermont: To your knowledge and to that of Mr. McDonough and your associate, Mr. Huffman, has this agreement signed with representatives of the Maritime Provinces made it possible for prices not to fluctuate too much during the months of January and February 1967?

Dr. Perreault: I cannot reply to the second part of your question. However, I know that

the people of the Maritime provinces are very satisfied with this agreement.

Mr. Clermont: As you know, Dr. Perreault, following the Kennedy Round of negotiations, the maximum and the minimum price of wheat on world markets was raised. Does this mean that there will be an appreciable increase in the price of feed grains on eastern markets or B.C. markets?

Dr. Perreault: This is a question I cannot answer now because, as I said, the Board was just recently created.

Mr. Clermont: Dr. Perreault, this committee visited B.C. and the three prairie provinces during the month of February. Various briefs received from the prairie provinces indicated a certain amount of concern with regard to the Livestock Feed Board, among other things that the Board would try to obtain better prices from the Canadian Wheat Board because, under Bill C-218, your Board must buy its feed grains in the prairie provinces and in the designated areas of B.C. through the Canadian Wheat Board. This being the case, can we say that these groups or pools were right in worrying about them?

Dr. Perreault: We hope to meet some of the directors of the Canadian Wheat Board soon.

Mr. Clermont: But I should add, Dr. Perreault, that Mr. McNamara, the Chairman of the Canadian Wheat Board, said that although he is ready to co-operate 100 per cent with your Board, your Board would pay the same prices as any other operator for feed grains.

Dr. Perreault: As I was saying, we intend to meet the representatives of the Canadian Wheat Board very soon. For that matter, the Canadian Feed Grain Act indicates that relations should be maintained between other governmental agencies, and we are going to meet and discuss with them various problems within the next few months.

Mr. Clermont: Under Bill C-218 your Board has the power to import feed grains? Am I right, however, in believing that you should obtain prior authority from the Canadian Wheat Board before obtaining an import license?

Dr. Perreault: Yes.

Mr. Clermont: Or do you have the power to do so without going to the Wheat Board?

Dr. Perreault: It gives power to negotiate import licences, and I think that this is mentioned clearly in the Bill.

Mr. Clermont: True enough, but is it not the Canadian Wheat Board who enjoys exclusive rights in respect of the importation of feed grains into Canada?

Dr. Perreault: Yes, but the Act says that the Board must negotiate import licenses or permits.

Mr. Clermont: But with whom, the foreign exporters or with the Canadian Wheat Board? Because this is very important, perhaps Dr. Perreault or Mr. McDonough could give me the detailed information afterwards. I believe this is one of the apprehensions of the syndicate or the agricultural organizations in the Maritime provinces.

Dr. Perreault: I will make note of your question.

Mr. Clermont: I think we should be clear on whether your Board has proper authority to negotiate direct imports of feed grains if you have to go through the Canadian Wheat Board?

(English)

The Chairman: To make one thing clear, Mr. Clermont, the chief commissioner of the Canadian Wheat Board said that they would have to deal with them the same as anybody else. I would take from that that if the Eastern Feed Grain Board can negotiate a better price than some other country, it is up to them to do so.

Mr. Clermont: Mr. Chairman, I do not think it is very clear in Bill C-218 although I agree that the Board has the authorization to negotiate licences to import.

Dr. Perreault: Oh yes.

Mr. Clermont: It is not clear whether they have the power to negotiate directly with the non-resident exporter. Do they have to deal first with the Wheat Board?

The Chairman: Yes.

Mr. McDonough: Could I try to clarify this point. As I recall, the Canadian Wheat Board Act provides that the Canadian Wheat Board has exclusive authority for the importation of wheat, oats and barley from other countries, but by Order in Council any other agency of the government may be given the same permission.

(Translation)

Mr. Clermont: Clause 5 of Bill C-218, specifies the purposes, powers and functions of your Board. I would like to know, from the experience you have gained—I admit you have not had much experience since you have only come into your present position in May, 1967—if you think Bill C-218 provides you with the power to meet the purposes as specified in Clause 5, or do you believe that certain amendments should be made to the Act in order to make it possible for your organization to meet the specified purposes, under clause 5, in the near future?

Dr. Perreault: I think it is still too soon to speak of amendments. First, we must gain a little experience and then, with time, certain purposes will be determined.

Mr. Clermont: I put this question because in June or early July Parliament intends to pass an Act providing special funds for designated areas, but in January, 1967 this Bill was amended because we noted after only a few months that the amount of \$50 million was not adequate and that it should be raised to \$300 million.

Dr. Perreault: This Act is intended to administer to the needs, but note carefully that regulations will definitely have to be adopted by Order in Council.

Mr. Clermont: We will take into consideration that you, Mr. Perreault, Mr. McDonough and Mr. Huffman are new at your jobs. I know, on the other hand, that you all possess a great deal of experience in agricultural matters, with special reference to feed grains because of the responsibilities you have assumed in the past. We shall be indulgent with you because this is your first meeting with us.

Dr. Perreault: Then you will not be so indulgent the next time.

Mr. Clermont: I am not going to commit myself for the future.

(English)

The Chairman: There were a couple of members who wanted to ask questions and I did not know whether they were supplementary. Is yours supplementary, Mr. Flemming?

Mr. Flemming: No.

The Chairman: I have Mr. Herridge, Mr. Coté and Mr. Flemming.

Mr. Herridge: Thank you, Mr. Chairman. I have two or three questions to ask which will

not take up much of the Committee's time. First of all, in order to deflate some of my colleagues from the prairies, I want to bring to the attention of the Committee that we have the largest unfenced wheat field in Canada in my constituency, some 11,000 acres.

I would like to ask Dr. Perreault this question. What application does this vote have in British Columbia, what areas are receiving assistance, and have you any idea of the volumes involved in each case?

Dr. Perreault: Mr. McDonough has the figure and, at the same time, he can speak of the Board's new activities in B.C.

Mr. McDonough: Presently the feed grain assistance policy pays a portion of the freight going into B.C. as it does in eastern Canada. This has been exclusively rail. Studies are being carried out at the present time to determine the possibilities of opening this up for truck delivery in competition to rail, with the purpose of trying to reduce transport costs involved in the movement of grain into B.C. In respect of area covered, it covers all of the province of British Columbia with the exception of the Creston-Windel area, as far as subsidy is concerned.

Mr. Herridge: Would the wheat growers in the Creston-Windel area be subsidized if they were supplying grain to other points in British Columbia by truck delivered if the decision is—

Mr. McDonough: They are presently paid a subsidy by the provincial government in B.C.

Mr. Herridge: Would consideration be given under this vote if it was decided that grain could be delivered by truck because it was cheaper.

Mr. McDonough: It presently is being delivered out of Creston-Windel into the Vancouver area and to some of the other feeding areas of B.C. by truck and by rail, and the Provincial Government has a very similar subsidy program to our own covering this specific area of grain originating from the Creston-Windel area.

Mr. Herridge: At the present time what particular areas in B.C. are getting any benefit from this act?

Mr. McDonough: At the present time, all of B.C. with the exception of the Creston-Windel area.

Mr. Herridge: Thank you.

(Translation)

Mr. Côté (Nicolet-Yamaska): Mr. McDonough, you have just mentioned that there is a provincial Act in B.C. providing for subsidies in respect of the transportation of feed grains within the province. Is that so?

(English)

Mr. McDonough: Yes, sir.

(Translation)

Mr. Côté (Nicolet-Yamaska): What is the rate of subsidy? Is it calculated on a ton basis by the provincial government?

(English)

Mr. McDonough: I do not have the provincial government Act with me, but I could provide you with the figures at a later date. I believe that they use the same basis as we do, which is approximately \$4.40 under actual rail or truck costs.

(Translation)

Mr. Côté (Nicolet-Yamaska): Thank you. Dr. Perreault, the main objection last winter in the prairie provinces to the feed grain Board in the east was fear of negotiation by the producers. You know that over the last six or seven years "Les Unions Catholiques des Cultivateurs" had asked for the setting up of this Grain Board. The aim was not to pay the producer less money but to eliminate the middle man. This being the case, on February 10th, when we were in the Winnipeg stock exchange, we noticed that oats in particular were selling from 68.6 to 69.4 cents, which comes to approximately \$1.98 or thereabouts per cwt and that was for No. 1 feed grains. At the same time, when we came back from our trip, I was given to understand that in Eastern Canada we were paying for commercial feed grain from the West \$3.90 to \$3.98. Will your Board be able to provide a remedy for presently existing problems in transportation and in the wholesale and retail trade? In my opinion, these are the three areas which require your attention. There was almost a \$2.00 difference last February. It is very probable that if this differential were smaller or just disappeared it would not hurt the Western producer, and it might possibly bring an improvement for the Eastern producer.

Dr. Perreault: I do not think the Board's purpose is to eliminate the middle man. With the power we have under the Act, I think it might be possible for us to make the market-

ing system more efficient, at least in certain instances. We mentioned for instance, agreement with the railways which might make it possible for the farmer and the producer to ship grain all year round, thereby saving on warehousing costs and so on. Our purpose is not to eliminate the middle man but to improve marketing conditions as much as possible for the consumers.

Mr. Côté (Nicolet-Yamaska): Do you have any idea what the average figure is for one year between the price paid to the producer and the price paid by the consumer in Eastern Canada?

Dr. Perreault: No, because as I said a moment ago, we must, first, gather complete statistics. Some statistics are published and some are not. One of the first priorities of the Board and our Economics Department is to gather and analyze statistics so that we will have something on which to base our decisions. A lot of data is not available because we are just commencing our work.

Mr. Côté (Nicolet-Yamaska): Even though your Board has just recently been set up, do you not think that it will have time between now and next fall to look after the marketing in Eastern Canada? Can we not hope that by this fall we will feel the effect of your Board?

Dr. Perreault: I presume you are referring to what powers we have over selling, purchasing and distributing according to the need? While I have no set ideas on the subject, if the situation seems to require it, this will probably be done; but in any case any decision will have to be taken by Order-in-Council because all the Board can do is recommend to the government and, if it sees fit, it will act on the Board's recommendation. We will act according to circumstances, on an ad hoc basis. We do not know yet.

Mr. Côté (Nicolet-Yamaska): Thank you.

(English)

Mr. Flemming: Dr. Perreault, I would like to ask a question or two about the distribution of grain in the Atlantic Provinces. How many distribution points and storage points do we have in the Atlantic Provinces?

Dr. Perreault: I am not, sir, very familiar with the Maritime situation; I know something about it but not the complete details. This is certainly one thing that I want to look into.

Mr. Flemming: We will not quarrel with the extent of your knowledge. I know that you know a good deal more about it than I do, but I do want to refresh my recollection of how many distribution points we do have.

Mr. McDonough: Halifax is the only grain port of any significant size which can service the Feed grain trade in the Maritimes. Economically, there are other points which have, and can, deliver grain into the Maritime Provinces, but at a higher cost than Halifax.

Mr. Flemming: I can appreciate that. In respect of distribution, I assume that this grain comes in from the lake port in so-called "lakers" that do not require a deep draught for navigation purposes.

Mr. McDonough: Into Halifax?

Mr. Flemming: No. Actually what I am leading up to is a representation to the Board, which I would like to make at this point, for the establishment of distribution centres at such places as Moncton, up the Petitcodiac River for instance, and Fredericton, up the Saint John River. Fredericton is almost the exact centre of the Province of New Brunswick and Moncton is almost the exact centre of the Maritime Provinces. It seems to me that the Board might very properly, and with great advantage to the consumers in general, look into the feasibility of establishing distribution warehouses, if you like—if that is the proper term—at those points because of their geographical location. Has the Board been able to give some consideration to this point to date?

Dr. Perreault: Not yet.

Mr. Flemming: Then may I have your assurance, Dr. Perreault, that you will do so.

Dr. Perreault: You misunderstood me. Depending upon the problems, the result of the study and so on, the Board could take a position on this, but I am not so fully aware of the situation that I can give you a definite answer on this at this time.

As you know, we have a member on our Board from the Maritime co-ops, Mr. Dernier, who is very competent and well aware of all the problems of the Maritimes and whenever a problem arises in this area we get the full information from him.

Mr. Flemming: What was the name of the member of your Board you just mentioned?

Dr. Perreault: Mr. Willard Dernier from Moncton.

Mr. Flemming: Well, he surely should be as much interested in distributing from Moncton as I am because it is a little bit out of my jurisdiction.

Is any encouragement given to dealers to give farmers special terms of payment at the end of the navigation season so that farmers might be able to put in an extra supply of grain to tide them over the winter? Is this something that the Board, through its good offices, could establish between the dealers and the consumers?

Mr. C. Huffman (Vice-Chairman, Canadian Livestock Feed Board): Mr. Chairman, first of all, we want to work with the trade, and we are trying to encourage the trade to obtain the requirements of the producers early so that this could be accomplished. If it is not, of course we have to take another look. However, we are encouraging that.

Mr. Flemming: That was really my question. I realize that the Board is newly established and that they have not covered the whole waterfront so far as activity is concerned. I am not suggesting that I want to register any particular complaint; it is a quest for information as much as anything. I have mentioned what I consider to be fertile fields for exploration by the Board, with the general idea of bringing about an improvement in the distribution and from the point of view of the consumer.

I understand that feed grains and the supply of feed grains in Canada is not increasing to any great extent, and I submit, Mr. Chairman, that it really becomes a question of the best possible distribution to the most people in order to accomplish the most benefit. In general terms, I think, that is a very laudible objective. No doubt the Board is very conscious of this and anxious to co-operate in every way possible.

Dr. Perreault: I would like to add that it is certainly the Board's intention to have in its possession the best outlook data possible because that is certainly a continuous pre-occupation of the Board. This is also necessary because the Board has the power to negotiate space requirements in the elevators.

So far, we have to tackle two problems in two different locations of eastern Canada, one being Halifax and the other Quebec City.

Mr. Flemming: I submit, Dr. Perreault, that the establishment of a distribution point in the Province of New Brunswick is something

which should receive your attention at the earliest possible moment.

Dr. Perreault: I have taken note of this.

Mr. Flemming: Halifax, after all, is 250 or 300 miles from the consuming area which I have the honour to represent in Parliament, and I would assume that transportation costs are pretty serious from the point of view of the consumer.

On the other hand, it seems to me that if it were possible to use lakers during the navigation season your Board might assist in the establishment of some facilities by which a point which has some natural geographical advantage might be able to distribute. I think it is something that you might look into as soon as you have time to do this. I would like to make that request of you, sir.

Dr. Perreault: We will make a note of your request.

Mr. Flemming: And do not forget Fredericton on the Saint John River as a distribution point.

Mr. Huffman: Mr. Chairman, could I ask if you would like it surveyed by agreed railroad rates as well as by lakers? I assume that you want the best possible rate.

Mr. Flemming: Oh, yes. I have no particular reason to think that it must be done in a certain way. My only interest is to get the feed into the hands of the consumer at the best possible price and with a degree of regularity over the season that enables him to continue his business; that is my general interest in the matter. If it is a matter of all rail and it can be done to good advantage, I would certainly have no objection to that. I am just trying to bring these points before the Board, Mr. Chairman, so that they might be conscious of them and give them the consideration which I hope will be forthcoming.

The Chairman: I would like to inform you, Mr. Flemming, that the Vice-Chairman of the Board has a son-in-law who has spent a long time in New Brunswick, so the Vice-Chairman is quite familiar with the needs and wants of the people in New Brunswick. His knowledge of that area should prove helpful in getting storage and other facilities for the people in New Brunswick.

Mr. Flemming: That will be fine. I hope the son-in-law will have as much effect on his father-in-law as he had on the father-in-law's daughter.

Mr. Roxburgh: Dr. Perreault, in response to a previous question by our most reverend gentleman from British Columbia over here, it was pointed out that a certain section—and they have such peculiar names there that I just cannot remember—sent grain to other parts of the province and received either a freight or truck subsidy, whichever the case may have been.

Now, in western Ontario there is one of the largest corn and winter wheat growing areas in Canada, and I was wondering whether the Board have given any consideration, and if they have not, whether they will give consideration to paying freight subsidies for those grains going out into other parts of the country.

Dr. Perreault: Well this question was discussed by the Board. The decision was that a full study be made on the whole question of not only corn but also Ontario wheat. It will be a top priority of the Research Department to look into the whole matter.

Mr. Roxburgh: Thanks ever so much.

Dr. Perreault: The question you raised was discussed at the two meetings of the Board so far.

Mr. Roxburgh: I see. Thanks ever so much.

The Chairman: Could I ask a question? I do not think there is a corn board. I read in an article in the press yesterday that the corn growers in Ontario are talking about organizing a corn marketing scheme or setting up a provisional board. Do you plan on meeting with, say, the Ontario Wheat Producers' Marketing Board? Do you plan on any meetings with them?

Dr. Perreault: Yes. When we make a tour we plan to meet these people. Incidentally, a corn marketing board has been founded. It is not voted in yet in the Province of Quebec.

Mr. Forbes: Dr. Perreault, since you have commenced operations, have you had any complaints from feeders with respect to the price that they are paid for feed, and what action did you take to improve the situation, or did you improve it to their satisfaction?

Dr. Perreault: We have not had any complaints to my knowledge. Have you had any Mr. Huffman?

Mr. McDonough: The only problem that we have really had since starting operations is one within the Halifax area as a result of the

strike at the Halifax elevator which cut off grain supplies to the Annapolis Valley. This was handled in an emergency subsidy program whereby we picked up part of the freight costs for originating grain to insure that sufficient grain was brought in and that feed prices did not rise during that time of the critical shortage of feed grain in the Annapolis Valley.

Mr. Forbes: In other words the actions of the Board were satisfactory to the producers in that area.

Mr. McDonough: In that area, yes.

Mr. Forbes: Have you had any discussions with the railways with respect to freight rates to endeavour to reduce the cost to the feeders?

Dr. Perreault: We have had a few meetings with some of the representatives of the railways. I think that to be operative the railway charges will have to be competitive with water transport.

Mr. Forbes: You were not successful in making any changes in the whole operation prior to...

Dr. Perreault: Well, *pour parler*, they are still discussing the problem among the railway representatives and the representatives from the trade. This is the way it stands at present as far as Quebec is concerned.

Mr. Forbes: I just throw those questions to you, realizing you have not been in operation very long. Next year when you come back you will have to justify your position that you are serving some purpose, and this is a thing that has always been in my mind. I question what you can do about the situation in view of the fact that the government already subsidizes storage and freight rates.

Mr. Noble: Mr. Chairman, I would like to direct this question to Mr. Huffman, he being a practical man and I think familiar with the situation in Ontario. Does he feel this Board will be able to offer better service to Ontario farmers across the whole province? As he knows, farmers in western Ontario do not have too many complaints now about the service they are getting in respect of feed grain. I am wondering what advantage we have there that we are going to be able to offer them over and above what we already have?

Mr. Huffman: Mr. Chairman, coming from an Ontario section, we certainly propose that

we will get into negotiations and, without any predictions, that we can have better co-operation with the wheat and corn organizations and that we perhaps might be able to move into a still better transportation agreement.

We have done quite a little bit of work in my previous organizations to get better rates to move to Montreal and we certainly are hopeful that we can dovetail this in so it will be of interest to the consumer in both the Maritimes and Quebec and to the advantage of the producers in Ontario. This is certainly one of our positive objectives.

Mr. Noble: What about grain coming into our elevators from the west? Will the farmers be able to buy this a little cheaper owing to the efforts that you might be able to make in this regard?

Mr. Huffman: That is a good point but I cannot answer this yet.

Mr. Forbes: Percy, you are getting tough!

The Chairman: I can ask a supplementary to that, Mr. Huffman. Do you think there is a need for elevator facilities in western Ontario even to bring feed grain into that area because it is a large purchaser of certain types of feed grains from western Canada but it is also a large producer of other types of feed grain not consumed in this area? Do you think there is a need for elevator facilities in that area or are you in a position to say at this time?

Mr. Huffman: Mr. Chairman, I will give you my honest opinion. We have facilities and if they are used in the proper manner I think that it would do a... As of this moment I could not say, except that we do have facilities but I think they could be improved in the conditions of operation. I think this Board will certainly sit down and try to review how this may be done. I think the facilities are there; it is perhaps the way they are operated that does not work to advantage.

The Chairman: Mr. Clermont?

(Translation)

Mr. Clermont: Mr. Chairman, would you allow me a supplementary? It is related to a question put by Mr. Flemming and answered by Dr. Perreault. If the manufacturers of the Province of Quebec or the intermediaries sign the same agreement with the railways that was signed by the manufacturers or intermediaries in the Maritimes, would not the storage points become as important?

Dr. Perreault: I have no doubt that there would certainly be repercussions related to storage; it all depends on the volume and the agreements that are signed.

Mr. Clermont: But if the agreement were signed that the rate of transportation would be the same during the twelve months, would this not help, in part, the lack of storage facilities in certain regions?

Dr. Perreault: Definitely. This of course, depends on the volume mentioned in the agreement. There would certainly be good results from this, provided the rates are competitive.

Mr. Clermont: In my opinion, the rate in the agreement signed with the Maritime manufacturers is the same as if transportation had been by water.

(English)

The Chairman: I just wanted to ask one question that came to my mind. Have you had a meeting yet, Dr. Perreault, with your Advisory Committee?

Dr. Perreault: No. It is planned and there is a meeting in the offing next month. The reason why we have not had any meetings so far is that we had to go through all the organization procedures but there will certainly be a meeting this coming month. It is planned for July 20th.

Mr. Forbes: Could I ask you who are the members on this Advisory Committee, how they are established and where they are?

Dr. Perreault: I do not have the list of names with me. The Chairman is Mr. Currie, who is from B.C., and there are seven members in number. There are two representatives from Ontario, two from Quebec if my memory serves me right and two from the Maritimes.

Mr. Forbes: Are the personnel of this Advisory Committee all feeders? There are no grain producers on this Advisory Committee?

Dr. Perreault: There are representatives of farm organizations.

The Chairman: They are mostly all recommended by the farm organizations.

Dr. Perreault: By the farm organizations so far.

Mr. Forbes: Some of them then could be producers.

The Chairman: The Canadian Federation of Agriculture, the Farmers' Unions and the U.C.C. recommended the names, if I remember rightly.

Mr. Forbes: All right, thank you.

The Chairman: I would like to ask just one other little question. Is your staff all finalized? If it is not, are you having difficulty getting staff?

Dr. Perreault: We are working on it. Next month we will be hiring some good, qualified technical people. But I must say this: that in any new organization it is a slow process. I was thinking, for one, that we could do it faster but it is a slow process and in that time we wanted to be very sure we could get well qualified men for the Marketing Department.

I can tell you a little bit about the organization; the Marketing Department, the Economic Research, Administration and Subsidy Programs, of course. Mr. McDonough, would you like to add something?

Mr. McDonough: Yes. I was going to say pretty well what you did, Dr. Perreault, that we, of course, have been cautious. We want to get the best people that we can and we have endeavoured to form an organization which is small in numbers but made up of good, strong, knowledgeable people rather than going to a large number of people to try to accomplish the same objectives. We are looking in an area in which it is difficult to find people. These are normally fairly responsible people in grain marketing and they are in demand by industry.

The Chairman: If there are no further questions, I want to thank Dr. Perreault, Mr. Huffman and Mr. McDonough. I am a poor Irishman when I cannot even pronounce an Irishman's name here. I guess I am too much of a Canadian. We realize that your Board is new, Doctor. We know that you will probably run into lots of headaches and obstacles, and in another year if there are any complaints they will certainly be brought to the Committee's attention and they will try to put you through the process of finding out why these things happened. I think you will find the Committee members here very realistic, and that they understand that you will be confronted with these problems. We appreciate your coming here today. I might add that both Dr. Perreault, who was formally with UCC, and Mr. Huffman, who is a farmer and

Federation of Agriculture man—I understand the man from New Brunswick is head of the Maritime co-operative organization...

Mr. Flemming: What was his name, Dr. Perreault? I did not get the name.

The Chairman: Of the man from New Brunswick?

Mr. Flemming: Yes.

An hon. Member: Willard Dernier.

Mr. Flemming: How do you spell it?

An hon. Member: D-e-r-n-i-e-r.

Mr. Flemming: Willard is his first name?

An hon. Member: Willard is his first name.

Dr. Perreault: He is the General Manager of Maritime co-ops.

Mr. Flemming: I see.

The Chairman: So I think you will see and understand that we have people that are on the Advisory Board. As we said before, it is made up of farmers recommended by the farm organizations from British Columbia, Ontario, Quebec and the Maritime area. They should be very helpful to the Board members from time to time. I hope the Doctor can feel free to make any recommendations or suggestions to you and your board from time to time that may be helpful to you, and that they can let you know themselves of any complaints that they receive. So, if there is no further discussion I would...

Mr. Clermont: Mr. Chairman, I have something to say which will take only half a minute. I would like to wish the new Board the same success and am sure they will receive the same approval as the Canadian Wheat Board is receiving in the West and from the western producer.

Mr. Jorgenson: You cannot wish for much more than that.

The Chairman: No.

Mr. Clermont: Do you not think that is a fair wish?

The Chairman: That is a fair wish. Before we adjourn, could we have a motion on the main estimates, that items 40 and 45 be carried?

Mr. Clermont: I so move.

Mr. Noble: I second the motion.

Items 40 and 45 agreed to.

The Chairman: Now, we have left on Forestry and Rural Development, items 1 and 3 of the estimates, I believe, which were stood on Friday, June 16th. I understand that Mr. Flemming had some comments he would like to make.

Mr. Flemming: Yes, I have, Mr. Chairman. I have been talking to the Secretary, and unfortunately, I regret very much that I missed the Minister's presentation.

The Chairman: Oh, I see.

Mr. Flemming: I was going to get a copy, and the Secretary has now assured me he expects to have one within a day or two. I think, in justice to the Minister, and as a bit of courtesy, that I should look over what he said before I make any comments, if it meets with the approval of the Committee, rather than just make them without paying any attention to what the Minister has said.

The Chairman: Well, we can then leave this until our next meeting, which I think will be on Tuesday?

Mr. Clermont: I hope not, Mr. Chairman. I hope there will be no meetings next week, and Mr. Flemming can make his remarks when...

The Chairman: When the estimates are in the House?

Mr. Flemming: I would have no objection to that.

Mr. Clermont: I have expressed my own opinion, but I hope that if it is possible we will not be meeting next week. If it is not possible...

The Chairman: We will have to have a meeting in camera next week to prepare our report for the House. We might as well submit the report to the House. I would suggest, Mr. Flemming, if you are in agreement with that you could make your comments in the House. We could pass the Committee's report to the House next week, then you could make your comments when the estimates are before the House. Because I understand there will be time in the House for the members to make comments if they...

Mr. Flemming: If that is your wish, Mr. Chairman, and the wish of the Committee, that is perfectly agreeable with me. I would just as soon make those comments in the House. I do not think I should ignore the comments of the Minister.

The Chairman: Fine.

Mr. Crossman: Mr. Chairman, did you intend having that meeting on Tuesday?

The Chairman: Well, I thought late Tuesday afternoon or Tuesday evening, as it would not be possible on Tuesday morning.

Mr. Crossman: Would it not be possible to have the meeting on Tuesday morning?

The Chairman: No, because I cannot possibly be back myself on Tuesday morning. We are having a Steering Committee meeting this afternoon at 2 o'clock, and we will try to have the Steering Committee work out a time for the meeting that will be most practical for everybody. We realize that it is most difficult to meet everyone's convenience with the meeting, but I think it is important that we try to have it late Tuesday or Tuesday evening. I do not know what functions there are on Tuesday, as there are so many things going on at this time.

May we have a motion that items 1 and 3 carry?

Mr. Flemming: I so move.

Mr. Herridge: I second the motion.

Items 1 and 3 agreed to.

Mr. Crossman: Would it be possible to have that meeting during the sitting hours of Tuesday afternoon?

The Chairman: We will discuss that with the Steering Committee this afternoon. We are meeting in room 356-S at 2 o'clock this afternoon.

I would like to thank you gentlemen very much.

The meeting is adjourned to the call of the Chair.

HOUSE OF COMMONS

Second Session—Twenty-seventh Parliament

1967

STANDING COMMITTEE

ON

**Agriculture, Forestry and Rural
Development**

Chairman: Mr. EUGENE WHELAN

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7

TUESDAY, JULY 4, 1967

THURSDAY, JULY 6, 1967

RESPECTING

Estimates (1967-68) of the Department of Agriculture

Including

SECOND REPORT RESPECTING THE

**Estimates (1967-68) of the Department of Forestry
and Rural development.**

WITNESSES:

From the Ottawa March Committee: Mr. Ellard Powers, Co-ordinator and Vice-President, Ontario Farmers' Union; Mr. John Dolmer, President, Ontario Farmers' Union; Mr. Walter Miller, 2nd Vice-President, Ontario Farmers' Union; Mr. Charles Munro, President, Ontario Federation of Agriculture; Mr. R. A. Hergott, Manager, Ontario Federation of Agriculture; Mr. Roy Coulter, Executive Member, Ontario Federation of Agriculture; Mr. Lionel Sorel, General President, L'Union Catholique des Cultivateurs; Mr. Paul Couture, Vice-President, L'Union Catholique des Cultivateurs; and Mr. Jean Marc Kirouac, Director of Service and Information, L'Union Catholique des Cultivateurs.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

STANDING COMMITTEE
ON
AGRICULTURE, FORESTRY AND RURAL DEVELOPMENT

Chairman: M. Eugene Whelan

Vice-Chairman: Mr. Herman Laverdière

and

Mr. Alkenbrack,	Mr. Gauthier,	Mr. Orlikow, ¹
Mr. Asselin (<i>Richmond- Wolfe</i>),	Mr. Gendron,	Mr. Peters,
Mr. Beer,	Mr. Godin,	Mr. Pugh,
Mr. Berger,	Mr. Grills,	Mr. Rapp,
Mr. Chatterton,	Mr. Honey,	Mr. Ricard,
Mr. Choquette,	Mr. Hopkins,	Mr. Roxburgh,
Mr. Clermont,	Mr. Horner (<i>Acadia</i>),	Mr. Schreyer,
Mr. Comtois,	Mr. Johnston,	Mr. Stafford,
Mr. Côté (<i>Nicolet- Yamaska</i>),	Mr. Jorgenson,	Mr. Stefanson,
Mr. Crossman,	Mr. Lefebvre,	Mr. Thompson,
Mr. Éthier,	Mr. MacDonald (<i>Prince</i>),	Mr. Tucker,
Mr. Fairweather,	Mr. Madill,	Mr. Watson (<i>Château- guay-Huntingdon- Laprairie</i>),
Mr. Flemming,	Mr. Matte,	Mr. Yanakis—45.
Mr. Forbes,	Mr. Neveu,	
	Mr. Noble,	
	Mr. Nowlan,	

(Quorum 15)

Michael B. Kirby,

Clerk of the Committee.

¹ Replaced Mr. Herridge on Wednesday, July 5, 1967.

REPORT TO THE HOUSE

THURSDAY, July 6, 1967

The Standing Committee on Agriculture, Forestry and Rural Development has the honour to present its

SECOND REPORT

In accordance with an Order of the House made on Thursday, May 25, 1967 the Committee had before it for consideration the items listed in the Main Estimates for 1967-68 relating to the Department of Forestry and Rural Development.

While considering its Order of Reference your Committee held six meetings and heard the following:

The Honourable Maurice Sauvé, Minister of Forestry and Rural Development;

From the Department of Forestry and Rural Development: Mr. R. K. McAuley, Head, Financial Services; Mr. G. W. McGuire, Assistant Director, Personnel Services; Mr. R. J. Mulligan, Director of Administration; Mr. R. H. Dowdell, Director of Personnel Administration; Mr. L. Cameron, Director of Information and Technical Services.

Forestry Branch: Dr. M. L. Prebble, Assistant Deputy Minister; Mr. H. W. Beall, Special Adviser to the Deputy Minister.

Rural Development Branch: Mr. André Saumier, Assistant Deputy Minister; Mr. R. August, Chief of Administration; Mr. J. J. Quigley, Acting Chief, Information Services; Mr. L. E. Poetschke, Economic Adviser.

Canadian Livestock Feed Board: Dr. R. Perrault, Chairman; Mr. C. Huffman, Vice Chairman; Mr. J. M. McDonough, Executive Director.

FORESTRY

Few Canadians realize how important a resource our Canadian forests are and fewer understand that the forests are one of the few renewable resources of this country. Your Committee is pleased to see that the Departmental officials are working to bring this fact home to Canadians.

Forestry research has been greatly stepped up in recent years—a most desirable development, your Committee feels. Your Committee is happy to note that the Monte-Bello meeting of Canadian foresters will be held again this year. Your Committee is of the opinion that this conference helps greatly in disseminating the results of Forestry research across the country.

While your Committee is aware of the jurisdiction of the Forestry Branch of the Department, it is your Committee's feeling that greater encouragement should be given to the various reforestation efforts. The Department must take the leadership in this very important area, for the industrial and recrea-

tional needs of this country in the coming years are rising steadily. While at present Canada is growing more wood than is needed by the industry, there are signs that in the next fifty to sixty years, the present rate of growth will not be sufficient to meet the market demands.

RURAL DEVELOPMENT

Your Committee believes that the officials of the Rural Development Branch are to be congratulated on their progress to date.

It is your Committee's view, however, that A.R.D.A. is not receiving the priority that it must have, and in many cases it feels that the lack of public information about A.R.D.A. lies at the bottom of the failure to take advantage of this program.

It is your Committee's recommendation that the Federal Government make greater efforts to publicize A.R.D.A. and its possibilities.

Your Committee is happy to note that the Rural Development Branch is preparing films and other promotional material designed to publicize A.R.D.A. and hopes that the program will be enlarged and accelerated.

Your Committee would like to examine A.R.D.A. and related Acts and Administrations more closely. Your Committee considers that the Estimates were not the vehicle for the type of examination your Committee wishes to carry out. Accordingly, your Committee requests that it be given the power to inquire into and examine further the Rural Development Program, and asks that it be given permission to adjourn from place to place in Canada.

CANADIAN LIVESTOCK FEED BOARD

The Canadian Livestock Feed Board has just become operational. Your Committee feels that it must be given every encouragement to become fully operational as soon as is practical and possible. Assistance must be given to the Board in its search for qualified staff and the need to become operational should in no way lower the standards the Board has wisely set.

The Committee was impressed with the caliber of the men given the task of setting this agency in motion and has every confidence that in the coming years the Board will justify this belief.

Your Committee commends to the House for its approval the items listed in the Main Estimates for 1967-68 relating to the Department of Forestry and Rural Development.

A copy of the relevant Minutes of Proceedings and Evidence (*Issues Nos. 1 to 6, inclusive*) is tabled.

Respectfully submitted,

EUGENE WHELAN,
Chairman.

MINUTES OF PROCEEDINGS

TUESDAY, July 4, 1967

(7)

The Standing Committee on Agriculture, Forestry and Rural Development met *in camera* this day at 2:10 o'clock p.m. The Chairman, Mr. Whelan, presided.

Members present: Messrs. Chatterton, Clermont, Gauthier, Gendron, Godin, Honey, Hopkins, Johnston, Lefebvre, Matte, Noble, Schreyer, Stafford, Tucker, Whelan (15).

The Chairman informed the Committee that the Sub-Committee on Agenda and Procedure had met and wished to submit its second report which is as follows:

"Your Sub-Committee recommends that the Ottawa March Committee of the Union Catholique des Cultivateurs, the Ontario Farmers Union and the Ontario Federation of Agriculture who by their own request asked to appear before the Committee, be heard on Thursday, July 6, 1967."

Agreed,—That the Second Report of the Sub-Committee on Agenda and Procedure be adopted.

The Committee considered a draft of a report to the House on the Estimates of the Department of Forestry and Rural Development for 1967-68.

After discussion, several amendments were made and later,

On motion of Mr. Clermont, seconded by Mr. Noble, it was

Resolved,—That the draft report as amended be adopted, and that the Chairman report it to the House.

At 2:35 o'clock p.m., there being no further business, the Committee adjourned to the call of the Chair.

THURSDAY, July 6, 1967

(8)

The Standing Committee on Agriculture, Forestry and Rural Development met this day at 9.40 o'clock a.m. The Chairman, Mr. Whelan, presided.

Members present: Messrs. Alkenbrack, Asselin (*Richmond-Wolfe*), Chatterton, Choquette, Clermont, Comtois, Côté (*Nicolet-Yamaska*), Crossman, Gauthier, Gendron, Godin, Honey, Hopkins, Johnston, Jorgenson, Laverdière, Lefebvre, Matte, Neveu, Noble, Orlikow, Peters, Ricard, Stafford, Tucker, Whelan, Yanakis (27).

Also present: Messrs. Cowan and Moore (*Wetaskiwin*).

In attendance: From the Ottawa March Committee: Mr. Ellard Powers, Co-ordinator and Vice-President, Ontario Farmers' Union; Mr. John Dolmer,

President, Ontario Farmers' Union; Mr. Walter Miller, 2nd Vice-President, Ontario Farmers' Union; Mr. Charles Munro, President, Ontario Federation of Agriculture; Mr. R. A. Hergott, Manager, Ontario Federation of Agriculture; Mr. Roy Coulter, Executive Member, Ontario Federation of Agriculture; Mr. Lionel Sorel, General President, L'Union Catholique des Cultivateurs; Mr. Paul Couture, Vice-President, L'Union Catholique des Cultivateurs; and Mr. Jean Marc Kirouac, Director of Service and Information, L'Union Catholique des Cultivateurs.

The Chairman called item 1, Departmental Administration, of the Main Estimates, 1967-68, of the Department of Agriculture referred to the Committee on Thursday, May 25, 1967.

The Chairman made a statement pointing out that the Co-ordinator of the Ottawa March Committee had on Monday, June 19, 1967 requested that his group be allowed to appear before the Committee and that the Committee had agreed to hear them on Thursday, July 6, 1967.

The Chairman introduced the witnesses from the Ottawa March Committee. Mr. Powers, Mr. Dolmer, Mr. Sorel and Mr. Munro each made a statement.

When the statements were complete the members of the Committee proceeded to question the witnesses.

Later, the Chairman thanked the witnesses and they were excused.

On motion of Mr. Choquette, seconded by Mr. Gauthier,

Agreed,—That the meeting adjourn to the call of the Chair.

At 1.00 o'clock p.m., the Chairman adjourned the Committee to the call of the Chair.

Michael B. Kirby,
Clerk of the Committee.

THURSDAY, July 6, 1967

(8)

The Standing Committee on Agriculture, Forestry and Rural Development met this day at 8:40 o'clock a.m. The Chairman, Mr. Whelan, presided.

Members present: Messrs. Alkenbrack, Asselin (Richard-Wolf), Chatterton, Choquette, Clermont, Comtois, Côté (Nicole-Yamaska), Crossman, Gauthier, Gendron, Godin, Honey, Hopkins, Johnston, Jorgenson, Lavergne, Leclerc, Matte, Neveu, Noble, Orlikow, Peters, Richard, Stalford, Tucker, Whelan, Yankis (27).

Also present: Messrs. Cowan and Moore (Witnesses).

In attendance from the Ottawa March Committee: Mr. Edward Powers, Co-ordinator and Vice-President, Ontario Farmers' Union; Mr. John Dolmer,

EVIDENCE

(Recorded by Electronic Apparatus)

Thursday, July 6, 1967

The Chairman: Gentlemen, I will now call the meeting to order.

Some time ago, Mr. Ellard Powers, Vice-President of the Ontario Farmers' Union and Chairman of the group that came to Ottawa some weeks ago, wrote the Clerk of the Committee expressing a desire to appear before the Standing Committee on Agriculture, Forestry and Rural Development of the House of Commons. Mr. Powers and representatives of the Ontario Farmers' Union, the Ontario Federation of Agriculture and L'Union Catholique des Cultivateurs are with us today. Mr. Powers is on my immediate right, and going counter-clockwise, the witnesses are Mr. John Dolmer, President, Ontario Farmers' Union; Mr. Lionel Sorel, General President, L'Union Catholique des Cultivateurs; Mr. Charles Munro, President, Ontario Federation of Agriculture; Mr. R. A. Hergott, Manager, Ontario Federation of Agriculture; Mr. Walter Miller, 2nd Vice-President, Ontario Farmers' Union; Mr. Jean Marc Kerouac, a representative of the L'Union Catholique des Cultivateurs and Mr. Paul Couture, Vice-President, L'Union Catholique des Cultivateurs.

To assist those who have not appeared before this Committee in the past, I would like to outline the procedure we will follow. I, as Chairman, am charged with ensuring that the meeting is conducted in a proper manner and we must abide by the same rules that apply in the House of Commons, whether we hold our meetings here in Ottawa or some place else in Canada. We are not too formal here—we are pretty free and democratic, as far as that goes—but there are certain procedures that we must follow. It will be impossible to have everyone listed as an active witness, but the three main witnesses, I understand, besides Mr. Powers, will be Mr. Dolmer, Mr. Sorel and Mr. Munro. If they wish to refer any questions from the Committee Members to Mr. Couture or the other people who are here today, they may do so.

Unfortunately, I do not think everyone has a copy of the letter Mr. Powers wrote to me, as Chairman of the Committee, outlining some of the things they wanted to discuss. I did have a few copies made of the letter, but not sufficient to go around. I will now ask Mr. Powers to make his opening statement.

Mr. Ellard Powers (Vice-President, Ontario Farmers' Union, Beachburg, Ontario): Thank you, Mr. Chairman. We are happy to be here this morning. At the last meeting of our coordinating committee it was decided that I should send a letter to your Chairman outlining, broadly, the areas which we would like to have discussed. Incidentally, this coordinating committee is still carrying on in the manner it did prior to the Ottawa march for the purpose of co-ordinating the action of the farm organizations in Ontario and Quebec. However, since we are here today we are prepared to discuss anything dealing with agriculture or agricultural problems and to answer any questions that Members of this Committee might ask us.

I will read the suggested areas of discussion as outlined in my letter to your Chairman:

(1) Our Committee would like to discuss the Agricultural Stabilization Act and the application of it and the present method of supporting agricultural prices.

(2) The need for long term planning in agriculture, which should include pricing, production and marketing, both internally and externally.

(3) The need for more co-ordination between the various government agencies now set up to assist the farmer.

(4) Increased emphasis and action in the area of National Marketing Boards or Commissions by government.

(5) The need for implementing a system of import regulations and equalization payments, so that Canada does not become a dumping ground for other countries.

There are many other areas in which we are interested and in which, I expect, you as Members of the Committee are interested.

The Chairman: The instructions to this Committee from the House are to deal with the Estimates. If we digress very far we are not following these instructions and no committee has the authority to deviate from an Order of Reference of the House. I think all Committee Members here today are interested in agriculture.

Mr. John Dolmer, do you wish to make a statement?

Mr. Dolmer is President of the Ontario Farmers' union.

Mr. John Dolmer (President, Ontario Farmers' Union): Mr. Chairman and gentlemen, the meeting this morning is a follow up of the May 24 demonstration and the meeting that was held with Mr. Greene, the Minister of Agriculture and the meeting of June 13 with Mr. Sauvé, the Minister of Forestry and Rural Development. I understand this morning you wish to deal with matters that pertain to the Estimates of the Department of Agriculture. I might begin with the dairy situation.

It is common knowledge that all farm groups across Ontario and, in fact, across Canada are agreed that \$5 net per hundred-weight for manufactured milk is a necessary minimum price and the federal dairy policy falls far short of this. As far as the three groups here this morning are concerned, I think it is safe to say we have not altered our opinion that \$5 per hundredweight is necessary for manufactured milk. Before the Estimates of the Department of Agriculture are approved in the House in the near future we feel that this is an area in which this Committee can have some influence.

• (9.45 a.m.)

The Chairman: I think we should continue with other statements.

Mr. Sorel, do you wish to make a statement at this time? Mr. Munro might follow with his remarks if he wishes. The Committee Members can then ask their questions.

(Translation)

Mr. Lionel Sorel (President of the U.C.C. l'Union catholique des Cultivateurs—Catholic Farmers' Union): Mr. Chairman, forgive me if I speak in my own language, but I always find it easier. Well, since it is my duty, and although I am rather reluctant to do so, I would like this morning to draw your attention to the situation of farmers generally. For

ten years now, farmers have been earning 50 per cent less income than other sectors of the economy. Either this is true or it is not true. If it is not true, prove it; if it is true, it should no longer be endured.

In my opinion, our legislators ought now to decide whether we are really going to have an agricultural policy in Canada, whether we are going to have an agricultural policy in Eastern Canada, and whether we are going to have an agricultural policy which will not oblige them to mislead our farmers by telling them that slight improvements have been made, that things are better, or that things are not so bad as they were, even if our people do end up ruined anyway. At this time, the farmer feels that slight improvements will not suffice. Farmers have the right to demand, that for efforts which are reasonable and comparable to those of other workers, they should receive a comparable income. Therefore some action should be taken. I know that at that point we run up against many objections. Legislators always find a way of evading the issue in order to allow this situation to continue.

The peoples' representatives are here. To my mind, they have no right to allow this situation to continue. You should not allow it. I am not going to tell you what your duties are—you know them better than I do. You are responsible men. However, I would just like to draw your attention to this point. They give as a reason the existence of agreements—GATT, the Kennedy Round, etc., and free trade. Farmers are also told that we must import if we want to export. So we are going to export paper, asbestos, etc., and we are going to import agricultural products which will completely destroy the market and ruin the prices of our farmers in the provinces, which is what is happening today. Indeed, we do not have to look far for proof. Now, while you are sitting, the situation with regard to potatoes is such that we are obliged—and I am shocked (I do not know whether I am weak or just easily shocked), but I am shocked to see imported potatoes in all our grocery stores and in all the chain stores now, while the Federal Government has to pay to have No. 1 Canadian potatoes destroyed. I cannot bring myself to accept this.

I repeat, even in many of the very small stores I have visited in Montreal, I have noticed that imported potatoes are on sale these days. I am not against importation, if it pro-

vides consumers with products at fair prices. At the present time, there is no price on potatoes and we have to meet competition from imports. The same situation obtains at present in the fields of egg and poultry production. Eggs sell at 12 cents less than it costs to produce them. Therefore I do not see why we have to import them at this time. That depends on trade, we are told. We have to trade. We have to buy and sell—but not always at the expense of the farmer. I am in favour of export. If we export asbestos, fine. I have no objection to that. However, we should not do so at the expense of the farmer. Why do we have to import eggs at a time when we are exporting meat? It is disastrous. Our farmers have made an effort in the provinces. The province of Ontario is able to speak for itself, and I know that this province is even ahead of Quebec as far as the organization of production is concerned. I am referring to the Marketing Board. Quebec is now getting organized. We have numerous joint plans or Marketing Boards, but they have no effect whatsoever, precisely because of the imported products which completely destroy the effects. Therefore, egg producers in Quebec set their own quotas this year. They produce only about 60 per cent of the requirements for Quebec consumption, so there is room for the other provinces on the market. At the present time, they are producing eggs because they have set their own production quotas to meet the requirements of the market. There has been no increase in quotas from last year. Returns from production have increased by almost 8 per cent, but that is due to the fact that there has been less disease amongst the flocks this year than last year. So although there has been no increase in disease to account for it, a disastrous state of affairs exists at present in the industry.

Last evening I was visiting a place quite close to Quebec, and I am going to tell you the impressions of a good farmer representing southern Quebec who told me: "Egg and poultry producers are falling like ninepins at the present time." These are the words of a responsible person elected by a region and representing that entire region. That situation is created not by the producers, nor by any lack of effort on their part, but by other problems such as the Kennedy Round, GATT and so on. In trade the end justifies the means, but meanwhile the farmer is going under. We know that this is happening. He is being ruined because of GATT, because of

trade, because of the Kennedy Round, and because of sheer negligence.

You will say: these producers have only to produce something else. At the present time, there are enough producers: with regard to eggs, the situation is disastrous, and likewise with potatoes. At the present time, disastrous situations abound in the field of fruit and vegetables too.

So the State should make up its mind that we have no further need for producers, and if it does so, it will have to channel them towards another form of production. I am not a pessimist. I am a realist. I am not concerned with the problems of my grandfather's day, but with those of today; not with the problems of six months ago, or with those of last year. That is the situation as it stands today, and if you want to go to the trouble of doing so, you may check it.

(English)

The Chairman: Thank you, Mr. Sorel.

We will now hear from Mr. Munro, the President of the Ontario Federation of Agriculture.

Mr. Charles Munro (President, Ontario Federation of Agriculture, Embro, Ontario): Mr. Chairman and gentlemen, it is a privilege and a pleasure to be here with you this morning as part of the March Committee and President of the Ontario Federation of Agriculture.

In summation of the problem as we see it in Ontario—and I think this is applicable well beyond the boundaries of Ontario, as Mr. Sorel has so well expressed it—certainly our problem grows out of a lack of income in the agricultural industry. Contrary to the belief of many people in Canada, it is not just the farmers who are at a disadvantage or the farmers who are not going to make it, as the coined phrase goes, who are in trouble. Many of our better farmers are experiencing a lack of income and a great concern for the future of the industry.

When it came to our attention at the end of March that a new dairy policy would come into being on April 1 in Canada, this was the spark that ignited the organizations that are represented here and which led us to seek a meeting with the Minister of Agriculture on these problems. We were told at the meeting held on April 7, to our dismay, that we had not made any proposals on behalf of agricul-

ture and that all we had done was ask for more and more money. This seemed to us a bit ridiculous because through the years the two national farm organizations in Canada, the National Farmers Union and the Canadian Federation of Agriculture, had both presented very similar requests to the federal government respecting what they considered to be the problems of the industry and the sharp problem areas in particular were brought to the attention of the government.

We were dismayed at the lack of action, understanding and willingness, after adequate presentation, to act or even counsel upon, the requests that were made. Take a look at the requests that have been made. Many of them must be familiar to you. We made definite requests on bankruptcy, the results of which took a long time to come into being. We asked for changes in dairy policy—and we are still asking for changes in the new dairy policy—and I do not know if we will get them or not. If we do not get them a lot of the best producers in my part of the country are going to be in serious difficulty. We have asked for a long range sugar policy. We have asked for more consideration on our manpower requirements. We finally got our eastern livestock feed agency in operation but we are still waiting to see the results of our other requests.

We have had problems in trade. In the province of Ontario we have established marketing boards and they are doing a reasonably effective job within that province. Certainly when a product moves in or out of the province it becomes a national problem. It is no longer a provincial problem. The farmers of Ontario can only market their produce efficiently within that provincial sphere. They cannot counteract the problems that either come into the province from the rest of Canada or go out from the province to the rest of Canada. We are asking that there be national consideration given to marketing boards and commodity agreements that will result in a better marketing structure. We have to look beyond that because we know full well that when we move into the international area of farm products we are going to be very greatly influenced by the small quantity in many instances of those products that must of necessity go into export or the small importation into Canada that could disrupt our market.

We have made these many requests and we are disturbed over the lack of action and

understanding which has resulted. We are here this morning in the hope that we will get your ear and receive your understanding so that you will bring to the attention of the government the need for a broader understanding of the problems of agriculture. Thank you, Mr. Chairman.

The Chairman: Thank you, Mr. Munro. We have now heard from the main spokesmen for the different groups.

Mr. Clermont, do you have a question?

(Translation)

Mr. Clermont: Mr. Chairman, Mr. Munro mentioned that nothing had been done about bankruptcies. What does he mean by that?

(English)

The Chairman: I do not believe he said that. He said they had pressed for it for a long time but there was action. Is that not what you said?

Mr. Munro: Yes, that is what I said.

(Translation)

Mr. Clermont: Later on you mentioned sugar beet. Wasn't a support price recently granted for sugar beet?

(English)

Mr. Munro: Yes, there was a special price brought in by an eleventh hour announcement, but as far as we in southwestern Ontario were concerned this was only done when it appeared that the industry was almost lost. But what is the situation for next year? We are asking for a long term understanding on sugar policy and we do not think an ad hoc, year to year announcement at the last minute is good enough. We are asking for longer term planning for agriculture and without it I am not sure you would want an agricultural industry in Canada.

(Translation)

Mr. Clermont: You said that recently you saw imported potatoes on sale in Montreal. What country were they from?

• (10.09 a.m.)

Mr. Sorel: I have no way of finding out.

Mr. Clermont: Do they come from a foreign country, or another province such as the Maritimes?

Mr. Sorel: From a foreign country. The Maritimes have no potatoes on the market at present.

Mr. Clermont: Then, how can foreign potatoes be competing with Canadian potatoes at the present time when we have a surplus, Mr. Sorel?

Mr. Sorel: I did not say that. I said that I could not understand how it is that, when the Canadian Government is obliged to pay to have Grade One potatoes destroyed, we have to import potatoes.

Mr. Clermont: I know you have seen imported potatoes, but which country are they from? You must know from which country we import potatoes. Do we import them from the United States or elsewhere?

Mr. Sorel: I simply checked that there were some. I did not enquire from whom they had been purchased, and I did not ask for the number of the truck which had delivered them.

Mr. Clermont: That is not the point, Mr. Sorel. You stated that we had imported potatoes. That is a vague statement. Are you also aware, Mr. Sorel, that Canada exported more potatoes to the United States this year than last, almost twice as many, in fact?

Mr. Sorel: I am not against importing at the right time. But I do not see why we should import potatoes at a time when we have a surplus and are obliged to destroy them. That is my objection.

Mr. Clermont: You say that we have imported potatoes, but you cannot tell me from which country. You say that you do not have the organization or—

Mr. Sorel: You can check it for yourself, Mr. Clermont. They have them in all Montreal stores, even in the smallest streets. There are some on sale in Quebec too. I have checked even in Quebec and, if you want to do so, it is very easy. It isn't a question of trying to find a needle in a haystack.

Mr. Clermont: I would not like there to be any misunderstanding, Mr. Sorel. Four people have already spoken about agricultural problems and suggested that matters ought to be solved by discussion. You say you came here to give information to the Members of Parliament so that they could better perform their duties as people's representatives. I questioned you, and you told me that there were imported potatoes on the Canadian market. I am simply asking you where they come from. I am not trying to embarrass you. We

are interested to know which country they come from.

Mr. Sorel: I cannot tell you which country they come from, but I did see imported potatoes.

Mr. Clermont: You said also that following the Kennedy Round talks we are obliged to import and export. You probably know that recently we secured the right to double our cheese exports of ripened Cheddar on the American market. You say that the blame is always laid on surplus stocks but, following the Kennedy Round, Canada has to import and export. I would like you to tell us what procedure the Government should adopt in order to close its doors to imports, yet at the same time open doors for the outward flow of surplus products. For example, I know that this year, quantities of potatoes exported to the United States have doubled.

I know that, recently, the Canadian Government successfully negotiated with the American authorities to double its exports of ripened Cheddar. That is another example.

We know that farmers in the West approve of export because, otherwise, if they could not export wheat, the Canadian market would not absorb production.

So I would like you to tell us how the Canadian Government could set about closing its doors at certain times and opening them at others so as to export its surplus products. I am not asking this question to embarrass you.

● (10.40 a.m.)

Mr. Sorel: I do not think it is our job to tell you what means to employ and when to import. Our job is to tell you what is wrong.

I believe that the Canadian Government is in a much better position than we are to remove this wrong, or decide that agriculture should go out of existence, one or the other. We inform the Government of the problems, which have repercussions on commerce and trade, and it lies with the Canadian Government to take the necessary steps to give farmers a good living, instead of keeping them in their present situation. I can tell you what is wrong, but as for the means to remedy it, I think it is the State's responsibility to find them.

Mr. Clermont: You have no suggestions to offer which would allow us to close our doors to imports at certain periods of the year whilst at the same time allowing us to negoti-

ate with foreign countries for them to receive our agricultural surpluses? I am referring only to agricultural, not industrial, surpluses, for we do have large industrial surpluses also. You are telling us about the problems of Canadian agricultural surpluses, but can you not offer us some solutions?

Mr. Sorel: I have just been reading in an official document (I don't have it with me) that our fruit and vegetable imports are twice as high as our exports.

Mr. Clermont: Which document are you referring to, Mr. Sorel?

(English)

The Chairman: Mr. Munro also wishes to make a comment.

Mr. Munro: There is the well known case where, under the barter agreement, we in Canada bought our cheese from New Zealand for the sale of outboard motors to the Caribbean area, which caused no great amount of concern in the agricultural industry.

Mr. Lefebvre: You say we exported outboard motors. What did they bring to us?

Mr. Munro: They brought cheese from New Zealand.

Mr. Clermont: To Canada?

Mr. Munro: Yes, to Canada.

Mr. Clermont: In what quantity, Mr. Munro?

Mr. Munro: We do not know the exact quantity.

Mr. Clermont: Thank you.

The Chairman: Mr. Sorel, as Chairman, I would like to interject one question, if I may. Do you suggest that instead of tariffs we have import permits for agricultural products as they have in some countries? In the United States—which makes itself out to be a great free trading nation but they are really not so free trading—they have complete embargoes and they only let the imports in by permit. Do you suggest something like that?

Mr. Sorel: Surely it would be much better to have permits. At the moment we need them and the United States needs them. With permits they can import some of these products instead of having to leave it open and let the trade do it. In this way the trade can

buy outside the country with the intention of dropping the price.

The Chairman: I would like to correct the erroneous reporting carried on the national CBC television on the recent Kennedy Round of Tariffs. You can imagine the number of telephone calls I received when it was stated that cucumbers and cabbages were coming into Canada free. It has not changed at all. There is still an *ad valorem* duty when they are in production in Canada. It remains the same as it always was. They come in free when they are not in production in Canada. It has not changed one iota. However, everybody in Canada thinks it has changed. You can imagine the reaction of the cucumber and cabbage producers and the effect that had on the over-worked MP for Essex South!

• (10.16 a.m.)

(Translation)

Mr. Gauthier: My question is again for Mr. Sorel. Mr. Sorel is here to protest on behalf of Quebec farmers, and I agree with him. He also says that the Government is not fulfilling its duties and that, often, the Members of Parliament for Quebec are asleep on the job instead of working for Quebec farmers. Today, Mr. Sorel, we are having a discussion, and discussions mean conflict. I think, and I have to admit, that the trouble today is, to some extent, due to the Government, but have you asked yourselves whether it might not also be the fault of the farmers, the U.C.C. organizations and farm agencies generally? What we are interested in today is marketing, not for two or three months of the year, but for twelve months a year.

When I studied the history of the Canadian Wheat Board, Mr. Sorel, I realized that what I might call the triumph of the Canadian Wheat Board is primarily due to the efforts put forward by the farmers and their unions in the West who agreed on their requirements and combined forces in order to discuss their needs with the Government. The Government is not there to impose its will but to provide assistance. I have talked with Mr. Bouchard and the people from the *Chaîne coopérative du Saguenay*, (Saguenay cooperatives), *la Fédérée* and the U.C.C. They admit that there is not sufficient co-operation between these three organizations in our regions. They are doing parallel work but have not succeeded in finding any common ground upon which to present a concrete project to the federal authorities.

Mr. Clermont was right, to some extent, when he said a short while ago that the Government was there to support projects and assist in marketing arrangements. It is the representatives of farming organizations in Quebec who are familiar with the requirements of the region and especially with the production.

Outlets should be found for what is produced; it should not be left to rot. I know farmers who are going to lose over 800 sacks of potatoes for which they have no sale. Although they are offering them at only 60 cents a sack, they are not selling. I am not prepared to state that the Government and Members of Parliament are entirely responsible for this situation because, in my opinion, our organizations should have put forward concrete plans.

If the people in the West were able to get assistance from the Federal Government for the construction of elevators to guarantee a continuous market, in my opinion the Quebec organizations are capable of making a combined effort and presenting uniform requests for the whole province of Quebec for the establishment of permanent marketing arrangements for potatoes, vegetables, and all the other products of Quebec.

• (10.21 a.m.)

Therefore, I would ask Mr. Sorel whether, in all sincerity, he believes that there is sufficient coordination in the efforts of the Quebec organizations for them to come here and submit something concrete to the Government so that we too can force the hand of the Minister and oblige him to find a sale for Quebec products, which will thus be available twelve months a year. And, in my opinion, that is the important point.

In the fall, for instance, we sell potatoes for next to nothing because we have no refrigerated warehouses. We do not have year-round marketing and I feel that organizations in Quebec should make every effort to obtain it.

The same should apply in the case of milk. I have studied from the outset the difficulties which we are experiencing in the case of milk, and I notice that although in some regions the current price may be suitable, in ours it would not be at all suitable. It is absolutely essential that your organizations study each regional plan so as to submit to the Government something which will stand up to scrutiny. We notice, for example, as I

am told, that although they are all members of the U.C.C., where milk is concerned, people from the Montreal area are in a better position than those in the Saguenay-Lac Saint-Jean area. Mr. Sorel will not contradict me on that. There is a difference of 35 to 40 cents a hundredweight because of transport costs, etc., and even because of the contacts between certain groups of the U.C.C., I believe.

I would therefore ask Mr. Sorel, without going any further and taking up any more time, whether, in all sincerity, he does not detect any weakness in the system. If he finds that failings do exist, he will say that it is up to the Government to correct them. It is easy to say that the Government should correct them, but are the Quebec unions making a genuine effort to serve the farmers' interests not only in order to preserve these organizations but also to try to expand them? Those organizations should be working for the small producer. I would ask Mr. Sorel whether, in all sincerity, worthwhile efforts, and I might even say final efforts, are made at the level of the Quebec organizations?

Mr. Sorel: Mr. Gauthier, the question of marketing products on a year-round basis gives rise to no problems where grain is concerned. There are means for storing grain all year long. But, for a good many products, such is not the case. I find it difficult to visualize Quebec arranging to put strawberries or anything else on the market twelve months a year.

Mr. Gauthier: Large items, such as potatoes, can be preserved very easily.

Mr. Sorel: When we come to the problem of eggs, I do not think the consumer is going to agree to eat eggs which have been stored for several months and have consequently deteriorated. That is the first point I wanted to make.

Now, we still seem to be making requests. Mr. Munro gave an inventory a short while ago of requests already submitted. We have already submitted requests via the Canadian Federation of Agriculture. We have submitted our viewpoint every year, so I do not know whether we should reprint the opinions we have already expressed with regard to other fields, i.e., those mentioned by Mr. Munro. In all cases, that has been done and is still done regularly each year.

Let us now turn to the lack of organization amongst the farmers. It is an easy thing to

say when we are on the outside. For my part, I feel that it is perhaps the Members of Parliament who are badly organized. I may think that such is the case, for I am not too familiar with parliamentary procedure. I do not know how Parliament is organized but I observe it from a distance, so it is quite easy for me to make such a statement.

All the same, the farmers have certainly made an effort when you think that every year, 53,000 farmers take out union membership. Farmers have no lessons to take from anyone. They have the highest percentage of union members, with the exception of the closed professions in which membership is compulsory. I mean the liberal professions whose members are compelled to join before they can exercise their profession. Our union has a higher percentage of membership than any other labour union. That must be said. And our farmers would not pay their union dues if it were true that we are achieving nothing and not doing our share. But they do pay, and they pay voluntarily. Their dues are not deducted at source. Fifty-three thousand members pay their union dues regularly each year because, when all is said and done, they are quite satisfied with the work done in the Union. They would not voluntarily pay their union dues if the Union was doing nothing or was badly organized. So, although it may appear poorly organized in the eyes of other persons, from the outside, let the farmers judge it for themselves. We can rely on their judgment because over the past five years our membership has exactly doubled. Yes, during the past five years, our membership has doubled in the province of Quebec.

On the matter of joint plans, our members have agreed to make deductions at source to cover administrative costs. I do not want to shock you but I must tell you that our members contribute in this way towards the administrative costs of their joint plans. The decision to do so was made by vote, and this happened every time the issue of adopting a joint plan arose. This is how they agreed on the plans. And the deduction at source was mentioned on their ballot-paper as follows: "If you vote in favour, it is going to cost you so much a cord on your wood; if you vote in favour, it is going to cost you so much on a hundredweight of milk." It appears on the ballot-paper and is the subject of the vote. The farmers voted, and not a single plan received less than 95 per cent support in the province of Quebec.

To say that farmers do not want the plans and that the farmers are poorly organized, is most unfair. I think that people can no longer say that farmers are not united or that they are not working for what they want, when you consider that 95 per cent of their union members vote in favour of a plan although the wording on the ballot-paper also states that: "It is going to cost you 3½ cents on 100 lbs. of milk if you vote in favour." If a plan is put into force it is because they have decided that it should be. Still, it is a shame that these plans are nullified by other factors which are beyond their control.

In the case of eggs, I believe the farmers have agreed to half a cent a dozen. "If you vote in favour of the plan you will be required to make a half-cent contribution. Do you agree to this or not? Mark your ballot and return it by mail". The farmers made their decision. So, we know that they have confidence in their organization. When people have confidence in an organization, it can be maintained for a short while without accomplishing anything, but farmers are not blind. Indeed, if they pay dues to their organization, it is because it is doing something for them. And I assure you, we have doubled our membership over the past five years. Union dues are fixed at \$10. Union members vote on the adoption of joint plans, and at least 75 joint plans have been established in the province of Quebec.

Mr. Gauthier: Mr. Sorel, may I interrupt, please. When you say that farmers have done everything they could, I am in complete agreement with you.

I was not referring directly to the farmer, I was speaking of those in charge of the organizations in which farmers put their trust. They still have confidence in them, as they have doubled their strength. But it is not everything to have members for, after all, you have to give them something in return for their support. And I am still wondering why you have made no effort in this direction, you and all the combined farm organizations and even La Fédérée.

The president of la Fédérée told me that there was a lack of unity between the C.C.S. (Saguenay Cooperatives), the Fédérée and the U.C.C. and that there was not sufficient contact between these organizations. The president of two other organizations also told me the same thing. I am not attacking the farmers; I am attacking the administration in

general. Nor am I attacking you. I am merely making a suggestion to find out how it is that you have not succeeded in putting forward some plans, at least for the provision of the refrigerated warehouses required by the farmers in our areas who are crying out for them. We have no refrigerated warehouses, and we do not feel that those in charge of the unions are making any efforts to submit proposals to the Government, as was done in the case of providing elevators for the West. That is why I would like to know from you whether it was failure on the part of the Government to take action, or lack of unity between the three organizations in bringing pressure to bear on the Government?

(English)

• (10.31 a.m.)

Mr. Munro: Mr. Chairman, I am wondering how many farmers the questioner would recommend we bring to Ottawa to show him that we have our farm organizations behind us. I hope we do not have to go through this exercise again but I have been told by many people that if we do there will be two, three or four times as many people involved. I know it is not your wish that we go through this again.

We have made our representations and outlined a number of requests here. The farmers in western Canada had a terrific fight to get the Wheat Board established in Canada. We are asking that a similar organization be established in respect of other commodities in Canada, and to this end we ask your assistance.

(Translation)

Mr. Gauthier: Yes, I agree with you on that. However, I would like to ask Mr. Sorel whether, in his view, every possible effort has been made, at the farm level, by the organizations concerned in Quebec. Can you tell me?

Mr. Sorel: Mr. Gauthier, you say that no efforts have been made. I could give you specific concrete examples, proving the contrary. At St-Arsène, on the lower St. Lawrence, this spring a potato-producers' cooperative stored 30,000 sacks of potatoes for distribution during the winter. But since there is a marketing problem and because there is a surplus, they have been unable to distribute their 30,000 sacks of potatoes. Eighty per cent of those people are members of the U.C.C. and of their cooperative. It is unfair to claim

that they are not working together when 80 per cent of them are members of the U.C.C. and are also building a warehouse together, to hold 30,000 sacks of potatoes. If these people are facing such a situation this year, then in my opinion, the neighbouring parish is not going to build itself a warehouse next year.

I can quote you another example. At St-Jérôme, in the county of Terrebonne this spring, no buyer could be found for about 20 tons of strawberries which had been frozen and stored, because strawberries are being imported from Holland and elsewhere. So we ate jam all winter, although there are still 20 tons in storage there. This spring, the farmers came to us to ask what they should do. Again, eighty per cent of those same producers are members of the U.C.C. They built themselves a warehouse equipped with a refrigeration system but, because of other factors, they have encountered difficulties—and it is not because we produce too many strawberries. We produce scarcely 20 per cent of the strawberries we need. So why have they suffered a setback? Because, during the course of the year, everybody stopped eating strawberry jam and strawberries. But I do not think that that is where the problem lies. So, they kept their strawberries this spring, although harvest-time was approaching. The farmers had undertaken to keep them, or be liable to set fines, or payment of so much money on the crates they sold outside their depot. When spring came, the depot was still full, and harvest time was drawing near. I do not believe that many more warehouses will be built, if that is the success they are going to have. Why? To be exact, because of trade and other factors.

Neither we, here in the East, in the province of Quebec, nor the farmers in Ontario, produce the quantity of strawberries needed for the market. So, where does the problem arise? How does it come about that we meet with deficits and problems of this nature? What encouragement, then, shall we give to farmers who are going to pool contributions of \$100, \$200 or \$500 for the construction of a warehouse for strawberries and how many people are going to bind themselves by contract to pay a fine each time they sell strawberries outside, so as to make quite certain that they will be stored?

The farmers actually did this, so after that, why say that they do not want to help themselves? I tell you, they kept to their contract and never paid a fine. For my part, I went in

person to buy strawberries and the farmers told me: "Listen, I can't sell you any because I shall be fined. I am under contract." The strawberries will be stored. They conceived the warehouse with this in mind. They did everything but, unfortunately, other factors completely wiped out the efforts made by the farmers to introduce an organized and community-run marketing system.

Is it logical to make farmers grow strawberries and have them promise: "I undertake to pay the fine of so much a crate", to make them sign a contract drawn up in due form to this effect and make them pool their money for the construction of a storage depot, when we know that all that work is wasted in the end? So don't say that the farmers are not helping themselves.

And I could quote you similar specific instances in your own province, and even in your area of Lac Saint-Jean. I am not making unfounded statements; I am quoting facts. I am referring to the St-Jérôme Cooperative and that of St-Arsène on the lower St. Lawrence. The farmers in these areas have built storage depots. They have done their utmost to achieve this goal. They agreed to pool their funds and resigned themselves to doing so. They did this in order to have strawberries and potatoes available all winter—and look at the result this spring!

• (10.36 a.m.)

(English)

The Chairman: I would suggest that the questions be a little briefer; they may elicit shorter answers. There are many here who wish to express opinions and ask questions. Mr. Gauthier, would you briefly sum up.

(Translation)

Mr. Gauthier: May I speak for a few moments. I would like to thank Mr. Sorel. I spoke to him a little harshly so that he would give us his real opinions. I now know what I wanted to know—namely, whether in some of our regions we have not altogether given the farmers what they want. Mr. Sorel has thrown some light on this matter. I think, and my opinion is shared by Mr. Sorel, that the Minister responsible for distributing Quebec products and wheat, spends a lot of time (I would not say too much) dealing with wheat sales, but he should pay a little more attention to the products of Quebec in order to give fair treatment to all the provinces.

(English)

The Chairman: Mr. Powers wants to make a comment on some of the statements that Mr. Gauthier made.

Mr. Powers: I just have one particular point in mind. You raised the question of whether or not Mr. Sorel agreed on the need for twelve months marketing, using as an example the Canadian Wheat Board. I think you used a very good example. Sometimes I am very concerned about the emphasis put on marketing by some people without realizing what we really need in the field of marketing, and many times in the past well-intentioned people in the provinces have gone out to promote provincial marketing boards as the answer to all our problems. Marketing is one half of the pricing problem, perhaps the greater half, and there is no question about this as far as farmers are concerned. However, we are still fooling ourselves by promoting a provincial marketing board for a commodity that is produced in almost every province in Canada or in more provinces than one; we are still only fooling ourselves when we think a national marketing board is going to solve all our problems unless we can get co-operation for imports. I am not talking about stopping imports because you can set up the best procedure in the world for marketing wheat or anything else. The secret of the Canadian Wheat Board is that the coarse grains that it handles come into this country only by permit, so the imports can be regulated. Our problem today, in many cases, is not the amount of imports but the time that they come into the country. We can go ahead and set up the kind of marketing that is needed; the farmers and the government should cooperate and work to this end, but we require assistance to control the product coming into the country. We also must remember that, within bounds, we have to control the production of the product in Canada. There is no use producing a million pounds of milk per farmer if 800,000 pounds is all you are going to be able to get rid of. So the amount of product in the country, either produced domestically or imported, needs to be regulated.

Mr. Peters: Mr. Chairman, as we have only this one meeting, I hope that we do not go into the broad field in which we seem to be going.

I think maybe it has to be but it certainly is not going to serve any purpose if we do it today. I am of the opinion that the farmers

have not been brought in close enough and certainly the remarks made by Mr. Sorel indicate that they are not aware of some of the changes that have been made. Certainly Members of Parliament are not aware of these changes either as far as that is concerned. I am sure that the farmers are going to have to re-think some of their production in terms of the changes that have been made by GATT and the Kennedy Round and I would like to ask if the government or its agencies have consulted with farmers or asked for a meeting to inform them of the effects these various arrangements are going to have on their production. I am not familiar with any of the specifics that may take place. I wonder whether the farmers are aware of them.

Mr. Powers: From my viewpoint, if they are, they are better informed than we are. We have had no consultations at any time with the government. In fact we, in my district, have very little knowledge of what went on.

Mr. Walter Miller (2nd Vice President, Ontario Farmers' Union): I think in all fairness we should point out that the representatives of the NFU were in Geneva at the time of these discussions. Roy Atkinson was there but whether or not there was consultation—

The Chairman: That was on cereal grains; is that right?

Mr. Miller: That is right.

Mr. Peters: It seems to me that this Committee should give some consideration to a recommendation to the government that senior officials of the Department of Agriculture meet with farm organizations immediately to indicate the spheres in which these current arrangements upset what would be considered traditional patterns of marketing, whether to our advantage or not. Some of them must be to our advantage and some of them must be to our disadvantage. Perhaps this Committee should give some consideration to a recommendation for the immediate establishment of a liaison committee to allay some of the fears expressed. Potatoes and strawberries were mentioned and I am sure the Chairman has talked about corn, tomatoes, cucumbers and some hothouse vegetables, and from his area particularly we hear from two or three major hothouse producers that are probably going to be out of business. There is a possibility that they could be totally out of business. The farmers should be told this. I

wonder if the Committee would want to give some consideration to this particular aspect of recommending to the government that a kind of study or information group be established. It is true that Atkinson was in Geneva with respect to wheat and I think it is safe to say that Mr. Jorgenson and some of the members from Western Canada are probably pretty well aware of what effect the changes are going to have on wheat production and perhaps on coarse grains. I am just wondering if anyone is aware of what the changes are going to be in other fields. I do not think the Members of Parliament are aware of what they will be.

The Chairman: Before I give the floor to Mr. Munro, I want to say that I know representatives of most of the western grain producers were in Ottawa last week for a briefing session on what has actually taken place as far as the future grain markets in the world are concerned following the Kennedy Round tariff meetings. They had a meeting with the Minister and Departmental officials. One of the Departmental officials told me that they were going to double check to make sure that all farm organizations received copies of the Kennedy Round of tariff agreements and all the documentation that we received. They are hoping to follow this up with a meeting with the farm people. I do not know if they have contacted them about this or not, but it has been suggested.

Mr. Munro: Mr. Chairman and gentlemen, I am not aware right up to the moment of what happened at the Canadian Federation, of which two of the organizations represented here are member bodies. But we are having our semi-annual meeting in late July in Montreal and we know that this is on the agenda. We in farm organizations in Canada have felt that the lack of consultation with the federal government and senior officials of the Department of Agriculture has been one of our major problems and we mentioned this in the brief we presented the day of the march. We feel this is a need and we have expressed it.

Mr. Peters: I think the Committee might be well advised to insist that the government do this because it seems that the discussions raised by my colleague here are in specifics that I am sure have changed and of which we are not aware. I do not know what arrangements we have made as far as strawberries are concerned. This is specific and should be discussed and the farm organizations should

be totally familiar with what we have decided to do. There are import-export arrangements they do not know about. The farmers should not come here to ask this Committee for this type of assistance or advice because we are in no position to give it. It should be done through consultation between the government and the senior officials of the Department of Agriculture.

The Chairman: You say we are in no position to give advice, but we are in a position to recommend that it be made available to them.

Mr. Peters: This is what I am suggesting we do. I would like to change my line of questioning again because I think that is a pretty fundamental over-all recommendation that we should make. I am always surprised when I hear farmers say they do not know what effects certain changes are going to have. They should be told.

The march that was made a few weeks ago involved a presentation on behalf of milk producers, and specifically manufacturing milk producers, who wanted \$5.10 a hundred for their product. At the time, the government said this was not possible but since then has a program into effect which has been in operation now for some time. I would like to ask what effect this increased price has had on the manufacturing plants that are purchasing this milk at a price considerably higher than that which they were paying a year ago?

Mr. Munro: Mr. Chairman, there is no effect. I do not think there have been any subsidy cheques as a result of the new paying policy yet.

Mr. Peters: No, but—

Mr. Munro: The plant does not pay any more.

The Chairman: You mean there have been no government cheques issued?

Mr. Munro: There have been no government cheques issued and the plant does not pay any more in any event.

Mr. Peters: Originally my cheese factories were paying \$3.20; and a year ago, in some cases, they were paying less than \$3. Now they are paying \$3.75.

I do not know about other areas, but in my area they are paying \$3.75. What effect has this had?

The Chairman: Does anyone care to comment on this?

Mr. Powers: This \$3.75, Mr. Peters, would be a voluntary price on the part of your cheese factory because the minimum price set by the Ontario Milk Marketing Board is \$3.54. So apparently your cheese factory is not in dire circumstances if it is paying 21 cents above the minimum price. I do not see that this will create any hardship on the part of cheese factories because each time the minimum price has been raised the price of cheese has been raised.

Mr. Peters: The point I make is that if it can be raised, then this defeats the argument of the government that the price of cheese to the consumer will not warrant the price of \$5.10 being paid to the farmer. They have gone some way toward this so obviously there must be an effect. Has it curtailed the quantity of cheese being sold?

The Chairman: Does anyone care to comment on what Mr. Peters said?

Mr. Peters: The point I am trying to make is that we have made a change part way. The government now are paying \$4.75 for manufactured milk. Obviously this was not the price a year ago. What has been the effect of this on the amount of cheese or commodities available? Maybe the best way to ask the question would be this: is the farmer still selling the same volume of milk as he was selling a year ago?

Mr. Powers: I cannot separate them for you, Mr. Peters, but the total volume of milk for the first five months of this year was down. I do not know the June figures but the total volume for the first five months was down.

Something tells me, from the figures that I have read, that cheese consumption, at least up until the end of last year, was still rising in Canada. We do not seem to be having any trouble with our export market, but butter consumption is down per capita this year. Production is still dropping, but consumption is down as well.

Mr. Peters: Mr. Chairman, if I were working in a mine and I asked for more money than the product could carry, obviously there would be an effect and the plant would eventually close down. The same is true of milk. If you increased the price to, say, \$10 a hundred, it would have some effect. What is the effect? If you are going to make an argument

for increasing it, additionally you should be able to indicate what the effect of the increase that has already taken place has been.

Mr. R. A. Hergott (Manager, Ontario Federation of Agriculture): Mr. Chairman, I think there is a point of confusion here between what in fact the plant pays and the government subsidy. The government subsidy in no way affects the price of the end product.

Mr. Peters: I agree.

Mr. Hergott: You see? So that it is only in Ontario, where the Ontario Milk Marketing Board has said that no one can pay less than \$3.54 for manufacturing milk. Now that does affect the price of the product and the fact that it moves and the prices you quote. It is difficult with cheese because I know last year there were cheese plants in southern Ontario that were paying as much as \$3.65 with a much lower minimum price.

The situation that exists, I suggest, is only that there is a supply and demand situation which forces the cheese factory in your area to pay \$3.75 to get milk. That is strictly within the plant's own operations. They are not forced to pay this, and I expect they will be, in fact, competing with plants that will be paying only \$3.54 for milk.

Mr. Peters: Are you suggesting, then, that the only question involved in the \$5.10 rather than \$4.75 is an additional 35 cents government subsidy?

Mr. Hergott: Precisely.

Mr. Powers: As we see it, or as some of us see it, there was a period of about 12 to 15 years in which we had a surplus of dairy products in Canada and in which the price remained almost static. If you look back to the early 1950s, you will see that there was very little change in price up until 1963. We feel that over the long haul you can gradually keep increasing the price of dairy products, and providing the cost does not get out of line, you may be able to decrease the subsidy. But if costs keep increasing you may not be able to decrease the subsidy. You may have to increase the price to keep it in line. But any sudden increase in the price of dairy products, as in the price of anything else, would upset consumption very badly. We are a little concerned right now with the decrease in the consumption of butter.

I think your question really relates back to this: are the farmers in Canada satisfied to get more money for 75 per cent of the present

consumption? Is that what you are trying to establish?

Mr. Peters: Well, you have asked for more money and somebody is going to have to pay it. If it is coming directly from subsidy it is still going to have an effect, depending on how the government does it. You are going to develop a surplus because the government, in the end, if it is under the Stabilization Board, is going to have to sell the product. If it accumulates in surpluses as it did before, then obviously—

Mr. Powers: I would remind you, though, that the new quota policy is designed to induce enough production to supply our domestic and export needs. It is not designed to encourage surplus production. This is one of the things that we never had before.

Mr. Peters: I have another question I would like to ask. What has been the effect, then, of the federal manufacturing quotas on the production?

Mr. Powers: It has not all been good. For one thing it has certainly decreased the price of milk cows in most parts of Ontario. It has eliminated the demand.

It has created a considerable amount of hardship because in the original instance it was pretty rigid and, in fact, I think it is still a little too rigid. Many younger people who were expanding in an effort to keep on top are now in a position where a large portion of their milk will be selling for gross returns of \$3.42, or \$3.43, in fact. This certainly is an uneconomic price.

Apart from this, for the people who had a unit built up that was large enough to carry them through, I think the quota policy in itself is good. The other aspect of it which other people quarrel with, and which I agree with, is this business of not letting completely new producers in this year at all, and of moving them in in another year on a basis of need. That is, the need for more milk.

Mr. Peters: Last year surplus milk from fluid producers in the manufactured field was subsidized as well. This year it is not. What effect does this surplus milk have on the over-all picture?

Mr. Powers: Well, the effect of saving the federal government a few million dollars. But it has had no effect on the market because the surplus fluid milk is still there. It is still going on the manufactured market to be processed into milk, butter or cheese. The only effect

was to save some money because the cows were there to start with.

The Chairman: Mr. Munro would like to make a comment.

Mr. Munro: In my area we have tremendous numbers of producers who have not been able to increase for years and years their quota in the fluid market, and with the economies and the changes in technology they had to move up their production. This is not surplus to them. The industrial portion of their shipments is a very, very valid portion of their income. It is just as much an important part of their income as to the straight industrial producer. I happen to be one of them myself, and my receiver of milk desperately wants that industrial portion because it is more important to him than these fluid sales as he happens to make it into cottage cheese and other products. We cannot get under this subsidy program at all whether we ship 20 per cent or 30 per cent of our milk at fluid price. We have many, many producers, excellent producers, putting up excellent products.

Mr. Peters: What effect does this have on your income?

Mr. Munro: It has dropped very drastically—very drastically. My own income this year has been down between \$4,000 and \$5,000 over last year as a result.

Mr. Lefebvre: Mr. Chairman, may I ask a supplementary question?

The Chairman: Mr. Munro, have you finished your statement? Mr. Lefebvre would like to ask a supplementary question.

Mr. Lefebvre: About this question of surplus fluid milk about which you were just speaking, there seems to be a little quarrel between the provincial ministers of agriculture and the federal Minister of Agriculture and probably your organization as well on this very point. The quotas for fluid milk producers are under provincial jurisdiction, I believe. Is this correct?

Mr. Munro: Yes. They are under the Marketing Board. But this Marketing Board in my province of Ontario has not yet had time to get its feet under it to properly bring it into being.

Mr. Lefebvre: The quotas are under provincial jurisdiction through the Marketing

Board, we might say, and the standards are also under provincial jurisdiction?

Mr. Munro: Yes.

Mr. Lefebvre: The prices are under provincial jurisdiction. I believe the provinces accepted voluntarily that the federal government was to look after the industrial milk producers and they would look after the fluid milk producers.

Mr. Munro: I think maybe this is a gross understatement in that there is a quarrel going on between provincial ministers and the federal minister on this point. But, the thing I disagree with is that we are caught in the middle.

Mr. Lefebvre: This is what I am coming to. From the statements we have seen in the newspapers there seems to be a quarrel about this going on in the province of Quebec. But, do you think, sir—you are an expert in this field and I am not and I am trying to get more knowledge on this subject—that it would be better if the fluid milk producers were given higher quotas by the dairies? I understand there are some who have only 30 or 40 per cent of their production.

Would it be possible to allow the other fellows to go into industrial milk 100 per cent, so there would be less fluid milk surplus?

Mr. Munro: Except that some of our farms have been on this system for 40 or 50 years and these so called surplus shipments are not surplus at all; they are a valid part of those plants' operations. In order to get quality milk these plants very discreetly maintain only enough sales at top price, and then they use this quality milk for secondary products such as cottage cheese, yoghurt and so on, and we are caught in the bind. This really is what made us furiously mad. As of April 1 of this year there was a change in dairy policy and tremendous numbers of shippers were excluded from the program. They tell us to change over, but we do not know what to do. A lot of us put up maybe a million pounds a year. The Minister tells us that he is only interested in supplying a subsidy on a quota of 300,000 pounds of production, which by my standard is a minimum production for an economic unit. In other words, economy on the farmers part went out the window with the new dairy policy.

Mr. Lefebvre: What is the quota on your million pounds production of fluid milk?

Mr. Munro: It varies with your production variations throughout the year, but it is about 30 per cent.

Mr. Lefebvre: Then you do not think it would be better if you had 80 per cent—

Mr. Munro: If I could get it.

Mr. Lefebvre: Why can you not get it?

Mr. Munro: Where are we going to find the people to drink it unless some of them are eliminated from the market? True, changes in the markets have taken place; new marketing techniques have come in. For example, in the city of Toronto Becker's Stores and Mac's Stores went into the jug business and gave their own producers as well as new producers in the market 90 to 100 per cent of sales—a very high percentage, and the old traditional companies which sold milk started losing sales as a result of this—or at least they were not able to increase their sales. Because of the economies that I as a producer had to bring in to stay healthy because of the new technology, I had to increase my herd from 15 to 75. I required this for an economic unit. This is a trend in the industry. As I said before, the thing that disturbs me in the new dairy policy is that economies went out the window. All we need to do is take a look at another corporation established by the Government, the Farm Credit Corporation. Numerous people were caught in a bad position. This corporation recommended loans to people to establish economic units on the premise that they could do so with very little change and very little expenditure of money—not necessarily for more cows because with their own young stock they could increase their herd from, say, 15 to 30 cows. The new dairy year put these people, whether they were a straight industrial shipper or the split shipper of which I made mention, in a very serious position. The use of the word "surplus" in the fluid market field does not convey a meaning. Industrial shipments are a very very important part of my income and the income of those who work for me on my farm.

The Chairman: Thank you. As we have had only four questioners in an hour and a half, my suggestions are not being adhered to. Mr. Moore is next and then Mr. Choquette.

Mr. Moore (Wetaskiwin): Mr. Lefebvre has asked a number of questions on the subject with which I wanted to deal. I would like to tell Mr. Munro that I agree with him 100 per cent. I am probably even more angry than he

is; I have shipped fluid milk for 30 years, and I am very concerned at the present time. I would like to mention that it does not concern my pocket book because the farm is leased. Therefore, I have no qualms about bringing up this subject.

The Chairman: No vested interest?

Mr. Moore (Wetaskiwin): That is right—that is, as far as the price of milk goes it makes no difference to me personally. However, it does have an effect on the whole of Canada.

The Chairman: It does to your constituents.

Mr. Moore (Wetaskiwin): Definitely, yes. I thought the question that Mr. Lefebvre asked was well answered, but is it not correct that under the present dairy policy it is not possible for a man to change to manufactured milk because he has no quota established.

Mr. Munro: This is correct. In the consultations that we had with Mr. Greene on June 16 at which the March Committee was present, we were told by Mr. Greene and Dr. Berry, Chairman of the new Federal Dairy Commission, that if we wanted to transfer to industrial we should write in and they would consider whether they would give us a quota under which we could receive a subsidy.

Mr. Moore (Wetaskiwin): But would you not be taking a terrible chance to change and, after doing so, consideration would then be given as to whether or not you would receive a quota?

Mr. Munro: And further, what is going to happen? What will the dairy policy be as of April 1, 1968? We have seen a 100 per cent switch on April 1, 1967; are we going to see as radical a switch on April 1, 1968?

Mr. Moore (Wetaskiwin): Likely.

Mr. Munro: We do not know, and this is going to stop even those that have a 20 per cent quota from switching.

Mr. Moore (Wetaskiwin): That is correct.

The Chairman: Mr. Moore, Mr. Powers is on the Advisory Committee of the Dairy Commission and I am sure he is well versed on the subject of quotas.

Mr. Powers: I hope I am not telling anything out of school. I think very shortly there will be an announcement made that fluid producers will be able to change to manufac-

tured milk. There are two ways in which this may be announced. It may be that they will be granted a quota equivalent to their total last year's production, or it may be that they will only be granted a quota of 300,000 pounds. I am not in a position to say which way it will be, but I am fairly certain that there will be an announcement made. I am not saying whether this is satisfactory or not; personally I do not think it is. But there has been a change made and I just wanted to point it out.

Mr. Moore (Wetaskiwin): Well, for one thing, the year is half over; it is much too late.

Mr. Powers: This will be retroactive to April 1.

In the case of a man who quit shipping fluid April 1 and went to manufactured milk, it will be retroactive; to those people who continued shipping fluid they will only be retroactive to the date on which they quit shipping such milk.

Mr. Moore (Wetaskiwin): What price does a fluid milk shipper in Ontario and Quebec receive for that portion of his milk not used for distribution? I will not call it surplus because I agree that it is highly essential that he produce it.

The Chairman: This goes into manufactured in Quebec.

Mr. Munro: \$3.54, for grade 5 milk.

Mr. Moore (Wetaskiwin): In our area we receive \$3.20 and \$3.25.

The Chairman: Mr. Sorel, what are the figures for Quebec?

Mr. Sorel: \$3.35 to \$3.40.

Mr. Moore (Wetaskiwin): All right. Now am I correct in this sense: that many fluid milk shippers across Canada have limited quotas because, as you said, they are limited by the amount of milk that is used. A person in our area could have a quota of 600 pounds a day and yet be paid for only 300 pounds or less a day because you are paid for what they use, not for what they think they are going to use. Is it not a fact, then, that across the country there are many fluid milk shippers who are receiving a lower average price per hundred-weight than does their neighbour who ships manufacturing milk?

Mr. Munro: At the June 16 meeting, Mr. Chairman, a number of statements on milk were given to Mr. Greene. They were from the Brockville area in Ontario. The average price shown on these statements varied from \$3.75 to \$3.85 on total sales.

Mr. Moore (Wetaskiwin): Yes. I have some of the same from my area. This is the point I wanted to make. I do not think it is a situation that we can allow to continue.

The Chairman: Thank you, Mr. Moore. Mr. Choquette.

(Translation)

Mr. Choquette: I would like to speak to Mr. Sorel. Even though I do not fully share Mr. Sorel's opinions, it can nonetheless be said that he gave consistency to the policy of the U.C.C. It is thanks to him that farmers were brought together and welded into a true trade union force. Since Mr. Sorel has headed this movement widespread changes have occurred in it for which he is no doubt greatly responsible.

Mr. Sorel, I should like to ask you a question which you may find somewhat funny: Would you by any chance be thinking of going to Quebec City to create a bit of a stir by asking the Minister of Agriculture to back up some of the promises he made? I wish to add here that you are always welcome in Ottawa, that we are pleased to meet you, and we hope that you will return because we like discussing with you. And yet, we are sometimes treated quite harshly, in spite of the fact that the government has established some excellent policies. I wonder whether it would not be a good idea for you to pay a brief visit to Quebec City, and ask the Minister of Agriculture, for instance, to establish the controversial \$3.54 support price for industrial milk producers as in Ontario, I believe?

Mr. Sorel: First of all, I would like to make it clear that I do not want to take credit for the organization of farmers, because even if we tried to thwart their organization, they would simply have their own way anyhow. I want to give credit where it is due, particularly to a group of farmers who have decided to take things into their own hands and who are more determined and better prepared for this type of activity. At the end of your statement, you said that I should take some credit—I agree, while emphasizing that my part is no greater than that of others.

As far as our visit to Quebec City is concerned, I was there yesterday. In fact, I will go back pretty soon, and we shall discuss our problems in Quebec City with the same tenacity, frankness and loyalty as we did here. You say we have been rather hard on the Ottawa crowd. I am not a Member of Parliament and in fact I once made a Premier rather cross by telling him: "But you, Mr. Prime Minister, are not the President of the U.C.C."

Mr. Choquette: We shall not ask his name.

Mr. Sorel: I agree that whether you are Prime Minister or a Member of Parliament, you have your problems. But we also have our own problems and we would be failing in our duty by not bringing them before you. We would be failing in our duty because we are faced by a situation which cannot last. And as you people hold responsibility, we have brought our problems to you. I hope you don't think I came here to knock off one of you. I assure you that this is not a habit of mine. I have never yet struck anyone. Figuratively speaking though, whatever blows I have struck were always above the belt.

It is said that Ottawa has excellent policies. To this I repeat what I said the other day: we have made progress over the past three years. But we are still caught in a vise, between the cost of production, which is rising continually, and the cost of living. We are caught in a squeeze play. In view of this, small piecemeal improvements, as I said, are not adequate due to considerable increases in the cost of production and in the cost of living.

This is true, not only among farmers, but elsewhere, too. One occasionally hears of a \$1 per hour increase. But this is not the case with farmers, and it is our children who bear the heaviest consequences of this. We are also subject to the cost of living and we have to bear it like others.

In order to face this though, increasing incomes are required, but instead, we have to bear the increasing production cost of tractors, oil, gasoline, chemical fertilizers, insecticides, machinery parts, etc. Some machinery parts cost ten times as much as some ten years ago. Therefore, we are caught between two fronts.

Percentages are sometimes mentioned, but I think this is not fair. For instance, we may say: you have had a 15, 16, 17 or even a 20 per cent increase. But how much further ahead is a fellow who only earns \$1,000 per year, even if he gets a 17 or 20 per cent

increase? Someone earning \$8,000, \$10,000, \$12,000 or \$18,000 might be able to make ends meet with his 20 per cent increase. The percentages game is not fair because the income of farmers continues to represent only half of the income of workers in other industries, in other economic sectors. The statistics are there, and I am not the one who drew them up. Therefore, we have been marking time for the past ten years. I am not taking a stand against improvements though, providing they are effective. But in our case, there is no improvement, in fact, we are not even keeping pace and have been back-sliding.

(English)

The Chairman: Mr. Munro would like to make a comment.

Mr. Munro: Mr. Chairman and gentlemen, I would like just to comment that we are tired of being a ping-pong ball bouncing between two governments. We have set forth in this brief what we felt were the needs of Ontario and Quebec in the areas of federal policy with which we are most concerned.

The Ontario Federation of Agriculture has just published a long list of the requests that we have made of our provincial government, and we are going to publish the results of the requests on which they have consulted with us and taken action. We are also going to make public the requests on which we have had consultation and those on which they have promised it and have done nothing. We are working within our field, and are asking you to look after the federal end of it for us.

(Translation)

Mr. Choquette: Mr. Munro, I am taking note of what you are saying, but all the same, I wish to point out that there is a somewhat more specific problem in the Province of Quebec. Without wanting to belabour the point, I want to mention here that federal Members of Parliament have been the object of systematic attacks. We have reached the point where we have had enough, and therefore, we say: How about first checking whether the government in Quebec City is fulfilling its obligations.

I should like to ask Mr. Sorel whether he intends obtaining from the Quebec Government by means of the same tenacity and demonstrations, the establishment of \$3.54 as a support price for industrial milk? I think it would be extremely important if the dairy producers in Quebec could have the assurance

of being paid the \$3.54 support price each time they deliver their milk to the factory.

Mr. Sorel: It is all good and well, Mr. Choquette, to ask this from Ottawa. Nonetheless, talks will soon be under way with the plants. If Quebec decided tomorrow morning to set the price of milk at \$3.64, this would create a federal problem because caseine, which is under federal government jurisdiction, is extracted from milk, and the same applies to rolling powder which is also a federal responsibility. However, the plant is not able to pay this price. Neither are the rolling powder nor the caseine plants capable of paying this price. And why is this so? Because it is a national responsibility, and not a provincial one. Therefore, if we go to Quebec, we shall become a political football.

Mr. Choquette: I am happy to have your comments on this matter, Mr. Sorel. Switching to another subject, could it be said that your main objective would be to escape from the subsidy system, and to create an economic context wherein agricultural products might give fair returns?

The main failure is that agricultural products are not given their proper due within our economy. Hence, would it be right to say that the prime objective of your movement, together with other organizations in this country, is to re-value agricultural products and to escape the system of subsidies which has made of a large number of farmers State pensioners?

The Chairman: I think this sort of question is best answered by explaining what a joint plan generally is, and specifically a joint industrial milk plan.

Mr. Sorel: From the viewpoint of Quebec farm unions, subsidies are considered a temporary policy. However, temporary policies have a tendency to drag on. Let us turn to the problem of industrial milk, for instance, to see how producers have decided to settle it.

As a result of having voted a joint plan, producers requested the authorization to exercise their full powers at the level of production under the Quebec Farm Products Marketing Act. That means they are ready to accept quotas whereby to balance their production in terms of the needs of the home market in Canada and export markets. Regarding the transportation of milk from one plant to another, for instance, they decided to plan from within in order to avoid the useless

going and coming from one region to another and from one rural sub-division to another. There are certain rural sub-divisions where, for instance, three co-operatives collect milk from a group of farmers and where the trucks are loaded to one third, half, or three quarters of their capacity. Planning is required in this area of operations. And by the way, do not be surprised at future squabbles between unions and co-operatives.

Thirdly, they asked us for powers at the level of milk processing. There are about 350 plants in the province of Quebec. We are perfectly well aware that, of these 350 plants, possibly 150 cannot be run efficiently at the present time, because they are not large enough, they are badly situated geographically, and they are forced to make up their processing costs out of each 100 pounds of milk. At the present time, in 1967, a plant producing too much caseine in a given region of the province of Quebec can only fetch for its producers a maximum of \$2.92 per hundred pounds. Add that up with the government subsidy and you get \$4.02 which is what the Quebec farmer ends up with. And this is what is currently called a \$4.75 policy.

In the fourth place, the representatives of the joint plan request powers at the finished product level, so as to be able to deal with the consumer and step up the consumption of finished dairy products in Quebec and in Canada, and also to have their own say during consultations. All this is to be found in the joint statement.

With reference to the export policies of the Federal government, I liked Mr. Peters' remark concerning Committees. Henceforth, we shall want to discuss the future of import-export policies regarding dairy products with the Federal government.

Farmers want to know whether or not they are going to remain in the dairy industry, because if they are to go bankrupt or if they are only going to earn half as much as the other classes of society, they will abandon dairy farming. Therefore, they should not be given the same empty promises year after year and if the credibility gap were filled in actual policy, this would go a long way towards satisfying farmers. That is why in some areas farmers only make between \$4.02 and \$4.75 in Quebec, whereas in fact, they also need about a 20 per cent increase in the sale price of their products. This is what farmers would need to make ends meet, like other people.

The producer's aim is to control his own product, and to have a widespread range of action which might eventually help eliminate subsidies. If economic policies cannot be drawn up to meet this, prices should be established enabling farmers to live like others. This is what we want.

(English)

The Chairman: I think Mr. Powers and Mr. Munro want to make some comments.

Mr. Powers: I will try to be brief.

Again I come back to the National Dairy Commission and to milk pricing and milk marketing. Earlier I commented on the idea of the provincial governments having responsibility for fluid milk and the federal government being responsible for manufactured milk. I do not think that you can look after the industry properly if you divide the areas of responsibility in this way. So far as I am concerned, the National Dairy Commission moved one step backwards this year by releasing this surplus fluid. In my opinion we need more control by the National Dairy Commission and some authoritarian control of the provincial marketing boards released to the National Dairy Commission so that we can set a price. I do not see how we can ever set a minimum price across Canada so long as we have to negotiate with ten provinces.

The Chairman: With ten different ideas.

Mr. Powers: Yes; ten provinces with ten different ideas. The other thing is that we cannot rationalize the production of milk in Canada so long as we have the provincial governments responsible for fluid and the federal government responsible for manufactured.

I am not suggesting that we abolish provincial milk marketing boards, but some of their present authority should be released to the National Dairy Commission; and in the future, when we are setting up provincial milk marketing agencies—and for other products, as the need arises—they should be in the nature of handling agencies rather than play an authoritarian role.

Those are my comments on this topic.

Mr. Honey: May I ask Mr. Powers one brief supplementary question on that point?

The Chairman: Yes; if you wish to question Mr. Powers before Mr. Munro speaks.

Mr. Honey: Mr. Powers spoke about asking the provinces to release some of their authority to the National Dairy Commission.

Mr. Powers, you are a member of the Advisory Council to the Commission. Constitutionally I do not believe one could force them to do so, but would they be prepared to release some of their powers to your Commission?

Mr. Powers: You are asking me a hypothetical question.

Mr. Honey: No, I am asking you—

Mr. Powers: The Chairman has dealt with it.

Mr. Honey: Mr. Powers, you expressed the opinion that this should be done, and I agree with you, but it is unrealistic to express a hope with no expectancy that it will happen.

Mr. Powers: I can visualize more problems in the two provinces where we now have a marketing agency set up than in the others, simply because when you set up another entity you must either abolish it or relieve it of part of its authority.

Mr. Honey: Yes, that is right. Once they are established they do not want to relinquish their authority.

Mr. Powers: Personally, I am convinced that we have to do this. The provincial governments are reasonable, and we can discuss this with their representatives, but I do not envisage that this will happen overnight.

Mr. Honey: No.

Mr. Powers: My real desire—and I have mentioned this in the Commission—is that we set up this kind of a system in the provinces with no system of marketing and get it working.

Mr. Honey: Thank you, Mr. Chairman.

The Chairman: Mr. Munro, you may speak first; and then Mr. Sorel wishes to make a comment.

Mr. Munro: Mr. Chairman and gentlemen, I wish to comment on consumers having the full amount for the food consumed. I can agree with this philosophy. However, so long as we have, as I think we have, the philosophy of government that people have to be fed cheaply in this country we have got to get our income from one of two sources, one of which

is through the taxes we all pay; and those in our society who are less fortunate and must have food at cheaper prices to be able to live must be subsidized through the taxation of the more affluent.

I think this is the philosophy that is with us, and we are not going to change it. It exists in many other countries in the world. They are also embarrassing us in the marketplace because they can export at ridiculously low prices that portion that does not come under subsidies in competition with ours in our supposed—and I repeat “supposed”—free-enterprise system.

(Translation)

• (11.30 a.m.)

Mr. Sorel: Mr. Chairman, problems might arise between the Federal Government and the provinces when talking about national authority. We have asked for the establishment of a national authority governing the dairy industry. All the provinces are part of the Canadian Federation of Agriculture and the resolution asking a national authority governing milk was adopted unanimously. I am talking on behalf of the farmers: the organized farmers of Canada have asked to have a national authority. I believe they do not object to its operation in so far as provincial laws will be respected. There are dairy product marketing laws in each province. We abide by these laws while also respecting national authority, which I know farmers need.

So far as governments are concerned, we can never predict what a Parliament will do, whether in Ottawa or Quebec City, therefore I cannot speak for the representatives of the government. Where the farmers are concerned though, they are ahead of Parliament since they have asked for a national authority.

Mr. Choquette: My last question, Mr. Sorel, is of a very general nature. Is there some sort of resignation, or rather some kind of acceptance of the lot with which farmers seem to be burdened—what I mean is that farmers as a class are due to become limited in number while becoming more intensely productive. You have 53,000 members; do they accept this prospect or do they say instead: now we are 53,000 and instead of decreasing we shall increase our numbers. What do you tell them? I was here at the time of your conference with the Minister of Agriculture and senior officials, and you left in a rather glum mood

saying: I will have to tell my members: “You had better leave because there is no room left for you. Move elsewhere and find yourselves some other work.” Is this actually the fate of farmers and do they accept their lot?

Mr. Sorel: I neither make predictions nor do I set the number of farmers required. All I want is for productive farmers to be able to earn a decent living. We have had a decrease of 3,000 farmers over the last five years in the province of Quebec; 3,000 annually means 15,000 farmers in five years. Therefore, the number of farmers will be reduced. Now, maybe some people will come along and say that we need a given number of farmers and compare this with the existing number. I am not capable of doing this and whoever else tries it is bound to make mistakes. Insofar as I am concerned, what I want is for “efficient” farmers to be able to make a living.

Now, the word “efficient” should not be stressed to the point where only a handful of farmers will be able to make a living in this country. Criteria for efficiency should be established as in other classes of society. Take workers for instance; a number of them will be good, yet if the required degree of efficiency is too high, they will quit, and then if you give the sack to the remainder of your less efficient workers, you are faced with having to start up all over again.

Farmers have proved their efficiency by reducing their manpower by 50 per cent and doubling their production. If that is not efficiency I do not know what it is! It is a better figure than the one obtained in industry. Cases such as these arise everywhere. I might even add whimsically: even in Parliament,—

Mr. Choquette: You mean there would be fewer members—

Mr. Sorel: —who are not where they belong. It is not up to me though to pigeon-hole them—

Mr. Choquette: I don't mind you telling me that, because I am sure that your remark did not include me.

Mr. Sorel: —they will find their own place. I have no intention of sorting them out and saying: these are good and those are not. They will sort themselves out. Those who are not efficient will drop out. But I wonder when farmers will stop leaving the land. I really have no idea. What figure should we recom-

mend? I do not know. But what we want is for the efficient farmers to be able to make a living.

Mr. Choquette: Thank you, Mr. Sorel.

Mr. Paul Couture (Vice-President of UCC): Mr. Chairman, to pursue the same subject, I would like to point out that farmers tend to have more productive organizations, yet this year's dairy industry operating policies go against that. Take the quota method for instance. Farmers are limited to last year's production. This creates a real problem with our farmers because they are limited to last year's production.

Mr. Choquette: Nonetheless the 50,000 quota—

Mr. Couture: Yes, but let's drop this 50,000 business, because it is of very little interest.

Mr. Côté (Nicolet-Yamaska): Mr. Chairman, first of all, since we have not followed the agenda, that is, instead of discussing estimates, we have talked about other things, I hope you will allow me to talk at somewhat greater length than the others. Nonetheless, I shall try to be brief. I find myself in a unique position here. Mr. Sorel has a role to play as a representative of the UCC, and the members of Parliament have their own particular role to play whereas I have two roles to play: I am a member of the UCC and I am also a member of Parliament.

You no doubt remember, Mr. Sorel, that I was amongst those who supported this idea of increasing the number of members in the UCC. I took great pains over the UCC and I am ready to do the same in politics. When I was with the UCC, a few years ago—I was an active member for seven years—all I heard about was problems. I am restating this so that finally, as of today, there might be some kind of common front between my representatives in the UCC whom I pay, and your representatives, who are members of Parliament whom you pay.

When I was with the UCC, problems always seemed to arise from members of Parliament. As you know, when I was running my election campaign, I put on a "big show" on the hustings because I was sure the problems of agriculture could easily be solved. But when I came here I was forced to change my mind. I found out that by solving problems in my own way in those areas where it seemed possible, I was in fact creating two new problems.

Having looked into this matter, I realized that on the farm we tend to feel that there is a barrier between associations representatives and members of Parliament. This is the first time you, the officials of the U.C.C., hear me speak. But since we last met I have been gathering information, I read the newspapers and I have left no stone unturned, since I am here, in trying to solve your problems. I even asked Mr. Sorel and Mr. Couture, after the presentation of the brief of the Canadian Federation of Agriculture, what solutions they suggested for certain problems. I asked you to meet with me at my office to help me solve these problems, but you were busy and could not spare the time.

From here on in, it might be best if people knew that there is a dialogue going on between us, and that even though it may not suit your purposes entirely, it may not suit that of the members of Parliament neither. However, we should be able to say that we are working together.

As a former president of various provincial organizations, I can say that I know my own constituency and also several others. I received problems and suggestions from all ridings, well, from at least eight or ten of them and I am told: "You are not pulling your weight out there." I am acquainted with the problems, but finding solutions is what I find most difficult. So, from here on in, I would like to go on discussing with the leaders of the U.C.C. on amicable terms.

I would not have brought this up had I not noticed a minor flare-up a while ago. In fact, when Mr. Clermont asked where potatoes came from, I am sure that it was not said out of malice, because I know what Messrs. Clermont, Choquette, Comtois, Lefebvre, etc. have achieved. We have attempted to present a common front, but we have been thwarted. We have put great reliance on the U.C.C. to help us solve these problems. I think that should be clearly understood and that in future, we shall work together and find a solution. In so far as I am concerned, I am returning to my fields, as of tomorrow. I intend staying in politics for one or two years only. I am leaving politics as soon as my term is up, and I shall go back to the U.C.C.

With regard to the dairy industry, could you tell me why it is felt that our policy is not good? First, last year, the price of milk was set at \$4.00 and I obtained \$4.39 for industrial milk. This year, I have been getting

about \$4.90 for industrial milk at the same plant. Milk did not fetch as high a price in some other regions of the province. When the magazine *La Terre de chez nous* reports that the average is set at \$4.10, the entire blame is put on federal policy. And this is done in spite of \$8,500,000 which were given to enable granting a 25 cent subsidy in the province of Quebec. I repeat, this represented a sum of \$8,500,000. Prices were to have been standardized, not by increasing them, but by granting a subsidy to those plants which were not as efficient as others. In my area, I believe the price is to be set at \$4.90, that is if this price has not already been set. Hence, federal policies are not achieving their purpose. Members of Parliament know how hard I worked to obtain a price of \$5.10, but I failed to obtain it. The price in my area is \$4.90. But is the situation as it exists in the rest of the province of Quebec a federal or a provincial problem? What has happened to the \$8,500,000 which were given to farmers?

In *La Terre de chez nous*, I saw that there was an agreement whereby the Federal Government had accepted that the Provincial Government would withdraw from this particular field. How is it then that in 1964, the Minister of Agriculture of the province of Quebec—and I am not trying to play politics here—did not ask permission from Ottawa to distribute the 25 cent subsidy? I know that the minister thought that he would be dealing with a special case. I remember a meeting between the provincial ministers of Agriculture of Ontario and Quebec, where the following was said: "Do not grant the subsidy, because it will create difficulties in the other provinces." I also heard the minister of Agriculture say: "There is a special problem in Quebec because winter is longer there by one month than in Ontario. Ontario should allow us to go ahead with this because we are dealing with a special case." This year, the provincial ministers of Agriculture of Ontario and Quebec came to Ottawa and stated: "We are withdrawing from this particular field". And the following was also said: "We have just gone to Ottawa to obtain \$4.50, therefore, we should not—"

This is what farmers think and, I am neither Liberal nor Conservative, but simply the representative of a riding. I shall soon be returning to farming where the question arises as to why we have heard about the UCC for the past fifty years. In those days, problems seemed to be more a Quebec

responsibility. In fact 75 per cent of our briefs were sent to the province of Quebec and 25 per cent to Ottawa. During the last UCC congress, 75 per cent of the resolutions were addressed to Ottawa, and I recall that the minister of Agriculture of the province of Quebec took part in my diocesan conference where the four federal resolutions and the provincial resolutions were presented. The Minister then took his leave along with a senior official without having assisted in the presentation of the provincial resolution although he had taken part in the presentation of the provincial resolutions and had even made some suggestions I am then told by farmers: "We see you, on the one hand, as a politician, and on the other hand, as a member of the UCC. We are no longer sure in what light you see us. Do you look at us from the UCC viewpoint or from the political viewpoint?" In so far as I am concerned, I have never taken sides. I told farmers during recent meetings: "Obtain all you can from Quebec, and all you can from Ottawa."

Finally, Mr. Chairman, I would like to ask the UCC to help me in finding answers to those problems which I have been unable to solve when dealing with the problem of potato exports be sure to check the bag for their origin so that we here in Ottawa may be properly informed, and in order to provide the Minister with accurate information. Our time is precious. I have to answer 30,000 letters from farmers. Besides having to deal with policies as a whole, I am also saddled with a number of other problems including not only dairy policy, but also international policy. That is all I have to say. I hope you will excuse me if I have spoken at too great a length.

(English)

The Chairman: Does someone wish to make a comment on what Mr. Côté has said? Mr. Sorel.

(Translation)

Mr. Sorel: I must confess to you, Sir, that I may perhaps not give as much attention as I should to your problems. And indeed, you are facing weighty problems. I am confident, however, due to the fact that not just anybody was sent to Parliament to represent us. Therefore, we feel a measure of safety and we can say: "We are sending the best men..." However, you have accepted to be a Member of Parliament. Whereas I accepted to be the President of the UCC, and I accept both its advantages and its drawbacks. I even accept to be sometimes called either a Liberal

or a Conservative. And I am always made out to be either too "Red" or too "Blue". This all depends what day it is or who I happen to meet. I even accept to be called *green* (Greene).

As Mr. Munro said earlier, we should try to avoid being pulled apart between Ottawa and Quebec. We have come here to discuss problems concerning Ottawa and, in Quebec, we discuss problems which concern Quebec. We do not report on our business to each one of these governments. I shall shortly be on my way to Quebec city. We have problems and we want to settle them. The problems to which you were referring are in the process of being settled in Quebec. This is not the first time we meet representatives of the Federal Government. We began submitting our problems to Ottawa six or seven months ago, and these meetings were not public. Then, our farmers went a step further and said: "We shall go to Ottawa ourselves". And indeed, they came. At one point, we had to limit their number. We chose to have each parish represented by a single delegate. Sending a greater number was forbidden. However, some did not listen to us in spite of our instructions. They came on their own; we had not brought them to Ottawa. It was their own decision. It is then that debates were brought out into the open. Our problems could not be settled in Quebec though. We did not know what the price level would be for powdered milk and for casein. We knew nothing of this. We first had to settle our main problems in Ottawa, namely, finished products and support prices to be established after which we would settle our problems in Quebec.

With regard to the \$8,500,000, both I and the UCC are fully aware of its existence. Negotiations are under way, so you can stop worrying. And if you think that we are not capable of doing our job in Quebec, take a good look at what goes on in Ottawa. We shall do likewise in Quebec. No one will be spared. We shall do our job in Quebec. However, should the situation become critical in Quebec City, you may hear more about it but, at the present time, we are conducting private negotiations as was the case here.

We are discussing problems. We will do our job in Quebec. Do not worry about that.

Mr. Côté (Nicolet-Yamaska): Just one question, Mr. Sorel. And by the way, I am glad that you have thrown some light on these

matters. I hope you will excuse me for having treated you somewhat harshly, because as you say, you are my employee and I am yours. This is what happens then in rural areas: during public meetings, I have to face the Minister of Agriculture of the province, since we represent the same riding. In so far as I am concerned, I do my job and I try to do my best. The two members who represent the electors of my riding in Quebec do not belong to the same political party. In spite of this, I try to do the impossible to prove that I am not a party man, but that I am trying to help the people of the riding who in turn help me.

The Minister of Agriculture may have said during a public meeting: "If Mr. Sorel organizes meetings in Ottawa it is because he knows these problems are Ottawa's responsibility. He will not turn to Quebec because we are on an intimate footing here in our public meeting. We are good friends and we get along well. In so far as I am concerned, I get along even better with certain leaders who are not attending public meetings." To which I would immediately answer: "Can you give me the name of the person with whom you get along so well so that I may try to meet him?" As you can imagine, this creates a rather odd situation in the field of farming. I admit that I am dealing here with matters which are a bit too specific, but in future, I would like to have it known that I work not only for my riding but for agriculture, in Quebec. I am quite frequently called upon to work outside of my riding. Therefore, I would like to do everything in my power so that people might say: "He is neither Red nor Blue, nor does he belong to the UCC or to Ottawa. He is a Member who represents us in Ottawa in the same way that the president or the leaders of our association represent us".

(English)

The Chairman: Mr. Miller, do you wish to say something?

Mr. Miller: If I may, I would like to come to the defence of farm organizations. I am wondering—

The Chairman: I did not think anyone was giving you too much of a blast, but I have not yet said what I intend to say.

Mr. Miller: It strikes me some suggestion has been made that farm organizations have not made proposals for solutions.

The Chairman: Pardon me, Mr. Miller, but one of the things Mr. Côté was saying is that he wanted them to keep him informed and make demands known to him so he could be a better member and a better representative. This is the gist of Mr. Côté's remarks.

Mr. Miller: I realize that but other comments were made in this regard. It strikes me that if we are going to try to solve the problem by working under the same old establishment which has failed repeatedly over the last 15 years, then we are not going to find the solution. If we are not willing to spend a few dollars we will not solve the problem.

If you do not want the farmers to go on footing the bill for the country's welfare problems and everything else, you are not going to find the solution, unless we are willing to put some money on the line. I think this is the crux of it. The farm organizations have made proposals over and over again but where they have gone, we do not know. We must have a huge wastepaper basket somewhere in the framework of these Parliament Buildings, because at the best a little bit of crumbs are kicked under the table to you, and this is what our farmers are objecting to.

They want some real programs. When I was here on the 16th, they referred to this, and I will refer to it again, because I do not think we will find the solution until we come to grips with it. Page 6 of the submission that was created for the May 24 presentation asks that the policy making for agriculture be taken out of the hands of those who are currently doing it and put in the hands of people who can make an extensive study and can develop real programs—not just recommendations worded to indoctrinate the general public—with some authority that can be negotiated, we will say, with the Minister, or whoever is involved, instead of just being a bunch of bellhops for whoever wants to use it politically. As I see this, and as we have agreed, there has to be a whole new approach if we are going to really find the solution to the problem.

Mr. Asselin (Richmond-Wolfe): I should like to suggest that he is pursuing, and Mr. Côté was suggesting too, a greater understanding between the Union members and the members of Parliament. Is this not what the Government intends in its proposed task force and that it hopes to come up with suggestions for good long-term as well as short-term national agricultural policies?

Mr. Miller: I was hoping somebody would ask that question, so thank you very much.

Mr. Asselin (Richmond-Wolfe): You are welcome.

Mr. Miller: All we have been able to learn from what the Minister said concerning the task force when it was first announced—I think this was during the Speech from the Throne—is that it was going to be very rigid, civil servants were to be on it, and soon. I think this has now been broadened somewhat.

Mr. Asselin (Richmond-Wolfe): I would like to correct that. In the Speech from the Throne it was not mentioned in that way. It was to engage a task force leading to a long term national agricultural policy. There was no mention of civil servants.

Mr. Miller: My interpretation of the last statement I heard Mr. Greene make is that this would be a committee of three. He would not be bound by their decisions, they would simply make a study and make recommendations to him, and he expected the first recommendations within a year. This is just more of the same, as I interpret it. Sure, this will give you something to hide behind for a year and say well, we cannot do anything until the task force reports. But when the task force reports we have no assurance that their recommendations are going to be acted on.

Mr. Honey: Mr. Chairman, on a point of order, the meeting to date has been very congenial and very helpful, and I have to say that I do not think it is in keeping with the tenor of the meeting for Mr. Miller to suggest that the government, or by inference the members of Parliament, are hiding behind things or are looking for things behind which to hide. I think it would be better if we could maintain this meeting on the level that we have already established and not let it deteriorate.

Mr. Miller: Excuse me; I apologize. I did not mean to suggest that it was a means of hiding. Let me rephrase what I said, Mr. Honey, because it was not meant to be offensive.

Mr. Honey: That is why I pointed it out. I did not think it was.

Mr. Miller: It is delaying taking action on the problem which is long overdue. As has been pointed out, while this is being delayed, the farmers are having to fold up, leave their

land, and so forth. The problem is not going to be solved by more delay.

Mr. Asselin (Richmond-Wolfe): Do you agree to a national agricultural policy?

Mr. Miller: Yes.

Mr. Asselin (Richmond-Wolfe): Then how can you achieve it without making a proper study? And how can you make the proper studies without employing the best brains in the country to make suggestions to the Government, outside of Civil Servants? Do you not believe that the way he is doing it is a step forward? You say it is going to take a year to do it—it should have been done a year ago. All right. I agree with you but it has not, so why not do it now?

Mr. Miller: Have we not had studies?

Mr. Asselin (Richmond-Wolfe): Oh, I agree with you.

Mr. Hergott: May I comment on this subject?

(Translation)

Mr. Asselin (Richmond-Wolfe): I would like to ask Mr. Sorel to comment on the same question because I am also a member of the UCC, I am a farmer and also a Member of Parliament, and therefore, in the same position as Mr. Côté.

Mr. Gauthier: Gentlemen, you have mentioned a three member board. If the government were to name two new representatives and one government official as representative, do you think this would be better than having three government officials on the board?

(English)

Mr. Miller: I did not quite get your question; I am sorry.

(Translation)

Mr. Gauthier: With reference to the three member board which you mentioned a while ago, and which will study a proposal to be submitted to the Department of Agriculture, do you think it would be better if this board were made up of two members representing the various unions and one government official rather than three government officials?

(English)

The Chairman: Absolutely.

Mr. Hergott: Mr. Chairman, there is a principle here and I think we would like it to be

clearly understood what we are talking about. The principle under which we now operate—whether you call it a task force, a Royal Commission, or whatever it may be—results in a situation that we will find ourselves in constantly so long as we continue to use this procedure; that is, we have one group that establishes a camp. This is done in all sincerity. If they did not believe what is in the report they should not have it in the report. In fact, you establish a camp. Then we—thinking in terms of the farm organization in this case, but it happens all through society—who have not had any part in it and have no way of influencing what is written in that report find ourselves off in another camp. So, immediately the battle begins.

Mr. Peters: The Government is in the third camp.

Mr. Hergott: Well, we do not always see it just that way.

Our principle in that somehow we should start working together from the beginning. We in Ontario and the Ontario Federation have said this very clearly to our own government in Ontario in the brief we presented last January. In our case we have asked that all Standing Committees of the House be made available between sittings of the House so that we can confer with them and influence legislation before it becomes, in fact, a legal document presented in the House. That is the principle we are talking about here.

We want this task force—and it could work this way—to work with us from the very beginning so that we can get our ideas in and influence the report that results. Then we will not find ourselves in two camps but have a document that we both can defend. That is the principle we are talking about here.

The Chairman: I should like to point out one thing. What we are doing today—your appearing before the Agriculture Committee—is something that never would have been done even two years ago. A Committee has never dealt with the Estimates in this fashion before. If this is helpful to us then we feel it is helpful to all.

We have made a great many breakthroughs so far as we are concerned and I think many of you know my position as a farmer and my past associations. I was of the same opinion as Mr. Côté when I first came to Ottawa that I would solve all these problems. But I can even remember being in farm organizations and problems there were not

solved easily in one year, one month or one week.

• (12.00 noon)

I can see that we have made great strides so far as I am concerned as an agriculturist or a farmer but I can also see your concern about the task force. I should think this task force could work like some other commissions, in that they could submit interim reports from time to time which could be acted on. You do not have to wait for the final report to be made. Something that it is obvious to them should be done can be reported to this Committee or to the House, and the government can take action on it.

Mr. Asselin (Richmond-Wolfe): I would just like to comment, Mr. Chairman, and say I am glad to see that the gentleman who just answered the question, Mr. Hergott, is in full agreement with the proposed task force, unlike his colleague to his right. I would like to mention, though, that you are talking about unity and I hope, as well as you, that this task force will work in close consultation with different organizations. I also point out that in his opening statement Mr. Sorel mentioned that the government should find a way to do this.

The Chairman: Mr. Asselin, you did not intimate to the Chairman that you wanted to ask questions. There are two people who have signalled me that they want to ask questions and you have been on the floor quite some time. I thought you just had a supplementary.

Mr. Asselin (Richmond-Wolfe): All right, Mr. Chairman, I will carry my comments until after the next two speakers in the hope that you will add my name as the third one.

The Chairman: Fine, thank you.

Mr. Hergott: Mr. Chairman, I would just like to make the record clear that I only agree to the task force if it works in this manner.

Mr. Asselin (Richmond-Wolfe): That was my own comment. All I am saying is that we want to work with the Union and the different organizations and we all hope this will happen. But sometimes I see in your remarks among the witnesses an indication that you do not quite agree. How can we work with people who do not agree among themselves?

Mr. Miller: I want to clarify that I am not against the task force unless it turns out to be something like another royal commission that

makes a report to gather dust. I think we are talking here about something real and alive.

Mr. Peters: It should be pointed out that this Committee is not involved in the task force, either. We are not in the position you mentioned. Some of the gentlemen mentioned that farm organizations would like to know about legislation before it is presented so that they could have some say in its presentation. This Committee does not either. The dairy policy certainly did not come from the Committee's discussion with the Minister. Members of Parliament are as far away from the Cabinet as the members of any of your farm organizations. The Committee in most cases is far away from the development of policies. This is really not our role; at least, it has not been to date.

The Chairman: It has not been to date, but one of the things we can do about legislation—and all members are equal, no matter what side of the House they sit on; your government is called your Cabinet—is to make recommendations, discuss them with officials and the Cabinet and hope that some of there are adopted. Under the present system of government, this is the procedure.

We do not have the right to see legislation before it is presented to the House as committees do in the United States. A lot of us have recommended that this procedure be changed. I believe you will recognize also that the House is experiencing some tremendous changes so far as we are concerned as members and I think all parties will agree with that.

It is long overdue; we say we live under the British parliamentary system, but the British parliamentary system in Britain is much more advanced than ours. In my opinion we have to catch up and pass them in many things. Without further comment from the Chair I call Mr. Gendron.

(Translation)

Mr. Gendron: Mr. Chairman, Mr. Sorel referred a few minutes ago to the dramatic situation in which the potato producers find themselves. And this situation is even more dramatic when we consider that they find it difficult to take advantage of the federal government assistance programme, i.e. to divert their surplus production to animal consumption, and that they can make a profit on only 10 per cent of the potatoes in storage.

The government is open to other suggestions concerning the utilization of these pro-

duction surpluses. It goes without saying that considering the destruction of the potatoes is unthinkable while two thirds of humanity are short of food. There would be an easy solution: under the Colombo Plan to send this production surplus as food to underdeveloped countries. But first, it seems that in underdeveloped countries people do not eat them and, secondly, that they are not able to cook, store or preserve them.

It seems that the problem is one of production surplus, while in the Province of Quebec, production equals only 65 per cent of consumption. It seems ridiculous that there should be a production surplus. It also appears, however, from the preceding questions, that the problem is at least not one of imports from one country to the other, and that we export to the United States twice as much as last year, when this surplus did not even exist. It seems then that any dumping is done from one province to the other.

This leads me to ask three questions:

First, would there not be need for united action between the producers of the various provinces towards the establishment of a joint plan of potato production?

Second, would it not be advisable, especially in the Province of Quebec, to think about the future establishment of plants for the processing on the spot of this product and thus ensure increased consumption of it, and also its preservation?

Third, it seems that the producers are isolated and that even the co-operatives are isolated; there is no overall organization, at the provincial level, which would allow the preservation of the potato and thus take advantage of the federal assistance programme.

Therefore, I ask myself if, at the level of provincial organizations, it would not be advisable to think about the possibility of a general, rather than an individual action by the producers or the co-operatives? Or even of a concerted action by the provincial government for the preservation of this same product? We would also benefit from the federal subsidies programme which, if it applied, would be very generous to the farmers.

Mr. Sorel: I may have answered this question a few minutes ago. The situation in which our farmers find themselves is quite difficult. The potato producers of the Province of Quebec, moreover, have requested a joint plan. We know that we will soon have inter-

provincial agreements and even a national one, and perhaps even an international one.

When the market is crowded, this is very frequently not caused by excessive imports, but by their non-regularity: they are imported at the wrong time. Thus, if imports were regulated, either by permits or otherwise, potatoes would be imported when they are needed. When they are not needed, it is useless to import them, if this action will spell disaster here. The exporting countries prefer entering our market when we maintain a reasonable price, rather than when we have a ridiculously low price. They would be more interested.

Even the provinces are interested. The Maritimes manage to sell potatoes in the Province of Quebec and I believe they will continue to sell them because their production is greater than their consumption. But if order exists and if we have a joint plan, there will be interprovincial results.

When our farmers receive 50 per cent less income than the other producers, how can we make them invest in a co-operative, in a joint plan? How can we make them invest when already, I admit it, partial investments bring no results?

Presently, you have the case of eggs. It is a provincial plan, in very close collaboration with the Province of Ontario. They gave themselves quotas and all, but another problem arose, which destroyed all that the farmers had done. Therefore, the potato producers are watching the egg producers.

How can we encourage them to invest? We cannot ask them to invest \$400 or \$500 in a co-operative when they do not have that money. And we cannot tell them: "Look at the good results you now have with eggs." How can we stimulate them when, in the fields where they are trying, they get no results because of other factors which are in no way within the control of the farmers?

• (12.10 p.m.)

It would be moreover a very happy fact if the egg producers could say that egg production is doing well. But, such is not the case. They sell their eggs, presently, approximately twelve cents less than their cost of production. The producer with the lowest number of hens is therefore the luckiest this year. The less he has, the better he is.

Mr. Gendron: I am sorry, but I mentioned two other points. I talked about the joint plan

and it seems to me that it is a production surplus. There will be no solution unless a joint plan is found which will group the producing provinces. There is no error there.

Secondly, I mentioned the problem of the need for a policy of processing the product in the province which would help to take advantage of certain policies and to dispose of the product afterwards.

Furthermore, a concerted effort should be made at the provincial level. I do not know if this could be done through an agency such as yours, or through the Federated Co-operative, or through the Province of Quebec itself; in any case, I believe that this effort should be speedier. This problem has been before us for a long time and no agreement has yet been reached between the Province of Quebec and the Federal Government.

Mr. Sorel: This is a temporary problem. This is also a temporary solution for people who will be wiped out by such a problem. If no agreement has been reached, do not blame us. I was born neither in Ottawa, nor in Quebec City and I am divided between these two governments. Long term solutions, even if we build a plant to process products into cornstarch, powdered potatoes or other by-products, are not the best. Do not count on that to support the farmers. They have such a plant in the Maritimes. Go and see what happens. It means that they sell their products at a price lower than the production cost.

To find an outlet where the sale price is lower than the production cost does not constitute a very bright future and above all, do not ask the farmers to invest money in such a venture in order to be forced at a later date to sell their production at a loss. Listen, farmers after all do have certain sense and do reason things out.

Mr. Gendron: I do not believe that all the blame should go to the farmer, although, just the same, there is a problem for which we are spending a lot of money. We must try to find a solution and I feel that maybe we would do better by investing some money which would provide employment and maybe supply a possible outlet for the by-products of potatoes that do not belong to the No. 1 category. We should also promote regional development and likewise support a regional industry.

(English)

The Chairman: I think Mr. Gendron probably has in mind a vodka distillery, a starch

factory or something like that. That is what you had in mind, is it not?

(Translation)

Mr. Sorel: Such a venture could be under the joint responsibility of the governments and the farmers.

(English)

The Chairman: I presume most of you are aware that potatoes are the main ingredients in vodka.

(Translation)

Mr. Sorel: It certainly would be advisable to direct our research in that direction. However, let us not forget that this plant will be established for processing. Then the same thing will probably happen as happened to the producers of industrial milk or of fluid milk, i.e. when the buyer needs a production, he then buys at the same time the industrial milk. If the plant is used only every three years, when there is a surplus, how will it be profitable? If there is a surplus, regularly, every three years, the processing plant will thus be able to receive the surplusses. How then can the plant operate?

Mr. Gendron: This means, in other words, that there certainly must be a certain amount of production planning. This is exactly what the farmer is asking himself to-day.

Mr. Sorel: The farmer has proved it. He is ready to plan and to produce—and this has always been said clearly in the briefs we presented to Ottawa—according to consumption capacity and to export possibilities. He is ready to accept quotas. He accepted such a plan with regards to eggs. The producers have voted in favour of this; they took the decision themselves.

Mr. Gendron: Thank you, Mr. Chairman.

The Chairman: Mr. Matte.

Mr. Matte: I would like to say a few words to support Mr. Côté, who has been my spokesman and who, all the same, came back here to explain your difficulties; I agree that you do not come before the Committee often enough. Do you not think that it would be more beneficial to you if, in coming to state your difficulties, you also brought, as mentioned by Mr. Côté, some elements of solution to these problems, elements which we could study. Furthermore, I cannot see how the Farmers' Union (U.C.C.), with 54,000 members, does not send a representative at all

sittings of this Committee. I think we could give him the right to speak.

Mr. Sorel: To-day, we are grateful to you for the opportunity of stating our problems; we have never refused a chance of putting forth our problems so that you, the legislators, could understand them.

Mr. Kirouac: I do not understand too well certain aspects of the problem. We seem to look for difficulties where there are none. With regards to the eggs problem, all the necessary work has been done; a joint provincial plan dealing with eggs has been organized. There is a marketing board for eggs in Ontario. Representatives of both provincial governments meet, agree, study markets, carry out economic research and come to an agreement concerning the establishment of a certain classification of products. Furthermore, they agree on controlling production and on meeting consumption needs; finally, they discover that their problem is one of imports. They come here and expect an answer. This is therefore a suggestion we have made.

We have done the same thing in the field of milk. With milk, we repeat that the problem is at the level of processing, of casein. It also exists at the level of rolled powder and at the level of cheese prices. It exists at all levels. We are looking for remedies with you. Well, I believe we have done quite a bit, by thunder! As to other productions, such as potatoes and poultry, we must always wait until they are well organized, because the farmer always chases us away when we want to talk to him about the organization of potato production. He tells us: "If you want to organize the production of potatoes as you did for eggs, leave us alone". At least we will not have to pay! Here is the problem. It is very annoying, but what can we do?

Mr. Côté (Nicolet-Yamaska): Is the farmer aware of certain things, as least I did not see it in the newspapers, concerning the eggs problem? As soon as the problem appeared, I studied the matter a bit and reached the conclusion that, for the last four years, Canada has exported 9 per cent of its production to the United States, under an agreement which gives the United States the right to import 2 per cent and Canada to export 9 per cent of its egg production. For the last four years, Canada has exported 9 per cent of its production, while the United States have not exported any part of their own production, as they felt they needed it. This year, they are send-

ing us their production. Therefore, I am convinced that it is not normal that they send us their production. Thus, would it not be more advisable to say (I would be ready to say it now) that eggs should no longer be imported from the United States? However, should the United States decide that next year, or during the next four years, Canada will not export her 9 per cent, then is our problem this year any more serious than the one we would have had to face if we had not been able to export so much?

Mr. Kirouac: We must examine the two aspects of the problem at the same time. What does it mean when 9 per cent of the Canadian production is exported while 2 per cent of the American production is imported? It means that the 9 per cent we are exporting will not very likely disturb the level of prices in the United States.

Mr. Côté (Nicolet-Yamaska): Precisely.

Mr. Kirouac: Do you know that 2 per cent of the American production puts us under for a whole year?

Mr. Côté (Nicolet-Yamaska): Exactly.

Mr. Kirouac: This is the problem. It must be examined as coldly as that.

Mr. Côté (Nicolet-Yamaska): That is why I tried to find statistics. If we decide to block American imports of eggs this year, and then, for example, we lose the right to export them, the situation will maybe get worse. We should try, I believe, to make suggestions to the External Aid Office in order to know if it is possible to tell the Americans: "Do not send us any more eggs and we will not send any more".

Mr. Kirouac: Or else, their 2 per cent could be taken and put under the control of the administration of joint provincial plans. If all these eggs cannot be used, they can then be thrown at political meetings.

(English)

The Chairman: Mr. Munro wants to make a comment.

(Translation)

Mr. Côté (Nicolet-Yamaska): I wonder if it would not be possible to write in the periodical "La Terre de Chez-Nous" to inform the farmer that he has benefited from this agreement for four years. The problem facing us seems easy, but it is not. We could also men-

tion other things so that the farmer would know the dangers awaiting him and be more conscious of them. For myself, I told you a while ago, when I arrived here, I did not know what problems would be referred to me and I thought that they would be easy to solve. I always blamed the Members for the problems and I can see now that I was wrong. Such thoughts were wrong.

• (12.20 p.m.)

(English)

Mr. Munro: Mr. Chairman, I am a bit amazed today to hear of the lack of communication that obviously exists in government. I was interested in the remarks made by Mr. Côté. We were told the same thing by Mr. Greene on April 7, that all we had done was ask for more money and complain. This meeting was held specifically on dairying. At that time we pointed out to him—and he admitted to this—that the Dairy Farmers of Canada and the Canadian Federation of Agriculture in May of 1966, which at the time of the April 7 meeting, was not a year ago, had presented a considerable amount of documentation on dairying and quotas. Our No. 1 complaint is that the concrete recommendations we made have not received any attention. At the time he received this brief from the Dairy Farmers of Canada and the Canadian Federation of Agriculture regarding quotas and future dairy policy a promise had been made that there would be future consultation with the farm organizations concerning their recommendations. However, the privilege of having a consultation with the Minister or his top aides on this document was never granted.

The Chairman: If I remember correctly, Mr. Munro, when we were discussing this subject—and the members have discussed it at great length with the Minister and other people—there was a difference of opinion in the briefs that were presented by different farm organizations on behalf of the dairy farmers.

Mr. Munro: This came about at the time of the march but I am speaking of the meeting of April 7, 1967, at which time we were told that we had not made concrete recommendations within the year. In the previous May concrete recommendations had been made but we did not have the privilege of sitting down and discussing this with the Minister or his top aides on any other occasion.

The Chairman: Mr. Asselin, do you have anything further to say?

(Translation)

Mr. Asselin (Richmond-Wolfe): Well, Mr. Chairman, it is getting quite late and perhaps I will forego any further questions although, I would like to make a few comments on a series of questions I asked a few moments ago about the establishment of a study committee meant to scrutinize the problems in depth, in collaboration with the unions, with a view to the formulation of a national policy. This should also include regional problems because, in my opinion, you mention regional problems on the whole.

Mr. Sorel: We are ready to accept all suggestions, but we ask that we be permitted to consult the government authorities and we would like these consultations to result in something concrete, in order that these negotiations have some results. We would like nothing better than to meet the representatives of the people, the representatives of our regions and those of the country, always for the purpose of acquainting people with our points of view and our problems in order to get our farmers out of the rut they find themselves in.

Mr. Asselin (Richmond-Wolfe): You have met the Minister many times and his high officials, from time to time, to discuss the policy to be established, have you not?

Mr. Sorel: We have met the minister many times. Mr. Côté seems to simplify the problem of exports and imports. I have heard the Minister of Agriculture, in this building, say to us: "We have to pay the piper in this business". I will quote you the example he gave us: this is like somebody who owns a small patch of strawberries in his garden and strikes an agreement with his neighbor who has five acres of them, to the effect that when his crop of strawberries is too big, he will send him his surplus and when the other's crop is too big, he will do the same. Who is the loser in this bargain? The owner of the small patch of strawberries can maybe send two boxes at a given time, if he has too much. As to the other individual, his surplus comes from his high production. He does not feel the effect of this surplus. With regard to the individual who agrees to buy the surplus of the owner of four acres, he has to face quite a problem. We have here a suckers' deal. But we do not strike the bargain. Then we want to point out to you that it is a suckers' deal, in certain fields. It is a suckers' deal and we must take into account our capacity for absorption and theirs.

Mr. Côté (Nicolet-Yamaska): If this is such an agreement, I promise you that I will delve into the question. However, in my opinion, agreements are reached not between two countries, but between many countries, so that a given country can export a certain percentage of its production to a place other than the country with which it has reached a bilateral agreement. This happens within the framework of the Geneva agreements. However, if only a bilateral agreement were involved, I promise to delve into the question.

Mr. Sorel: It is a Minister of Agriculture who said it in Parliament. It is a suckers' deal.

Mr. Clermont: Mr. Chairman, I did not express the wish of asking supplementary questions. But others have.

I would like to ask a question of Mr. Munro, about fluid milk. Have your regional groups or group considered the possibility of adopting the plan formulated by British Columbia about milk, i.e. the establishment of a syndicate or pool? Has the producer of industrial milk the advantage of saying: "To-day, I want to be accepted as a producer of fluid milk" or, because the market is more or less closed, can the fluid milk producer, who has been granted a contract, foresee that, next year, consumption will possibly increase? Will he not consequently increase his production? Have your regional associations or association studied the possibility of establishing a plan similar to the one in British Columbia, i.e. a pool plan, a syndicate plan for the milk producers?

Correct me if my information is wrong. I have read a brief, a few years ago, presented by Mr. Atkinson, who is a commissioner of the Canadian Wheat Board, in Ontario, and who has discussed the British Columbia plan.

(English)

Mr. Munro: Mr. Chairman, we presently have a milk board in Ontario. It is true that this milk board has not yet been able to get their machinery processes set up to enable them to bring the over-all pool into operation and we are now told that it will take until February of 1968 at the earliest before this can be done. When it is completed it will be somewhat similar in many aspects to the British Columbia plan. What does this do to the individual producer who is caught in the bind between these times? The farmer's problem is that a program is in operation in which

he is involved in the 1966-1967 dairy year and in the 1967-1968 dairy year he is excluded from it and there is no alternate course for him to take. In order for him to maintain his current fluid quota he must maintain high quality standards because he is under high quality inspection and he must put a good quality product on the market.

Mr. Clermont: But, Mr. Munro, you envisage the possibility of adopting a program similar to the one in B.C.?

Mr. Munro: Oh, yes. That is the long range goal. I agree with Mr. Powers that the industrial portion of the fluid market must be handled nationally.

(Translation)

Mr. Clermont: Mr. Chairman, here is another supplementary question. If the Ontario milk producers consider the establishment of such a plan at some future but as yet undetermined date, do the Quebec producers, Mr. Sorel, consider it also?

Mr. Sorel: One day or another, a milk pool will certainly be established, but, as my mother's remedies may not be good for me, it may then not be good for Quebec to adopt British Columbia's remedies. Actually, the percentage must be seen. Jean-Marc will correct me if I am wrong. Is it 20 per cent? No. The percentage of fluid milk is 30 per cent. The percentage of industrial milk is 70 per cent. Keep that in mind then.

Mr. Clermont: I know the figures of the fluid milk producers.

• (12.30 p.m.)

Mr. Sorel: If you pool the milk, 66 per cent of the milk will remain which will fall into the 30 per cent. There will always be a part of the 30 per cent which will be paid at a higher price, and the other at an inferior price. And what more will this give to the industrial milk producer? He will take a small part of what a small number of producers have in surplus. And this will give him what? Maybe 5 cents per hundredweight of milk. And to go back to his farm, this will force him, as Mr. Munro said, to establish quality standards required from fluid milk producers. If he wants to get the same price as that of the pooled milk, he will be forced to produce milk during twelve months of the year, the same quantity (he is forced to), and so on. To earn what?

When we have, as in Ontario, from 35 to 40 per cent of fluid milk, maybe 45 per cent, at that time, a common reservoir will probably give to the industrial milk producers the possibility of installing refrigerators, boilers, animal inspection, etc. This will mean additional expenses. But presently, if the situation does not change, everyone will be worse off than before.

Mr. Clermont: Mr. Sorel, are there not, presently, either in Ontario or in Quebec, many industrial milk producers who are as well equipped and who produce milk as good as that produced by the fluid milk producers?

Mr. Sorel: Yes, but you did not add that they produce regularly twelve months of the year.

Mr. Clermont: Mr. Munro did not answer my question or my comment about the fact that, presently, the corporation, if I can use the term, of fluid milk producers is more or less a closed corporation and that a good industrial milk producer who could deliver fluid milk cannot join it. Is this true or false?

Mr. Sorel: We place their names on a waiting list and as some disappear, we strike them off the list. It is true that it is a closed corporation.

Mr. Clermont: Thank you.

(English)

Mr. Munro: Mr. Chairman, when the new pooling system comes into being it will have a built-in formula for introducing new producers in an orderly way for the exit of those producers who want to get out and whose quotas will be transferred. Until the present time this has been handled by the dairies, which is very much to the disadvantage of many of the producers. We ask that this system be handled in an orderly fashion. This process is now under way. As I mentioned before, our quarrel is merely with the handling of the industrial portion of the production of these people.

(Translation)

Mr. Clermont: Mr. Munro, you have said that to the person who transforms fluid milk into ice cream, your unused milk surplus is very important. Do you apply great pressure when you negotiate with these milk processors? I believe that, in certain cases, there can be as many as three contracts in addition to the fluid milk contract.

Are these milk processors pressured very strongly in order to obtain the best possible prices? Last year, the fluid milk producers could benefit from a Government subsidy for, let us say, a surplus of 120 per cent. As you could benefit last year from such a subsidy, when you negotiated the additional contracts, did you go all out, or did you tell yourselves: why insist since, at any rate, we will get a Government subsidy? I do not say this is a fact, I ask the question because somebody mentioned it.

(English)

Mr. Munro: Mr. Chairman, the market for the industrial portion of the milk is established for the whole industry across the province. As individual producers we have no opportunity to raise prices but those people who work on our behalf have consistently raised the price. As of the 1st of May the price went up from about \$3.30, or some such figure, to \$3.54. The marketplace has borne consistent movement in the price structure but we were static for too long a period of time—15 years has been mentioned and I will say 20 years—remembering that this product flows back and forth across provincial boundaries, which it must, and this is proper within the confines of Canada. We need a national authority to establish a price in the marketplace and then we need competition so that individual processors will bid to get the product. We need assistance in the marketplace, which is something the government can give. We mentioned today what the Wheat Board had done for the wheat and grain producers of Western Canada. We need this concern about our situation and we were hopeful when the new Dairy Commission came into being—and we are still hopeful—that it would cure these ills. We are greatly disturbed at this tremendous change in policy which took place as of the 1st of April of 1967 and which affected many, many producers.

(Translation)

Mr. Lefebvre: Do you agree, Mr. Sorel?

Mr. Clermont: I believe that Mr. Kirouac wanted to add something. No, he said it. Very well. Thank you, Sir.

Mr. Choquette: I would like to ask you what is happening to the programme, once advocated by the Farmers' Union (U.C.C.), where milk would be distributed free of charge in schools? Was this a Utopian proposal?

(English)

Mr. Munro: Mr. Chairman, to our knowledge no government authority has acted on it.

(Translation)

Mr. Sorel: This is a problem about which the two governments and the producers have brought forward resolutions for fifteen years. For about fifteen years, we have asked both the federal and provincial government to intervene in order to establish a system. Nothing was done by either and we are still waiting.

Mr. Kirouac: This would have required a system as complicated as the following: a system including the federal government, the provincial government, the school boards and the producees' associations. So, before accomplishing this—

Mr. Choquette: How far did you go in your endeavours? Did you simply present resolutions?

Mr. Kirouac: No, studies have been made by provincial dairy committees. At the Department of Agriculture, committees met to study the question, as well as at the federal level, I believe, through the Canadian Federation of Milk Producers, probably in connection with a branch of the federal Department of Agriculture. In short, the fact remains that four public bodies are needed to find the abc of this problem.

Mr. Côté (Nicolet-Yamaska): Is there a bottleneck at a particular level, either school, or municipal, or provincial, or federal?

Mr. Kirouac: No, I do not believe so. Coordination is the main difficulty.

Mr. Clermont: Mr. Kirouac, did you study the Bill tabled by our colleague, Mr. Honey, dealing with the distribution of milk in schools? It is a private bill tabled by Mr. Honey.

Mr. Sorel: As we are often travelling and have a lot of work, we do not have time to read—

Mr. Clermont: Mr. Honey could perhaps send a copy of his Bill to the associations.

(English)

The Chairman: If you are not aware of it, Mr. Sorel, I expect it is probably due to faulty reporting by the farm press.

(Translation)

Mr. Sorel: I must tell you that I did not read a newspaper all day. I finished sitting in Quebec City around ten o'clock and I got home at half past twelve. This morning, I had to be here at half past nine and I was here. So, newspapers, when they are not read on time, pile up. I do not want to make light of the newspapers, Mr. Clermont.

Mr. Lefebvre: Do you receive the proceedings of our meetings, Mr. Sorel?

Mr. Sorel: Yes.

[English]

The Chairman: One of the members had intimated that he would like to ask a question. Before he does so I would like to make a short statement and also ask a question. I am of the firm opinion, after listening to the discussion this morning and from my experience on the Agriculture Committee, that many provincial governments have conflicting legislation. It may be beneficial to a group in one province but would not be to a group in another province, or another province may not have that kind of legislation.

You ask for a national agriculture policy in Canada that would be beneficial to all producers no matter what they produce. Have you thought about or would you consider recommending to your provincial governments that they give more authority to the Federal Government so that you could truly have a national agriculture policy. It has already been said that our products know no provincial boundaries. Our products are going more to large metropolitan areas such as Montreal, Toronto, Vancouver, Winnipeg and Edmonton, and those that are not consumed in Canada are exported. Would you recommend to your provincial governments that they give up some of the authority that their provincial marketing boards have to the Federal Government so that you could actually have a real national agriculture policy. You will never have a national policy as long as these differences between provinces exist. In this respect some provinces have beneficial legislation; others do not. Programs differ. Some provinces are taking advantage of federal programs; others are not. I cannot see how we ever can have a national agriculture policy until some provinces give up their parochial attitude and give more authority to the federal government.

Mr. Miller: Mr. Chairman, is it not up to the central government to initiate this?

The Chairman: That is correct.

Mr. Miller: Last summer we had a dispute with the Ontario government and they simply threw up their hands and said: "Go to Ottawa. We do not want to have anything to do with it."

The Chairman: What I am trying to say is a start has to be made some place.

Mr. Miller: Yes, that is what I mean.

The Chairman: Everytime you initiate anything with the Federal Government do you not—education is a perfect example and agriculture can be another perfect example. Mr. Powers has pointed this out with the national dairy policy that you are trying to initiate.

I am not just referring to legislation that has to do with dairy policy. Loan associations could be interested along these lines. As you know, you can borrow money in Quebec at a lower interest rate than you can in Ontario. You both may be competing for some type of market in Montreal or Toronto. What I am trying to say is that your producers are just not on an equal basis, and because of great differences between provincial legislation they will not be on an equal basis until more of this power is turned over to the federal government. Is your organization prepared to give this some thought? Have you discussed it with your own organizations? Are you prepared to recommend to your province that they relinquish their authority in this connection to the federal government?

(Translation)

Mr. Sorel: Our Quebec Agricultural Marketing Act vests powers in the Marketing Board to act under joint plans which it can transfer to producers' groups. The power to act with other provinces, and even at the national level, already exists in our Quebec Agricultural Marketing Act.

(English)

Mr. Honey: Mr. Chairman, if I may comment, it is only my great modesty that prevented me from raising the matter of the school milk program which my colleague, Mr. Clermont, did raise. I want to thank him for doing so.

The Chairman: If I may interject, we recognize the modesty.

Mr. Honey: Mr. Sorel, you already indicated that the UCC is on record in this connection. Is this the case too with the Federation and the Union?

Mr. Sorel: Yes.

Mr. Honey: I think that I would be reasonably accurate in saying that such a program is generally supported by the members of the House of Commons, and I am now speaking of all parties. Could I ask then if you would support us? This is part of the government's policy and I think there is some responsibility on us to push the Government on this point. Could I ask you to bring out your resolutions, dust them off, bring them up to date, and have the farm organizations push a bit? I think this would be helpful to us.

Mr. Munro: Mr. Chairman, I think we could very well take this under advisement. I believe that you will get the support.

Mr. Honey: Thank you very much.

The Chairman: One of the things mentioned here was information in the press. When Mr. Munro made his initial short statement he pointed out how long it took to get the bankruptcy legislation amended to protect primary producers. I might add the publicity that was given to that was directed mainly to vegetable and fruit crops, but it also covers dairy products too because of the amendment brought in by Mr. Clermont.

Mr. Clermont: The amount was increased from \$5,000 to \$7,500 and the period was increased from 3 months to 6 months. The bankers did not like it at all.

The Chairman: No, the bankers were not happy. In the paper, mainly backed by the Ontario Federation of Agriculture, the only item your paper had in it was to the effect that due to the amendment to the Bankruptcy Act some processors may have difficulty in finding money this year because of the amendment that a certain Member of Parliament brought in through a Private Member's bill that has become law. That was all that your paper had about it.

Mr. Munro: Mr. Chairman, I cannot challenge you on this point, and if this is so we certainly will look into it. I have heard it so often said in farm circles: "Your own personal interest in here was greatly appreciated." So we will correct this inefficiency.

The Chairman: I am not looking for personal credit; the Government should get it.

Mr. Peters intimated that he wanted to make a statement.

Mr. Peters: Mr. Chairman, I have been a member of this Committee for a long time and I generally consider Parliamentary Committees to be rather time consuming and very non-productive. However, I was very surprised at what new members, particularly those from Quebec have said. Mr. Côté said that he had been working in the UCC for a long time for certain things and when he became a member of Parliament he found there was a great conflict.

I was never impressed with the task force that was going to be involved with this but I am wondering if the farm organizations are willing to press the point. Certainly I think the Committee will give some consideration to closer co-operation between the farm organizations and the Standing Committee on Agriculture in respect of certain things that a task force might do. It is a fact in our system, and this has been mentioned before, that Members of Parliament do exercise some of their responsibility in committee and these committees do not really have any effect unless they go much further than they have gone in the past. This Committee, when looking into agricultural problems last year, when the Wheat Board was here, did go much further than it had ever gone before. This might be to our advantage because I, like Mr. Côté, am concerned and well aware of the fact that we, as Members of Parliament, really have no say in the operation of government or governmental policies. We have absolutely no say until it becomes a legislative problem on the floor of the House, at which time it is a *fait accompli*.

I was just wondering if the farm organizations would bear this in mind and apply more pressure on the committee. It seems to me that because the committee is much more responsive, and is in a responsive position, this may have some effect on the changes that we want to make in Parliament.

I believe Mr. Howard is in somewhat the same position. He is on an advisory board representing farm organizations, and when they faced problems in respect of the national dairy policy, for instance, it had already been established. Then the question is asked: "Why is it not working?" I think farm organizations should apply more pressure to us, as a committee, and provide us with more informa-

tion. I am thinking specifically of one thing. My family has been connected for many, many years with the dairy industry and my father represented the Ontario fluid milk producers for some time as president of various offices and it has always been my opinion that the pooling of milk was an absolute necessity, even in Ontario, before we ever accomplished anything. If we are going to do it on a national basis, the pooling and upgrading of milk is going to have to take place and all facilities are going to have to be upgraded. And yet, when the Minister answered my question on this in the House he said it would take at least up to 8 years before this is considered. I hear the farm representatives saying: "Well, yes, this is a good idea, but it is going to happen sometime in the past."

This really is not going to help the Committee in pressing the government to speed up that 8 year period. Mr. Chairman, I just make the suggestion that the Committee may be useful to you. The federal members may find they have a role to play if you provide us with the information. Otherwise, when we discuss estimates we are only discussing something that is already a fact and that we cannot change; we can only either approve or reject. Operating under majority government, we have always approved and never rejected. I cannot remember since I have been here ever having rejected a departmental estimate or, in fact, cutting it down to any great extent. Therefore, this may be borne in mind. Certainly if some of the younger members, members who have just come to the House, have learned that we, as members of Parliament, do not play any role in the development of legislation, that is a good thing; they have learned something. If your farm representatives find that you may have been putting the emphasis in the wrong place, you may have learned something too, because it seems to me that in meeting with us, you are wasting your time unless you are going to put us in a position where we can make firm recommendations to the government as to what it should do; otherwise we are not going to be in a position to influence the legislation.

I have been a member of this Committee for 10 years and I have found that as a result of the investigation we had with the Canadian Wheat Board, the recommendations made by this Committee were much more substantial than any ever made before. Some of us are going to be watching to see what the government does with the recommendations. If the farm organizations who have presented

them agree with the recommendations we made, they should also be endorsing them. I agree with the Chairman that the farm papers—I am not speaking of the general press, but of the trade papers—of the various organizations quite often are not using the facilities that they have to the advantage that I think they should be used. Mr. Honey's bill is a very specific example, because I can remember years ago in school the farmers' union talking about milk and yet I really have not seen any concentrated effort to see that this comes about; therefore I make this appeal. I was very much impressed with Mr. Côté, because, as a new member he expresses the fact that he is not able to do the things that he thought he was going to do and his responsibility, to some extent, has changed since he was elected a Member of Parliament.

(Translation)

Mr. Côté (Nicolet-Yamaska): Excuse me, Mr. Chairman.

• (12.54 p.m.)

(English)

Mr. Peters: I just make the point that this is a good thing. He also made another very important statement, that he was neither red nor blue in regard to some specific things, and I think that this is true of members of the Committee. If a proposal is a good proposal and one which can be put into effect, it is a proposal the Committee can agree that the Government should adopt. I do not think party politics are going to make any difference in it. The Committee may make a recommendation that is not truly in a political sphere. The farm organizations may find, if they can put the pressure on this Committee and supply them with specific information, that we co-operatively may be able to change the role of the individual member and the role of this Committee and perhaps our relationship with the government, as individual citizens, will be a lot stronger.

Mr. Asselin (Richmond-Wolfe): That was a very good speech, Mr. Chairman, but I just want to point out that that is only one member's view, because when he is referring to members having no influence, he actually contradicts his own statement by saying that the Committee makes recommendations to the government. I have personally, and I know many other members here who have, negotiated and who have persuaded the government to do something this way instead of that way.

Mr. Choquette: He meant Opposition members.

Mr. Asselin (Richmond-Wolfe): I just wanted to say that this is only one member's viewpoint.

Mr. Peters: Just to correct the situation—

(Translation)

Mr. Choquette: I will try to correct the impression given to you by this member. When you, the members of the U.C.C., decided to meet us in each of our counties, you can be sure that we brought very great pressure to bear on the Government and that the Minister of Finance has necessarily modified his policy, which would not have happened without the constant and insistent pressure of all the members, who abstained from partisanship. It is therefore unjust to say that the members do not exercise a definite influence at certain times.

(English)

Mr. Peters: Mr. Chairman, on a point of order, let me not be misunderstood. I did not say that individual members do not have any influence on government. I think that results do happen. What I am suggesting is that the problems—

(Translation)

Mr. Gauthier: They do not know what is happening, they really do not know. They are not acquainted with the policy of Parliament.

(English)

Mr. Peters:—which the farmers are bringing to Parliament may be better served collectively in the Committee, because there is a willingness on the part of members to change the role of Committees which has not been the case before, and I think that any member who disagrees with this—

The Chairman: Order, please.

Mr. Peters: I do not think this is only one member's opinion.

Mr. Choquette: Make it short. Is it possible to move—

The Chairman: Wait a moment. We could argue this point of the role that private members can play for several hours if we wanted to. I think we are all in agreement with most of what Mr. Peters said, but he does contradict his statement a little when he says that we do not have any power and then he wants recommendations so that we can act

on the recommendations. But I think that we all recognize that by joint effort in the Committee we can be productive.

We the Members of Parliament are an intelligent group of people and we are ready to listen to intelligent and reasonable suggestions. We are ready to study them, ready to work them out to the best advantage to the public. The federal government is a monster and its wheels grind slowly, but if no one is there to make them turn, they will not grind anything. I think that is what Mr. Peters was trying to say. We can be productive.

Before concluding, I would like to say that this is the last meeting that we will be holding before we adjourn for the summer recess and our estimates on agriculture will be up before the Committee again in the fall by agreement of all parties in the House. While we are discussing the estimates, I would ask you people to get copies of these and study them yourselves. If you have any suggestions, submit them to us sometime in September, because we hope to be back here about that time. If the Committee see fit, they could have you back before them to question you on your suggestions on these estimates at that time.

I think this has been a worthwhile meeting; a meeting where we have been able to get to know one another better. I would like to thank you very much for your attendance. It has been a long meeting, one of the longest we have ever had. Mr. Powers would like to say something.

Mr. Powers: I will be very brief.

(Translation)

The Chairman: On a point of order?

Mr. Côté (Nicolet-Yamaska): On a point of order, Mr. Chairman. As the discussions of the Committee on Agriculture are recorded and as my words may have been misinterpreted, I would not want them to remain misin-

terpreted. I did not want to say that I could not play a certain role in Parliament or that I was disappointed in the role I could play there. As to the problems which I thought easy to solve, they were not really so, and by solving them, we created other problems. That is what I meant.

(English)

The Chairman: Fine. Mr. Powers, you may proceed.

Mr. Powers: Mr. Chairman and gentlemen, I would like to thank you people for meeting with us this morning. I think the meeting has been useful. However, every one of these meetings that I attend I leave with a bit of frustration. We are all busy people and I think we try to cram a lot of things into one meeting or into a short period of time. Following along with what Mr. Peters has said about keeping the agricultural Committee well informed, I can support that we do on our points of view. I think that in the future, time permitting, as well as having meetings where we cover the general sphere, if you people wanted some of us, as farm representatives, to come before you to discuss specific subjects, we would be happy to do so. Supposing you were dealing with the dairy commission, or with dairying or with specific things, then you can get right down and deal with them. When I say I feel frustrated, it is because we go over the whole gamut and yet we do not deal with anything in depth. We have dealt with eggs, vegetables and the dairy industry and yet no doubt—at least from my point of view—there are a lot of things on either one or the other pertinent points that perhaps we should have discussed and we just did not have the time to do so. However, the meeting has been very useful and I would like to thank you on behalf of the farm organizations in Ontario and Quebec. I think I can say on their behalf that we are at your service any time we can be of any use to you.

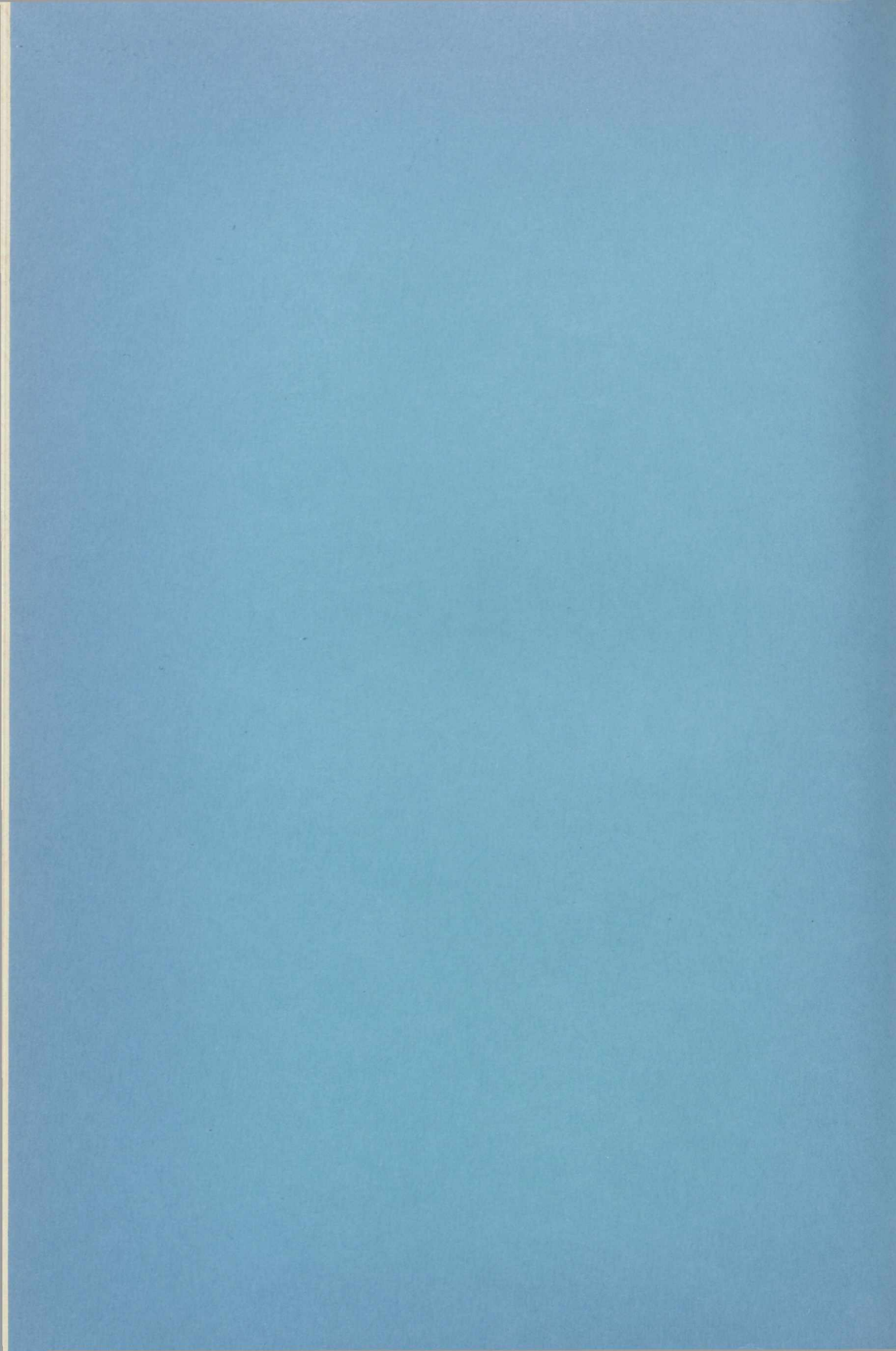
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The Clerk of the House.



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Standing Committee on Agriculture, Forestry
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27th Parl. 2d Session 1967

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