

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session — Seventeenth Legislature
47th Day

Friday, March 30, 1973.

The Assembly met at 2:30 o'clock p.m.
On the Orders of the Day.

WELCOME TO STUDENTS

Mr. Boldt: — (Rosthern) Mr. Speaker, I should like to introduce a group of students from the Rosthern Junior College. They are here under the direction of their teachers, Mr. Thiessen and Mr. Dueck. The Rosthern Junior College also admits other students than Mennonites and I am pleased to see that there are students here today that come from Hong Kong. We also welcome them in a special way. I am sure all Members will wish this group a pleasant stay in Regina.

Hon. Members: — Hear, hear!

WELCOME TO GIRL GUIDES

Mr. W. E. Smishek: — (Regina North East) Mr. Speaker, I should like to introduce to you and to Members of this Legislature a group of Girl Guides from Company 16 at the Haultain School. They are seated in the Speaker's Gallery and are accompanied by their Company Captain, Mrs. Niethercote and Lieutenant, Mrs. Mills. They have toured the Legislative Building prior to coming to the Chamber. I understand they spent about an hour with the Guides that took them through the buildings. I will be meeting with them later on in the day. I should like to extend to the Girl Guides and to the ladies that are accompanying them a warm welcome to the Legislature and express the hope that their stay with us will be a pleasant experience and a memorable occasion.

Hon. Members: — Hear, hear!

QUESTIONS

Report of Saskatchewan Economic Development Corporation

Mr. Grant: — (Regina Whitmore Park) Mr. Speaker, before the Orders of the Day, in the absence of the Minister of Industry and Commerce, in the absence of the Premier and the absence of the Attorney General, I should like to direct a question to the Hon. Minister of Health (Mr. Smishek) and I may be directing it to the wrong person and if so, surely, there is somebody over there who can answer it. Up to the present time we haven't received the annual report of the Saskatchewan Economic Development Corporation and it possibly is going to be tabled today but if it is not, I wonder if the Minister could tell us when it is going to be tabled. It is holding up the work of the Crown Corporations Committee and I believe today is the last official legal day that is available for the tabling of that report.

Mr. Smishek: — Mr. Speaker, I am sorry that I can't answer that question. I am going to investigate the matter and let the Hon. Member have the answer as quickly as I possibly can.

Elevators in Building Not Operating Properly

Mr. A. R. Guy: — (Athabasca) Mr. Speaker, before the Orders of the Day, I should like to direct a question to the Minister of Government Services (Mr. Brockelbank). I should like to know what steps he is going to take to ensure that the elevators in this building are operating in a safe and efficient manner. I understand the other day there was a woman trapped in one for one and a half hours. I was trapped in one for ten minutes today. I know you'll be glad to hear that.

Some Hon. Members: — Hear, hear!

Mr. Guy: — I don't know whether it was a plot or not but it did happen. We went from floor number one to floor number two and the door wouldn't open. We went up to number three and it still wouldn't open and it stopped several times in the interim of going from floor to floor. It is not a laughing matter, it is very serious. It doesn't bother me particularly but I know that some people have a fear of enclosed places. I think the Minister should look into it immediately.

Hon. J. E. Brockelbank: — (Minister of Government Services) Mr. Speaker, I want to inform the Members that the system misfired on the first trap and worked on the second one.

I wasn't aware that the elevators weren't working properly. I haven't been informed of that by the staff, however, I will look into it. If the Member will indicate which elevator it was . . .

Mr. Guy: — The one right in from of your office door.

Mr. Brockelbank: — Thank you. I never use the elevator, I walk.

ANNOUNCEMENT

New Agreement on Crop Insurance

Hon. J. R. Messer: — (Minister of Agriculture) Mr. Speaker, before the Orders of the Day, it is a pleasure for me to announce a new arrangement between the Province of Saskatchewan and the Federal Government in regard to crop insurance for Saskatchewan farmers. With this new arrangement we will be able to provide crop insurance to farmers in Saskatchewan for a third reduction in premium from what has been the cost in the past.

Some Hon. Members: — Hear, hear!

Mr. Messer: — It will mean, in fact, a 50 per cent subsidy of

premium to farmers who are purchasing or undertaking a crop insurance contract in the Province of Saskatchewan. It will mean that the Province of Saskatchewan will underwrite totally all of the administration costs for the crop insurance program. I think this is evidence of a further step in improving and providing better crop insurance for Saskatchewan farmers. We are hopeful that this will encourage more farmers to take advantage of what we now consider to be the best crop insurance program in Canada.

Mr. T. M. Weatherald: — (Cannington) Mr. Speaker, we are pleased to hear that there has been an increase in the subsidy for crop insurance as far as premiums are concerned. As a member of the committee that looked into crop insurance last year, this was one of the fundamental things which, I believe, all members were in agreement on. In order that crop insurance be taken by more farmers the premium would have to be lowered. We are pleased that the Federal Government has seen fit to put forward some more money in co-operation with the Province so that the rate is lowered. We believe now that it will be much more attractive to many more farmers.

QUESTIONS

Increase in Price of Meats

Mr. K. R. MacLeod: — (Regina Albert Park) Mr. Speaker, before the Orders of the Day, I should like to direct a question to the Hon. Minister of Consumer Affairs (Mr. Tchorzewski). I drew his attention the other day to an increase in the price of meats. I observed that within about a month wieners went up 10 per cent, in a little over a month ground beef went up 11 per cent and in just less than a month bologna went up 15 per cent. All of these are just examples of drastic increases in the price of meat. I notice that President Nixon has just recently put a curb on meat prices in the USA. The Hon. Minister informed me the other day that the Provincial Government has a committee to deal with these things. Other provinces have done it and I wondered, Mr. Speaker . . .

Mr. Speaker: — Will the Hon. Member ask his question because we can't have a speech leading up to a question?

Mr. MacLeod: — Well, Mr. Speaker interrupted me just at the point of the question. The question, Mr. Speaker, is this, is the reason the Province of Saskatchewan is dragging its heels on this matter due to the fact that if they have to point the finger at anybody it's probably at the company that they bought into, namely, Intercontinental Packers and they are reluctant to do that?

Hon. E. L. Tchorzewski: — (Minister of Consumer Affairs) Mr. Speaker, in reply to that speech followed by the short question, I should probably suggest to the Member that he should direct his question on these kinds of matters to his colleague, the Prime Minister of Canada where it would be more effective. With the cost of living that we see increasing so rapidly today, action has to be taken basically on a national basis. The Member

referred to the action that has been taken in the United States and I know that the Federal Government of Canada should be looking at that as well. I am very pleased as well as my colleagues are that the Government of Canada has established a commission which has been sitting, a parliamentary commission, and we hope that commission will have some firm recommendations which will then be followed by the Federal Government. The Members of Parliament for the New Democratic Party in Ottawa have done a tremendous job in presenting on behalf of the people of Canada and the Members of Parliament for the New Democratic Party of Saskatchewan have done a tremendous job on presenting on behalf of the people of Saskatchewan their views to this commission. I only hope that when the commission makes its final report it will pay attention to those recommendations.

Some Hon. Members: — Hear, hear!

Mr. MacLeod: — Mr. Speaker, a supplementary question. Is the Minister telling us that the Province of Saskatchewan assumes no responsibility and has no concern at all for meat prices at all and intends to do nothing at all?

Mr. Tchorzewski: — Mr. Speaker, that is not the case at all. I think the Province of Saskatchewan is being very well represented in the Parliament of Canada by the Members of the New Democratic Party. I think the Member should be reminded of the fact that it was the Liberal Party when it was the Government of Saskatchewan in 1966 that joined with Alberta and Manitoba in establishing a commission, the Batten Commission, to look into Consumer Affairs. That commission at that time recommended, and I quote from the report:

That each of the Governments of Saskatchewan, Manitoba and Alberta establish a consumer section to safeguard, inquire into and advance the consumer interest in all spheres.

That Government, Mr. Speaker, took no action on that at all. Our Government, last year, did.

Some Hon. Members: — Hear, hear!

ADJOURNED DEBATES

MOTIONS FOR RETURN

Return No. 157

The Assembly resumed the adjourned debate on the proposed motion by Mr. J. G. Lane (Lumsden) for Return No. 157 showing:

In accepting bids for goods purchased through the Purchasing Agency, whether the Government allowed any preference to Saskatchewan manufacturers of goods so purchased; (a) If so, the preference; (b) If so, the total cost of the preference in 1972; (c) If so, the number of contracts awarded in 1972 by the Purchasing Agency in which provincial preference was the deciding factor in the award. Also, to whom were such contracts awarded, the amount of such contract and the types of goods requested.

And the proposed amendment thereto by the Hon. Mr. Brockelbank:

That all the words after the word "Agency" in the second line be deleted and the following substituted therefor:

(a) Whether the Government followed a general policy of allowing preference to Saskatchewan manufacturers of goods so purchased; (b) Whether there are any exceptions to this general policy; (c) If so, the general types of products that exceptions are made; (d) The reason the exceptions are made; (d) Whether these exceptions created any additional costs to the Government for the purchase of the products.

Amendment agreed to.

Mr. Lane: — (Lumsden) A final comment, Mr. Speaker, on the matter. We have been attempting to find out exactly what the Government of Saskatchewan has done for local industry, local business, local suppliers. Unfortunately, the amendment that was just voted on by this House does not give the facts to the people of Saskatchewan of how much money the Government of Saskatchewan is putting into its own purchases in order to support local manufacturers. We think it is unfortunate, we think it is another example of the Government opposite with an awful lot of talk and no action. I can go far beyond this particular amendment to indicate that the Government is all talk and no action. When we talk about representations on rail line abandonment we find out that the Government opposite hasn't talked to any Cabinet Ministers that they are prepared to admit. They stirred up an issue, talked about it and did nothing.

We have heard a great deal of talk about what the Government of Saskatchewan is going to do about industries and establishing industries or strengthening industries to service the so-called Prairie Basin, a term which sometime will have to be defined by the Government opposite. But what happens when we ask a question, what has the Government done to support local industry? What preference has it given? What amounts is it spending? What are the particular goods purchased? What aspects can we look at and what answers can we get? We find out that we get a general answer. It is a very simple question. We have asked how much are you putting out to local industry, local business. Unfortunately, you have seen fit to deny us the information. We must vote against the motion as amended.

Motion as amended agreed to on division.

ADJOURNED DEBATES

RESOLUTIONS

Resolution No. 4 — Co-operation between Saskatchewan Land Bank Commission and Federal Small Farms Development Program

The Assembly resumed the adjourned debate on the proposed motion by Mr. M. Feduniak (Turtleford):

That this Assembly press for a co-operative arrangement between the Saskatchewan Land Bank Commission and the Federal Small Farms Development Program in order to make the full benefits of both programs available to

Saskatchewan farmers and urges the Federal Government to respond immediately to Saskatchewan's request to establish such a co-operative arrangement.

Motion agreed to on the following recorded division.

YEAS — 35

Messieurs

Dyck	Brockelbank	Richards
Meakes	MacMurchy	Faris
Wood	Pepper	Cody
Smishek	Michayluk	Feduniak
Romanow	Whelan	Mostoway
Messer	Carlson	Comer
Snyder	Engel	Rolfes
Kramer	Owens	Lange
Thibault	Robbins	Oliver
Larson	Tchorzewski	Feschuk
Kowalchuk	Taylor	Flasch
Baker	Matsalla	

NAYS — 11

Messieurs

Coupland	Boldt	McPherson
Loken	MacDonald (Milestone)	Lane
Guy	Wiebe	Grant
McIsaac	Gardner	

Resolution No. 5 — National Feed Grains Program

The Assembly resumed the adjourned debate on the proposed motion by Mr. I. W. Carlson (Yorkton):

That this Assembly recommends that the Government of Saskatchewan initiate negotiations with the Federal Government directed at establishing a national feed grains program which will:

1. Provide a guaranteed price for feed grains through a Grains Income Stabilization program, such price to take into account production costs.
2. Establish a Feed Grains Reserve Bank which will guarantee delivery opportunities to feed grain producers and which will guarantee a supply of feed grains to livestock producers at all times.
3. Establish equitable price relationships for feed grains throughout Canada.

And the proposed amendment thereto by Mr. Weatherald:

That all the words after the word "recommends" be deleted and the following substituted therefor:

"the Canadian Wheat Board (a) establish initial guaranteed prices for feed grains which will ensure adequate supplies are produced for both domestic and export markets; (b) establish selling prices that will ensure a fair net return for the producer."

Mr. L. Larson: — (Pelly) Mr. Speaker, the other day when I adjourned the debate, the Member from Cannington (Mr. Weatherald) had just moved an amendment to what I thought was a very complete and adequate resolution. In his comments pertaining to the amendment he made

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some remarks that I thought were rather irrelevant. He talked about adequate supplies, most efficient regions of Canada, equitable price range, and the concerns of the extremely complex problem with regard to feed grain, and that it wouldn't be solved and that there should be more discussions and so on.

After having looked at the amendment to the resolution I still feel that it is irrelevant and that it detracts from the main intent of the motion.

I, therefore, want to make some very general and rather important remarks this afternoon with regard to the feed grain situation and why I feel the resolution is an important one. I want first of all to draw attention to the geographic location as well as the production potential of Saskatchewan as a major feed producing area. Up to the present time farmers have had to bear the major share of the boom and bust feed grain business. Manitoba and Alberta sell commercially a much lower percentage of total feed grain production because of relatively higher livestock numbers than Saskatchewan. With restricted quotas over several years the greatest part of surplus stocks on farms have been in Saskatchewan. Even with improved conditions we shall still be holding the largest surplus long after Manitoba and Alberta have regained balanced positions. Grain delivery quotas are based on cultivated acreage and are the same for high and low producing land. A producer who feeds half of his crop to his own livestock gets the same quota as a straight grain farmer with the same acreage. For many years or up until 1970 producers were able to live with this situation as flax and rape seed quotas often reached open quota levels every few years and all grains were at a high level of quotas.

This chaotic and uncertain situation has a very disastrous effect on Saskatchewan farmers. Surpluses tended to build up in the hog producing areas. Present regulations denied these farmers a legal outlet for a good part of their production. The only alternative was to peddle his grain wherever possible and at whatever prices the farmer could get. This has resulted in the chaotic situation we have seen in the past, lower prices, as low as one cent a pound, long distance hauls, limited or no markets, pile up of grain on farms, cost of building bins very high, buying up of grain by speculators to hold for better prices, resulting in the general demoralization of the whole feed industry as we know it in Saskatchewan. All of this wasteful internal movement of grain did not increase the total movement to export or reduce the amount of surpluses. Apart from the grain which was resold to the Wheat Board, the quantity of low priced grain bought by Saskatchewan feeders was small compared to the amount handled by the Canadian Wheat Board. It is obvious that any policy which fails to provide outlets for all grains produced within a year or two after production will create an intolerable situation for a relatively small number of farmers most of them in Saskatchewan. These farmers would also unduly bear the cost of a policy which achieved slightly higher prices for all farmers but which fell even a small amount short of clearing all the supplies off the farms. This chaotic situation of the feed grain industry has been recognized by farm organizations.

The Western Agricultural Conference along with the Canadian Federation of Agriculture had this to say in 1971. I quote:

An effective grains policy for the Prairie Provinces

requires a producer-government working relationship, a sharing of responsibility. Grain producers cannot be expected to be content to live solely from revenues of a market place in a world of grain trading nations where grain farmers in most other countries receive some form of direct government assistance.

The National Farmers' Union in its 1972 policy statement had this to say:

The failure to restore to orderly marketing of feed grains in the Canadian Wheat Board areas has widely depressed farm to feed or feed mill grain prices. It is sweet to the buyer but a disaster to the seller whose economic circumstances force the devalued conversion of his grain to cash or debt payments. High volume grain production that forces the farmer into livestock production in competition with livestock producers who produce little or no grain for the market is again sweet to the industrial processor but poses a potential price disaster to livestock producers. Grain producers in the central provinces suffer the competitive disadvantage of tariff structures which adversely expose them to US imports of corn and soy bean but prevent similar access for Canadian feed grains in the US markets. This is an advantageous policy to industrial concerns but an unfair policy for the farmers.

This is only a partial summary of what the Farmers' Union had to say in its 1972 convention.

This brings us to the present situation which can only be described as rare and unusual. The 1972 world grain situation can best be described as unstable and uncertain which contributes to the uneasiness about the short-run with rising world grain prices, the highest in 50 years. Adverse weather conditions in the Northern Hemisphere, particularly Eastern Europe and Asia, brought about short crops in some of the countries located in this region of the world. This situation, coupled with rising uses for grain in the developing countries, has contributed at least in the short-run to a short grain supply crisis with its attendant instability.

In Canada the focus is on the contradictions inherent in our national policy. What are some of these contradictions, Mr. Speaker? Rapidly rising grain prices yet flour millers still securing their supplies of milling wheat at \$1.95½ ICW per bushel. The growing concern about the stability of livestock production because of rising costs of feed grains and the ensuing margins that prevail. In beef feeding, strong feeder cattle prices with predictable narrow margins even to negative margins on fed cattle. Concerns for possible short supplies of grain to meet export opportunities; concerns for adequate inventories of grain available for domestic feeding; concern for rapidly rising costs of production related to increased cash flow in the grain community as agri-business widens its operating margins to take advantage of a profit opportunity. Farmers facing bankruptcy because of adverse income years and the lowest final payments in a decade. Contradictions in overall economic policy as the country is torn between maximizing its earnings of foreign currency through sales of grain and suspending export sales to meet domestic requirements. Its urge to maintain stable livestock, dairy and poultry production and a stable economy free

from price distortions. The conflict between the grain growers' opportunity and the livestock, dairy and poultry producers'. But this year, Mr. Speaker, the reverse of pre-1972 years when grain growers were, in fact, subsidizing feeders by providing feed at below production cost. In 1972 the feeder, in all probability, will suffer operating losses thereby subsidizing the consumer, particularly in the beef industry.

There is much more that could be said in identification of this chaotic situation. What has to be borne in mind is the fact that even with today's demands on grain farmers, they have no assurance, with return to normal conditions abroad, that the same problems will not recur. When recurrence does take place, farmers will not be content with such negative and inhumane programs as LIFT or the Task Force Report or even the stabilization proposal. I noted with some interest, Mr. Speaker, the comments of the member from Cannington (Mr. Weatherald). His remarks indicated his great confusion. On the one hand he spoke for the principle of the resolution while on the other hand he wasn't sure he favored control of all sales by the Canadian Wheat Board. I want to say to him that you can't have it both ways. If there is to be stability and orderly marketing that is shared by all Canadians the Canadian Wheat Board must be the sole marketing agency. If the chaotic situation of the past few years is what the Member from Cannington wants then do nothing and you will have it.

The principle of this resolution is a good one. The principles and the possibilities it poses is what is needed in this very important aspect of farming.

In conclusion, Mr. Speaker, I suggest that any program or policy that does not embrace the following factors will not be sufficient for the good of the industry:

1. All producers of feed grain should receive the same price for their product allowing for transportation and normal costs.
2. Provision for permanent maintenance of stock levels subject to review to meet (a) domestic needs, (b) growing needs of developing countries, and (c) growing needs of commercial countries.
3. These stocks to be used as a hedge against future crop failures or catastrophes.
4. The program should avoid as far as possible regulations which rely on the honor system or else require difficult or extensive policing.
5. Subsidies such as feed grain assistance, if any, may be used only to reduce disadvantages in terms of returns above feed costs in various regions but never to create an absolute advantage where none could exist without the subsidy.
6. All producers of feed grain should have reasonably equal opportunities to market their grain within a reasonable period of time.
7. All domestic users of feed grain should have access to prairie feed grains at the same price adjusted for transportation, handling, etc.

The Canadian Wheat Board is and should be the logical agency to implement such a program.

It should be noted that this kind of a program will be completely dependent on agreement by the Federal Government to accept the principle and to bear the cost of using feed grain and initial Wheat Board prices as an instrument policy. These are minimum requirements, Mr. Speaker, they are all possible and necessary. I call on all Members to support them in principle. Obviously, I will be supporting the main resolution.

Some Hon. Members: — Hear, hear!

Hon. J. R. Messer: — (Minister of Agriculture) Mr. Speaker, I think it is fair to say that we have had problems with feed grains and feed transportation for decades in the prairies and particularly in Saskatchewan. We have had piecemeal policies and endless talks but I think it is now time that we endeavor to establish a truly national feed grains policy.

The temporary war time measure of feed freight assistance which was first introduced in 1941 is still with us. Any suggestion of ending this assistance arouses almost as much emotion in Eastern Canada as does a change in the Crow's Nest rates in Western Canada. There is no doubt, Mr. Speaker, that feed freight assistance has over the years caused a tremendous shift in livestock production from Western Canada to Eastern Canada. There have been extended periods over the years when the difference in the price, for instance, of a market hog in Saskatoon compared with Toronto or Montreal was much greater than the difference in the cost of grain needed to feed that hog to market. This means that the eastern hog producer has a greater margin over feed costs than producers here in Saskatchewan because of mainly feed freight assistance. This is one thing we feel must be corrected in a national feed grains policy. The advantage given to some eastern livestock producers by feed freight assistance has changed to a considerable degree since about 1968 when the Wheat Board abandoned its long standing practice of offering barley to all takers at the same price basis Thunder Bay.

In recent years the Canadian Wheat Board has been pricing barley for use in Eastern Canada at prices as high as possible without causing large importation of United States' corn. Eastern Canadian users frequently paid considerably more than the overseas customers were being charged for said barley. Western feed mills at times got their supplies below even the lowest export cost prices. This situation, however, has caused marked protest from the eastern provinces. I can't say that I entirely blame them. However, there are many other inequities in the grain producing sector. Saskatchewan as the largest grain producer and the province with the highest grain and livestock ratio has suffered greater losses than any other province from past policies in regard to grain pricing, marketing, transportation and regulation through the quota system. Whenever, grain surpluses appear Saskatchewan farmers are the first to suffer. Long after Alberta and Manitoba have regained a balancing of those situations Saskatchewan farmers are forced to hold grain at their own expense or sell it at fire sale prices. We are at the moment in a much happier situation due to the spectacular rise in world grain prices. But we cannot afford to wait until we get another 1970 situation before doing something about the

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long term problem and coming forward with a long term solution.

When our grain farmers find themselves unable to market all their grain for three or four or five consecutive years, they turn to livestock to create an outlet for that grain. And it takes a lot of hogs to eat 100 million or so bushels of grain.

Our market system and our packing industry can adjust to a steady increase in livestock. But they cannot cope with an explosion in production such as we had in 1969 and again in 1970. The result was an \$18 a hundred weight price for dressed hogs in Saskatchewan.

I want to emphasize that these cycles of very low feed grain prices hurt the livestock producers just as much as they hurt the grain sector. Livestock producers in both Eastern and Western Canada want stable prices for feed grain, not necessarily prices below the cost of production, alternating with years of scarcity and high prices when producers turn to other crops for other reasons.

But stable adequate prices are meaningless, Mr. Speaker, unless the farmer can deliver his grain. I maintain, that Saskatchewan will continue to bear an unfair share of the cost of carrying grain surpluses until we get a guarantee that all western farmers will be able to deliver their grain within a reasonable period after production has taken place.

I also believe, Mr. Speaker, that it is in Saskatchewan's interest to support a feed grains policy which maintains the spread between feed grains east and west which makes sense in terms of transportation and handling costs and in terms of the cost of moving dressed livestock from the West into the major eastern markets.

Quebec fears such a spread. They fear that the spread may be too great. But we in the West must not forget that the realities of Federal policies in Canada today could result in a system of subsidies and pricing of feed grains which could seriously cripple our western livestock industry. We are most concerned about that in the Province of Saskatchewan.

My department, the Department of Agriculture, has done a good deal of work on the problems of the whole grain sector and its relationship to the livestock industry here and in Eastern Canada. I am convinced that no solution will be effective which attempts to deal with feed grains in isolation from other cereal and oil seed crops. If the returns from the various crops are not kept reasonably in line, farmers will shift production widely from year to year. We have evidence of that happening on all too many occasions in the past. Therefore, it is impractical to talk about high price supports or returns guaranteed to cover cost of production in feed grains while leaving other crops to follow world markets.

The farmer deserves a fair price for all of his crops, not just one or two of them. And that is why my Government continues to press for a comprehensive grains income stabilization policy. A grains income stabilization policy which will ensure that kind of drop in grain income that hit Saskatchewan in 1969 and 1970 will never occur again.

Within that framework there are strong arguments in favor

of allowing domestic feed grain prices to respond rather quickly to changes in world markets rather than to try to guess a year or more in advance what feed grain prices could or should be. If we get caught in a situation of having a set price for feed grain which turned out to be much higher than prices in the United States or overseas, our livestock industries would be put in a squeeze. Enforcement of prices in that situation would be most difficult if, in fact, possible. And there might be serious disruption of livestock production in some areas and among certain types of production units.

It might be better to let western feed grain prices remain free to find their own level, protected, of course, by a respectable initial price and use that floating system or that floating price as a basis for the price to be charged in Eastern Canada. In that way, Mr. Speaker, prices both East and West would reflect the farmers' expectations of return from export sales. And the competitive position of our livestock producers would not be in danger.

I support the principle of a reserve of feed grain to ensure adequate supplies for the Canadian livestock industry. Such reserve would help to stabilize stock production. And if it resulted in a greater volume of production as well, the whole national economy would, in fact, benefit. Therefore, Mr. Speaker, the cost of such a reserve should be borne by the Federal Government. My Government will not support any policy which could result in Saskatchewan grain farmers being forced once again to hold large stocks of grain for the benefit of others.

Mr. Speaker, we, over the past six or seven months drafted a national feed grains policy. I had the opportunity some ten days ago to present that policy to the Hon. Otto Lang, Minister in charge of the Canadian Wheat Board and to the Hon. Eugene Whelan, Minister of Agriculture in Ottawa.

We presented that policy which is a comprehensive one and in some aspects and some regards a complicated one, but still one which we think is the simplest to incorporate not only in relation to the Province of Saskatchewan but in relation to all provinces in Canada. Before presenting it we discussed our proposal with a number of other farm organizations, not only organizations limited to the perimeters or the boundaries of Saskatchewan but to national farm organizations, The Saskatchewan Federation of Agriculture, the Canadian Federation of Agriculture, Saskatchewan Wheat pool. I think it ultimately went from the Saskatchewan Wheat Pool to the Alberta Wheat Pool and the Manitoba Wheat Pool. We discussed it with the National Farmers' Union, gave a general condensation of the proposal to various livestock organizations within the Province of Saskatchewan. In some instances, I think the policy in the condensed form was sent to other provinces in Canada for their consideration.

Generally speaking, Mr. Speaker, I am pleased to say that all of these organizations, all of these parties to which we gave this national feed grains proposal, agreed with it. I think, to be fair, I have to say that there were some aspects of the feed grains proposal that we had which they did not agree with but when they related it to the total feed grains problem, the total livestock production problem in Canada, they were willing to overlook some criticism in some areas in which they would not give us total agreement to in order to endorse, I think, the only national policy which they thought would be

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acceptable to all.

I am happy to say that in my discussions with Ministers of the Federal Government and administrators and officials of the Federal Government that the reaction to our proposal was warm. I don't want to attempt to mislead any Members of this Legislature or anyone in Saskatchewan that the proposal will necessarily be accepted. We know that the Federal Government and in particular the Minister in charge of the Canadian Wheat Board and the Minister of Agriculture have said that they would be making announcements either this spring or early summer in regard to a feed grains proposal. It was for this reason that we wanted to discuss our proposal with them at an early date. And I don't want to mislead Members or people in Saskatchewan into thinking that our proposal will, in fact, be accepted or what portions of it may be accepted. I am optimistic that because of the comprehensive nature of the proposal we have and the fact that we have had some dialogue and some discussion with farm organizations which are most concerned about a solution to this policy and that they have said in a general sense there was a lot of merit in the Federal Government going along with the provinces incorporating or agreeing to such an agreement that a lot of these recommendations if not, in fact, the general objective of that recommendation of that policy will be accepted.

Mr. Speaker, it is with these remarks in regard to a most important subject today that I ask all Members of this Assembly to support this resolution.

Some Hon. Members: — Hear, hear!

Mr. J. C. McIsaac: — (Wilkie) Mr. Speaker, a few very brief comments on a very comprehensive and complex question.

I was interested in the remarks of the Member for Pelly (Mr. Larson). One of his stipulations as to a fair and equitable proposal insofar as the marketing of feed grains was concerned was that all producers of feed grains should receive the same price. On the surface that sounds difficult to disagree with, Mr. Speaker. I just ask him how practical is it to implement that proposal in the strictest sense and I am sure that is the way he meant it as I listened to him.

The Member knows full well, I am sure, of the problems in the feed grain industry when we look not only at Saskatchewan but when we look across the nation. I think we have to remember that we in Saskatchewan are perhaps the major producer of feed grains in Canada. We have a livestock industry that has been developing and with its ups and downs there is no question we have a livestock industry that has a tremendous future. While we have an obligation to other Canadians and other Canadian provinces and on-going livestock industries there, I think we need, first of all, to keep in mind the protection and development of our own industry.

I don't think that we need necessarily the Government of Saskatchewan being the sole negotiating agent with Ottawa on behalf of Saskatchewan farmers. And that, as I read the resolution, is what the motion proposes. We have many farm groups. I was glad to hear the Minister say that the proposal the Government has developed is one that he has put out to various farm

groups. As I listened to him discuss the degree of acceptability that they received on that I did gather that it wasn't totally acceptable to all segments of the farm industry in Saskatchewan.

I say we have farm groups that represent the viewpoints of Saskatchewan farmers. They are well organized and they represent all segments and all factors of the farming industry in the province, the grain grower as well as the livestock operator.

I think, Mr. Speaker, that these people are doing a pretty good job. It is true to say that the recent conference in Ottawa dealing with this question didn't really come up with any resolution of the problem for some of the reasons again pointed out by the Minister of Agriculture. It is difficult to get Canadian acceptability, one province with another, the Maritimes, Quebec, Ontario and Western Canada, on a question and on a problem that is so complex. But I believe that they are making headway. I believe progress has been made and I think, Mr. Speaker, that any moves that are made by the Government should certainly be only in support of an overall co-ordinating effort of the farm groups, be they livestock men or the grain grower or any other representing any segment of the industry.

One of the big questions, and I have never heard anybody in this House across the way or outside of this House tell me how they are going to resolve the one big issue on this question, and that is, what about the thousands of mixed farmers in Saskatchewan? Farmers who raise their own feed grain and in turn themselves feed the most of it either to hogs or to cattle. How are we going to control and regulate these people under a bureaucracy such as is outlined, as I understand it, by the resolution before us?

There are many thousands of mixed farmers in Saskatchewan who, as I say, raise most of their own barley and oats. Perhaps this year they will sell 500 bushels of oats to a neighbor. But in essence, they are basically producing and feeding their own feed grain.

The Members opposite, I say, overlook the problems that would be created by setting up a kind of bureaucracy such as has been advocated here in this resolution. As I say, the Minister of Agriculture told the House in his remarks just a few moments ago that the Government has developed a comprehensive policy. I apologize for the fact, Mr. Speaker, that I have not studied it and I am not acquainted with it. I do think it is a problem that needs more answers. I do suggest that we are getting the answers gradually. I believe we are closer to some kind of national policy on this question today than we have been in years. Certainly, there is a need.

But I wish to speak in support of the amendment. I, for the life of me, can't see how we are going to resolve anything by setting up this kind of bureaucracy that is envisioned, as I understand it, in the original motion.

Surely, the Canadian Wheat Board which has been in the grain business for many, many years, by the establishment of initial guaranteed prices, establishing selling prices, this would be the direction to move as far as some development of orderliness in the whole question of the marketing of feed grains.

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Accordingly, Mr. Speaker, I will be supporting the amendment and not the main motion.

Some Hon. Members: — Hear, hear!

The amendment negatived.

Motion agreed to.

Resolution No. 6 – Urges the Government of Canada to Amend The National Transportation Act.

The Assembly resumed the adjourned debate on the proposed motion by Mr. W. A. Robbins (Saskatoon Nutana Centre):

That this Assembly urges the Government of Canada to amend the National Transportation Act so that national transport policy be directed to promote provincial and regional economic development rather than act as a brake on industrial expansion.

Hon. R. Romanow: — (Attorney General) Mr. Speaker, I should like to say a few words on this particular resolution.

Mr. Speaker, in particular, I should like to touch on some of the problems of transportation policy, problems which are currently being developed and analyzed with solutions hopefully being proposed. I am looking forward to the eventual meeting between Ottawa and the four western provinces on this very important issue.

In fact, the western Premiers of British Columbia, Alberta, Saskatchewan and Manitoba are meeting right now in Manitoba to discuss aspects of the transportation policies of Canada as they particularly relate to Western Canada and Saskatchewan.

Mr. Speaker, here in Saskatchewan, the railways have had and continue to maintain a monopoly in the hauling of most of our basic commodities.

The National Transportation Act which is the subject of this resolution provides shippers with certain possible safeguards, although I hesitate to use the word “safeguard”. I refer to the application of section 23 of the Act, the so-called public interest section. This will depend upon interpretations and rulings yet to come from the Canadian Transportation Commission.

Mr. Speaker, the Province of Saskatchewan has the most unfavorable export position of the three Prairie Provinces both from the import and export point of view. Our closest port is Churchill, at present limited to an 85 day shipping season. Our main domestic markets for potash, pulp and lumber in the mid-west United States is acknowledged to be a long all rail haul. Because of our central landlocked geographical location, our weak, or relatively weak, truck competition and because the railways have been given the freedom under the National Transportation Act, 1967 to vary freight rates without reference to any regulatory authority, Saskatchewan makes the highest contributions to rail overhead costs on all rates except export of grain — grain is an exception because of the Crow’s Nest statutory protection rates.

Now the railroads perform certain services in the public interest for which we, as taxpayers, pay subsidies to them. Since the passage of the National Transportation Act, 1967 some \$410 million have been paid to the railways, at least to the end of 1971. And all the while that we have made these subsidies out of taxpayers' dollars in the amount of \$410 million, freight rates have been increased since 1967, from an average of 29 per cent then to an average of 67 per cent in the year 1973.

In the intervening period the railways have been confronted as well with enlarged export movements of coal, potash, grain, ores and concentrates. So, in other words, there is not only an increase in freight rates but there is more activity and movement for the railways as well as more money for them.

In fact, the movement has been so intense that the railways have been unable to cope with this demand for increased freight services because of serious equipment shortages. It exists not only in the area of potash but from time to time most noticeably in the area of hauling of grain.

Thus, very often because of this inadequacy potash sales go by the board because we cannot move it in sufficient quantities to Vancouver and port positions and the result is loss of markets and loss of customers.

This is also highlighted, this lack of equipment, by the Federal Government's recent decision to purchase 2,000 hopper cars for grain.

Mr. Speaker, just a word on that purchase of 2,000 hopper cars for grain. The fact of the economics of hopper cars, I say to the Members of this House, has been well known for quite some time. It has been well known to the railway companies, it has been well known to the people in the grain business, it has been well known for quite some time that notwithstanding this, the railway management failed and has failed to purchase railway grain hopper cars. It indicates, Mr. Speaker, that the railway management is abdicating its duty, its position as a leader of the Canadian National Transportation policy, because the grain hopper cars, of course, have been purchased by the Canadian Wheat Board, the producers, the taxpayers of Canada.

The total corporate policy of the CPR, Mr. Speaker, quite obviously, time and time again takes precedence over the overall transport needs of Canada and Canadians. The Canadian Pacific obviously thought that it would get a higher rate of return, as its railway generated capital, by pouring its profits into such enterprises as CP hotels, CP Air, CP investments with its new hotels, office and apartment complexes, real estate holdings and the like and explorations for natural resources. In other words, the profits obtained were generated back into non-transportation functions and the result was that railway hopper cars, trackage, motive power, all of this has received secondary consideration by the railway corporate policy.

Mr. Speaker, the Canadian Pacific empire, all of its empire investments in real estate, was built upon Western Canadian land settlement. It was based upon Western Canadian resources and the productivity of Western Canadian farmers and Western Canadian people. The new transportation policy enunciated in the National Transportation Act, 1967, the subject of this debate, effectively

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relieves the CPR from any burden of responsibility for western development other than that which the railway may feel is in its own corporate interest.

Let me give the Members of this House another example. In the period 1957 to 1966 the US rail lines were turning to grain hopper cars because of the economics of size and utilization. Mr. Speaker, it is now 15 years since that was being done in the United States. In this period the CPR spent \$915 million on new capital equipment and property for airlines, hotels, communications, steam ship investments. In addition, another \$364 million was spent in securities held by Canadian Pacific Investments Limited set up as a company in 1963.

\$915 million on some aspects of its operations and an additional \$364 million in the investment side of its operations. It must be noted, Mr. Speaker, that this internally financed expenditure included not one red cent for the purchase of one grain hopper car. Not one red cent for the improvement of the shipping of the commodity to port positions. Yet the economies of hopper cars, grain hopper cars to the railways, to the industry and to all of Canada were obvious to all since 1956. And still to this day the railway companies have refused to spend anything on grain hopper cars. It is the producer and the taxpayer who are doing it for them by the purchase of hopper cars by the Canadian Wheat Board.

Mr. Speaker, in the light of the corporate position of the CPR, the determination of the Government of Saskatchewan to demand that the amount of railway burdens or overhead costs be significantly reduced takes on even greater importance and greater significance for all the people of our province.

Because of the distance factors, we will pay higher rates even in those areas in which the railways do have adequate intermodal competition. One way to compete with railways and try and get the freight rates down is, of course, to look at our highway trucking operations as an alternative mode.

We want, as a general policy, our trucking industry to compete vigorously with rail especially in those areas where the truckers have a clear economic advantage. In this respect the Canadian National Railways have shown that nearly all rail freight reductions in Saskatchewan in the past three years have been the result of direct intermodal competition, the direct result of increased and better trucking competition with better highways, better truck equipment, more experienced management. I hope and expect that the truckers of this province will provide much more of that needed competition to the rails.

We are going to continually review regulations to assure that there is the maximum of road and trucking competition. At the same time, we will, of course, ensure or seek to ensure that regular and consistent services are provided to our smaller communities.

In short, while we will promote increased competition and make it easier for our truckers where possible, we will not go hog wild in removing regulations.

Mr. Speaker, as the Government has said on occasions in the past, particularly at the Saskatchewan Truckers' Association annual meeting several weeks ago, we have instructed the

Highway Traffic Board in concert with the industry to undertake a study of the efficiency of trucking operations. We will do some experimenting hopefully to conduct some reorganization to improve our transport and trucking services to rural Saskatchewan as a direct source of competition to the railways. We must strive for efficiency and reduced costs if we are to service effectively our agriculture economy and the businesses and the small businessmen and our towns and villages.

Mr. Speaker, all of this relates to the topic under discussion, the National Transportation Act, in this way. Let me just detail in brief terms some of the aspects of the National Transportation Act, 1967, some of the consequences of deregulation brought about by the National Transportation Act with regard to our railways. Now the nub and the substance of the National Transportation Act, 1967 is expressed in the following phrase:

Regulations of all modes of transport will not be of such a major kind as to restrict the ability of any mode of transport to compete (and I underline the word "compete") freely with any other mode of transport.

How did this National Transportation Act and this policy position come to be stated? Well, this comes about as the result of the MacPherson Royal Commission into the railways and freight rate structures. The MacPherson Commission viewed the transport scene on the basis of the statistical evidence before it of the late 1940s and early and middle 1950s. In that period of the '40s and '50s when MacPherson looked at the railway system, he quite obviously saw an over-regulated railway system desperately trying to fight off the incursion of competition from truck, water, air and pipeline as technology increased. And these incursions of competition of truck, water, air and pipeline had a significant effect on the freight, passenger traffic, the competitive and economic position of railways throughout Canada. That was the situation when MacPherson looked at it in the last '50s and the early '60s.

Thus the share of truck and surface transportation, to give you statistics, grew from 5.4 per cent in 1938 to a little over 8 per cent in 1948, double to nearly 18 per cent in 1958. Those figures will show the increased trucking from five per cent in 1938 to 18 per cent in 1958, in 20 years. 1958 was the period of the MacPherson study and quite obviously trucking was cutting heavily into the over-regulated railway system.

However, Mr. Speaker, those facts have not changed. In the succeeding decade 1958 to about 1967-68, the trucking industry halted in its growth. In fact, the trucking industry as a form of alternative competition to the rails barely was able to hold its own. It moved up to 21 per cent of the competition in 1960, dropped back down to 20 per cent and is now hovering somewhere around 18 per cent of the total competition, the position it was in in 1958 at the time of the MacPherson Report.

The rail proportion was similarly stabilized although there was a 50 per cent increase in total freight rate ton miles generated in Canada. Quite obviously then, Mr. Speaker, the competitive situation between rail and truck in the 1960s was different from that of the 1950s and the statistics on which the report was based no longer applied.

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I said that the National Transportation Act released the railways from regulation. Prior to the Act in 1967 the railways were regulated. Now the NTA said that the only regulation is competition. Competition will provide the lowest freight rates and the best service. And they made that report and that decision and that Act was drafted on the basis of those statistics that I gave you on trucking. It obviously worked in the very competitive areas of Canada.

Now released from these regulations of rates, the railways have been given a free hand. The railways now, Mr. Speaker, have adopted an almost automatic formula for rate increases on all commodities except those under statutory protection, one rate increase in the spring, one rate increase in the fall, without having regard to any regulatory tribunal. Before 1967 they had to justify their increases, now under the new Act there is no need to account to that regulatory tribunal. And the result, Mr. Speaker, being freed of this competition, has been that since 1967 the general freight rate level has increased, as I have stated, from 29 per cent to over 67 per cent in a short six-year period, depending on whether or not the rates are between Eastern and Western Canada or within Western Canada.

Make no mistake about it, Mr. Speaker, we in Saskatchewan are suffering the maximum 67 per cent increase in freight rates and the reason that we are suffering this maximum can be more readily understood if we just take a very brief look at Ontario. In Ontario 65 per cent of all freight loaded is transported by trucks. Well over 80 per cent of all manufactured goods in Ontario are transported by truck. Can that situation be said to exist in the Province of Saskatchewan or Western Canada? Quite obviously the answer is no. No such comparable competitive situation exists in Western Canada and particularly in Saskatchewan.

In Ontario and Quebec intermodal competition has, perhaps, acted as a brake on skyrocketing transport costs. However, in Saskatchewan, longer distances, small plants, low production volume of secondary industry, sparse population, dependence on primary agriculture and resource industry has militated against breaking down the rail monopoly and the result has been that you and I, everybody in this province, pays the full penalty of 67 per cent maximum increase in freight rates because of the lack of intermodal competition.

That is what the National Transportation Act of 1967 does for Western Canada.

Well, complaining about freight rates is like complaining about the weather, I guess. Someone will say, what can we do about excessive freight rates? Well, as I've mentioned, one method is to appeal a freight rate that has been set by the railways to the Canadian Transport Commission. And you can appeal it if that freight rate is prejudicial to the public interest. That's the section 23 that I referred to at the very beginning of my remarks. If a shipper makes out a prima facie case to the Canadian Transport Commission that the freight rate is prejudicial to public interest then the Commission will hold hearings, conduct an investigation and perhaps ask the railways to revise downwards their freight rates. The rape seed crushers of Western Canada, the Prince Albert Pulp Company cases on freight are cases in point where there are appeals to the CTC on the grounds that the rates are prejudicial.

In fact, I might say, Mr. Speaker, that these cases, Western Rape Seed and the Prince Albert Pulp Company are the first major cases placed before the commission since the new National Transportation Act of 1967 was passed. The rape seed case lasted over five weeks in Saskatoon plus an additional time in Ottawa. Legal counsel in the rape seed case represented three prairie governments, the governments of Ontario and Quebec, eastern rape seed crushers who opposed our application, the railways who opposed the application to reduce the rates.

This is an attempt to get a secondary industry on its feet and growing in Western Canada. Putting it bluntly, what can you do about freight rates? If you appeal under the public interest section of section 23 of the National Transportation Act you can be sure of hundreds of thousands of dollars in legal fees and a terrific amount of time before the hearing is heard and determined. Without the support of our three provincial governments, the rape seed crushers could not have proceeded with this very legitimate case.

Take the Prince Albert Pulp Company case, here the company seeks reductions in freight rates into the United States. Now in this case, Prince Albert Pulp Company has to proceed to the Interstate Commerce Commission of the United States. Concurrently it has to go to the Canadian Transport Commission. And here too, the total costs are in the hundreds of thousands of dollars. Mr. Speaker, you can see quite obviously that only very big business or big government can successfully take appeals against unjust freight rates to the CTC in order to correct any wrong that might exist. That's not good enough, Mr. Speaker.

The National Transportation Act is supposed to be an instrument of national policy, of unity for all Canadians including Canadians in Saskatchewan. It is supposed to be an instrument of development for all industries including industries such as the Prince Albert Pulp Company and Western Rape Seed Crushers. This Government intends to join with our people and our industries in those cases in the CTC in the future that have merit to fight each and every one to lower prejudicial freight rates in order to give our people a fair break for a change.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — Up until now the dice have been loaded in favor of the railways insofar as the average shipper is concerned and unequal justice is dispensed from Montreal or Winnipeg.

I state that the Canadian Transport Commission has shown to date perhaps a slight bias which might be described as pro rail. I don't want to say more than that because we do have cases before it. But I have not been entirely happy with the hearings we've had with the CTC.

Members will know Mr. Pickersgill, a very distinguished former Cabinet Minister in the Liberal Government in Ottawa was the former chairman of the Canadian Transport Commission. I had hoped that when he retired that a person more familiar with regional western transport problems could have been appointed chairman of the CTC. In fact, this Government made representations to the federal authorities urging the Prime Minister and others along these lines and we were joined with the provinces of Alberta and Manitoba. Well, you know what happened.

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The chairman of the CTC is now Mr. Edgar Benson and I don't want to prejudge the new chairman and I don't say this in a political vein, but I say we, in the West, are sick and tired of having our vital problems of transportation decided finally by ex-Ontario politicians, be they Liberal, PC or NDP.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — As a Provincial Government we are going to request strongly that amendments be made to the National Transportation Act to simplify these appeals of unjust rates. We want a bridle to be put on the seemingly insatiable appetites of railways for higher rates in this area where we are captive by the rails. We want our railways to maintain an adequate level of service to western communities. We don't want station agents closed, we don't want a wholesale abandonment of rail lines. We want adequate service on LCL and express shipments. We want the National Transportation Act to work to the benefit of all western Canadians and thereby work to the benefit of all Canadians no matter where they are located.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — Mr. Speaker, most important in our consideration of transport policy is the nub of this resolution which calls for a review of the objectives and the wording of the National Transportation Act of 1967. That's the real nub of negotiations and discussions in Winnipeg right now. It was, I submit, when the former government was in power as well because they knew what the problem was with freight rates and I don't think there is anything here which divides us on any grounds of political philosophy.

While no one can argue that we require an efficient transportation system and I do not reject the proposition that competition keeps business on its toes. The concept that competition pervades the Canadian Transport structure, I impress upon all Members, is simply not correct. The underlying philosophy of the NTA that competition among the modes will give us the best rates and the best service is simply not correct because there is no competition in Western Canada. We are captives of the rails. We don't have alternative trucking. We don't have access to water and we have difficulties with respect to getting any interest by other alternatives means.

The objective of obtaining efficiency in transportation by means of intermodal competition may have success in Eastern Canada but it hasn't had in the West. Certain technological advances and pipelines or truckload limits may give us some more competition. We'll work and look toward that possibility but they must operate independently of the rails.

What is required, however, in Western Canada and in Saskatchewan specifically is a national transportation policy which looks toward regional development and not solely corporate development. Instead of milking the West and keeping us as a source of raw materials, what is needed is a determined regional and national effort to broaden the industrial and social base of the Prairie Provinces, to broaden the industrial base of Saskatchewan. When present transport policy is a deterrent to that industrial growth that we seek and strive for in

Saskatchewan then I say that transport policy is no good and must be changed.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — And thus, instead of a national policy pointed towards the corporate interests of our railway companies or our airline companies, let's start thinking of railways like they were 100 years ago or so, an instrument to unite all Canadians, not to divide Canadians.

I invite all Members of this Legislature to support what I think is probably one of the most important resolutions on this Order Paper, the resolution by my colleague from Nutana Centre (Mr. Robbins) urging for the revision of the National Transportation Act and to encourage national policy to act as a promotion of industrial expansion in Saskatchewan and the Prairie Provinces.

I am pleased to support this resolution, Mr. Speaker.

Some Hon. Members: — Hear, hear!

Mr. Robbins: — (Saskatoon Nutana Centre) Mr. Speaker, I wish simply to make a brief summation of some of the material I presented previously. I am hopeful that this resolution will be adopted unanimously by the Members of this Assembly. I felt when I looked at the Order Paper some days ago that there were a number of resolutions there on which we might gain reasonable unanimity. Some of them I have been a bit disappointed in but I am hopeful that this one will receive total support of all the Members of this particular Assembly.

I stated when I introduced this resolution sometime ago that the roots of the problem were based on a national policy set up in the 19th Century which was detrimental to Western Canada. The thrust of that policy was directed at tapping the investment frontiers of the Canadian prairies and the base legs of that policy were tariffs and the construction of railways.

Initial railway construction occurred, of course, a long time ahead of reasonable probability that it would pay its way. I briefly covered the points related to the CPR and its construction and I pointed out that this is one of the main reasons why we get many people talking about the necessity of nationalization of the CPR. The fact remains that that railway's initial cost of some \$100 million saw \$25 million in a cash subsidy from the taxpayers of Canada, \$34 million in terms of construction of railways in Manitoba and British Columbia which were donated free to the CPR company at no cost, 25 million acres of western Canadian land including mineral rights, a 20 year monopoly in terms of rail transport across the prairies and this was touched on by Mr. Romanow, the Attorney General to some degree in his discussion of the resolution. I tried to stress and I gave some statistical background for the reasoning of the resolution and I should like to just summarize that with a few of those examples again to emphasize and impress upon the House the need for change in the freight rate structure.

The previous speaker made some reference to the Rape Seed Crushers' case. I want to summarize again the situation related to the shipment of rape seed from Nipawin to the Lakehead and

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on to the East and when the processed product of rape seed meal or rape seed oil is shipped. It costs 23½ cents per hundred weight to send rape seed from Nipawin to the Lakehead and 44 cents per hundred weight to send it from there to Toronto. However, if it is processed into rape seed meal in Nipawin at the Agra plant and shipped to the head of the lakes, the cost is 23½ cents per hundred weight, the same as the rape seed but from the Lakehead to Toronto it increases from 44 cents to 79 cents per hundred weight. If you process the rape seed into rape seed oil in Nipawin, ship it to the head of the lakes, the cost is 23½ cents per hundred weight but it increases to \$1.41 per hundred weight from there to Toronto. It is obvious that the freight rate structure militates against any probability of processing in the Province of Saskatchewan. The whole process of the transportation structure in that respect simply means produce the raw product here, ship it out of the province to another part of the country for processing.

As previous speakers have intimated, Mr. Speaker, we as prairie inhabitants are locked in to the railway transport situation on all major commodities because of the length of haul and the lack of competition.

Transportation, Mr. Speaker, should be recognized as a primary instrument in the development of a reasoned economic base and this simply cannot happen in Western Canada on a regional basis unless we get amendments to the National Transportation Act and the freight rate structure.

I pointed out in my previous comments with respect to the resolution that the transportation policy must deal not only with rail and freight structures but with all of the aspects of transportation — air services and various other aspects of transportation as well.

In fact, Mr. Speaker, I commented at that time that the Federal Government has already given some recognition to this fact by giving some subsidies to regional air carriers such as Quebec Air and Eastern Provincial Airways in the Maritimes. I also pointed out that I could not understand and I'm sure Members of the Assembly must find it difficult to understand why similar subsidies have not been made available to regional air carriers in Western Canada.

I want to cite two other examples to stress the points I made with respect to the idiosyncrasies that appear in the freight rate structure. I want to cite the case again of steel products being shipped from Cooksville, Ontario, through Regina to Vancouver, a distance of 2,672 miles at a cost of \$1.48 per hundred weight. The same steel shipped from Cooksville to Regina, a 1,108 miles shorter freight haul, costs \$2.21 per hundred weight or 73 cents per hundred weight greater than that 1,108 mile longer haul. Now I don't know how anyone could rationally defend that kind of a freight rate structure.

The exploitation of the West, the hinterland of the industrial East, will not end unless it becomes economically feasible to develop a secondary industry base in the prairie region. It is my contention and it has been confirmed and supported and emphasized by other speakers that this simply cannot happen as long as that freight rate structure works so strongly against us.

Fully developed provincial economies in the prairie region would provide a more effective spring board for the development of the North. This obviously isn't going to happen either unless we get a reasoned secondary industry base in the prairie region.

One other example to illustrate the idiosyncrasy of the freight rate structure and I am again repeating here to emphasize it, is the fact that you could ship Japanese oranges from Vancouver to Winnipeg for 30 cents a box less than you could ship the same oranges from Vancouver to Regina. Again, a shorter freight haul, some 400 miles and yet a much heavier cost.

I think in my initial remarks, Mr. Speaker, I made some comments with respect to the freight rate structure in the United States which I think, if adopted here, would give us at least some measure of equity and fairness. If you ship a product from a point like Minneapolis through to say, Seattle, and if we assume that the cost of that freight was \$1.50 per hundred weight, then it is illegal under their law and their Transportation Acts to charge any more than that \$1.50 per hundred weight for shipping the same product from Minneapolis through to any point to which that product must go on its way to Seattle. In other words, if you ship to Havre, Montana, you could not charge more than \$1.50 freight rate structures.

If we had a similar freight rate related to a shipment of steel from Hamilton or Cooksville, Ontario through to Vancouver, the rate to Regina would have to be \$1.48 per hundred weight, the same as the rate is to Vancouver. Now obviously, I think Members of this House would agree, that in itself would not be necessarily an equitable freight rate structure but nevertheless would be immeasurably better than the \$2.21 freight rate structure which applies at the present time if shipped from Hamilton to Regina compared with a \$1.48 freight through to Vancouver.

In concluding the debate on the resolution, I should like to stress again that in an overall national transportation policy freight rates, air services, passenger rail services, branch line abandonment, grain terminal storage at Vancouver related to expanding trade probabilities in Pacific rim countries, rail construction to remove existing bottlenecks in the grain handling system in interior British Columbia, harbor boards, national ports, toll structures on the St. Lawrence Seaway and the urgent development needs of the Port of Churchill are all matters in which the prairies and particularly Saskatchewan have a vital interest.

I am sure that Members of this House realize that at the present time the Premier and some of the Cabinet Ministers from this Government are meeting representatives of other prairie governments in the Western Economic Council in Winnipeg in relation to these things and it is very important, I believe, that we have some unanimity in relation to our approach to the conference that will be held this summer between the western provinces and the Federal Government. I, therefore, urge all Members of this Assembly to strongly support this resolution.

The other day the Leader of the Opposition (Mr. Steuart) commented in his contribution to the debate and made it quite clear that he strongly supports this resolution and, therefore, I urge all Members of this Assembly to do so when the vote comes up.

Some Hon. Members: — Hear, hear!

Motion agreed to on the following recorded division:

YEAS — 46

Messieurs

Dyck	Meakes	Wood
Smishek	Romanow	Messer
Snyder	Thibault	Larson
Kowalchuk	Baker	Brockelbank
MacMurchy	Pepper	Whelan
Carlson	Engel	Owens
Robbins	Tchorzewski	Taylor
Matsalla	Richards	Faris
Cody	Gross	Feduniak
Mostoway	Comer	Rolfes
Lange	Oliver	Feschuk
Flasch	Loken	Guy
Grant	Boldt	MacDonald (Milestone)
McIsaac	Gardner	Weatherald
MacLeod	McPherson	Lane
Wiebe		

- 46

NAYS — 00

Messieurs

Nil

Resolution No. 15 – Irrigation Project Near Outlook

The Assembly resumed the adjourned debate on the proposed motion by Mr. E. F. Gardner (Moosomin):

That this Assembly express its regrets at the cancellation of the irrigation project on the west side of the South Saskatchewan River near Outlook and further that this Assembly urges the Saskatchewan Government to reconsider its decision to cancel this project.

Mr. H. Owens: — (Elrose) Mr. Speaker, as is all too common on resolutions moved by some of the Members opposite, this one is full of falsehoods and misrepresentations as were the mover's remarks when he introduced the resolution.

The Member for Moosomin very boldly and over and over again spoke of the irrigation project as being cancelled when at no time has any Member for the Government ever proposed or suggested that the program would or should be cancelled. The word used by the Government Member is deferred.

Might I suggest to the Member that he trot down to the library, dig out a very reputable dictionary and carefully read the definition of the two words and then report back to this Assembly just what he learned.

Mr. Speaker, I commend the Minister of Agriculture for announcing at an early date the delaying of the west bank irrigation program at this time. While making these few comments I hope that I can explain to you just why I agree with the decision.

Mr. Speaker, the Member for Moosomin indicated during his speech that the portions of the canal to carry the water were left partially completed. I would suggest to the Member to substantiate the statement by advising this Assembly the exact location of where these projects are not completed by section, township and range.

I followed the ditch from the west bank at the pumping station where it started to where it presently ends at the town of Conquest and nowhere did I see part of the ditch that was not completed. All the contracts that were let have been finished.

Mr. Speaker, it is rather odd and amusing that the Member for Moosomin, the constituency bordering the Province of Manitoba, should be speaking in such tear-jerking style for farmers in the constituency of Rosetown, several hundred miles to the west, especially, Mr. Speaker, when the Rosetown constituency is so ably represented by a Member sitting in their own party.

I would have thought, Mr. Speaker, that if the farmers of the Rosetown constituency were so concerned about the completion of the irrigation project on the west bank they would have had their own Member going to bat for them. Is it possible that the Hon. Member for Rosetown (Mr. Loken) had his ear to the ground and he has heard no rumbling? Is it possible, Mr. Speaker, that the farmers in that particular part of Saskatchewan are prepared to continue dry land farming that they know rather than to branch out into irrigated farming that they do not know?

Past experience has shown that dry land farmers are not easily persuaded to change to irrigated farming unless and until they can be assured of a better farming future. Mr. Speaker, the delay of this irrigation project on the west bank is specifically for this purpose, namely, to carry on more experimentation on the east bank for various crops and methods of land use that are already in an irrigation project. The east bank has to date been a costly program in terms of dollars spent. However, the knowledge gained in terms of what to do and what not to do, what can be done and what cannot be done, cannot be measured in dollars.

These facts and statistics are of unquestionable value. The continuation of this experimentation and the growing of a variety of crops and methods of cultivation will eventually result in crops suitable to the area and saleable in the market place.

One dual observation is certain. Irrigated farming is too costly for cereal grain production and dry land farmers prefer to grow cereal crops. Diversification into irrigated farming will need to be proven before it is acceptable, proven to the extent that the farmer will be duly compensated for the extra labor and operating costs involved. Therefore, the Government feels its primary obligation must be to the farmers who are presently trying to make a living from irrigation farming.

Mr. Speaker, we were reminded the other day by the Member for Moosomin that the dam and irrigation project was built by a Conservative Government in Ottawa and the CCF Government in Saskatchewan, endeavouring to leave the impression that the Liberals were too clever to get involved. Well, Mr. Speaker, whom is he trying to kid? How long did they use this project

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for a political football? Surely, he is not belittling that veteran politician of the Province of Saskatchewan and the Liberal Party, that gentleman who was so anxious and so proud to get the name of the dam for his own identification, the late Hon. James G. Gardiner.

Mr. Speaker, the party represented in this Legislature by the Members to your left are always ready to accept the glory whether or not deserving. I would suggest that in building this great project their record stands condemned in the eyes of fair-minded citizens of Saskatchewan. It was the imagination and the effort of our former Premier, T. C. Douglas and his CCF Government that negotiated the fulfilment of this great dream of creating a huge man-made lake in the arid section of south west Saskatchewan, a base for a new economy in Saskatchewan, a recreation and holiday area easily accessible to thousands of Saskatchewan citizens.

Now, Mr. Speaker, I should like to read for your interest and information from an article that recently appeared in a recent issue of the Estevan Mercury. This article is quite long and I shall only read parts of it, and I quote:

The dam on the South Saskatchewan River was never promoted only for the purpose of irrigation alone. As a matter of fact, if one reads carefully the report and the findings of the commission appointed in 1951 they will find that these learned gentlemen stated that construction of the dam could not be justified on the basis of useful irrigation. These men recognized the cost of irrigation as well as the fact that, by and large, Saskatchewan farmers were not enthusiastic supporters of irrigation farming.

Today, we realize that irrigation is really only a minor use of the water. Recreation, as well, is an extremely important subject. More leisure time and an increasing interest in the tourist dollars, both provincially and nationally, makes this project increasingly valuable from this point of view. Expenditure of dollars today for recreational development on the lake will realize a much greater financial return to our governments' treasuries than any irrigation development.

The major point, I feel, is that many farmers are opposed to irrigation farming. The need for irrigation at the moment has not been proven to my satisfaction. When we took over the Government in 1964 there was a division among our Government at that time as to whether or not we should force irrigation. We made a number of enemies for our party due to our insistence on proceeding with the irrigation program and forcing local farmers in many cases to sell their land against their wishes. I feel, knowing my father as I did, I feel that he would be opposed today to the use of force in any way to carry out the commitments made to the Federal Government to proceed with the project. I believe he would see, as our present Provincial Government should see, that his commitment should be rescinded with the consent of the federal authorities.

As the years pass, if the need arises, irrigation can be further extended. I see the possibility that some day much of the area in which we live may in some way be irrigated, but I say, let us not force this issue at a

time when land values are high and the great need that existed in the '30s does not seem to be with us now.

The construction of the dam can now be justified from many points of view without one acre being irrigated. Modern science today does not necessarily hold up irrigation of land as a good procedure. Let the farmers themselves determine the use of the dam for irrigation purposes and not the big fist of a paternal government.

These words were written by a man who apparently made an independent survey that apparently agrees with the decision made by this Government and opposes the position taken by the official Opposition. One could almost believe that the writer of this article was a supporter of the New Democratic Party. Actually, Mr. Speaker, the article was written by Mr. Wilf Gardiner, son of the gentleman I referred to earlier, the late Hon. J. G. Gardiner.

I believe it would be safe to say that the late Hon. J. G. Gardiner was a confirmed Liberal and that his son, to my knowledge, is not a supporter of the New Democratic Party.

Mr. Speaker, one of the deciding factors in making the decision to delay work on the west side irrigation system was the very high cost. Experience gained from the east side indicates that to complete works to serve 17,000 acres of irrigable land would require \$6 million to \$8 million. Assuming farm size at 400 acres, the cost per farm would be around \$230,000 with further farm development costs of \$270,000. Of these costs the province would assume \$234,000 leaving approximately \$27,000 as the farmer's share who would also have the additional cost of labor for the irrigation process.

I feel the farmers in that area would not be prepared to make this kind of investment in a program that as yet is not a proven economic operation.

Mr. Speaker, it is difficult, in fact, impossible to understand the thinking behind the talking of the Members opposite. We have heard some unbelievable ranting and raving about the Government's investment in the firm of Intercontinental Packers and to a lesser degree on the investment made recently in IPSCO, both sound business ventures in Saskatchewan, and now we hear condemnation from the same Opposition for delaying a much more costly project that, at this point in time, does not warrant expenditure of high amounts of money.

Would it be possible, Mr. Speaker, that the Members opposite are again endeavoring to put a small number of farmers into a perpetual poverty position? Well do we recall the reception received from the Federal Government Stabilization Bill, supported by the Members opposite, that would have stabilized the agriculture industry in Saskatchewan in a state of poverty. I ask again, Mr. Speaker, is it possible that the Members opposite want to force a small group of Saskatchewan farmers into a perpetual poverty position? This Government does not intend to put any farmer into a straight-jacket.

This is not the thinking or the purpose behind the actions of this Government. It is our desire to make farming in Saskatchewan a pleasant and profitable venture. We have pledged ourselves to this task. We will continue to do everything in

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our power to fulfil that pledge and warrant the support of the farming community.

Therefore, Mr. Speaker, I believe the delay in the west side irrigation program is in the best interest of Saskatchewan and more especially of those farms directly involved.

Therefore, Mr. Speaker, you will realize that I do not support the motion.

Some Hon. Members: — Hear, hear!

Mr. G. F. Loken: — (Rosetown) Mr. Speaker, just a few words on this Resolution No. 15.

The Hon. Member from Elrose need not be concerned about the farmers in my part of this irrigation area. He didn't say anything about his own. I will have to agree with him that all farmers are not in favor of irrigation farming but by the same token many of them are. We don't know what the feeling is because they didn't get a chance to voice their opinion on this irrigation, as to whether they wanted it or not.

Mr. Speaker, the decision to cancel the South Saskatchewan River Irrigation Project is a direct contradiction to this Government's so-called rural rebuilding schemes. During the Budget Speech, Mr. Cowley said and I quote:

The decimation of our rural communities and the decline in provincial population are problems that can no longer be ignored. While improvements have occurred in the past 18 months positive action is required by Government to stem and reverse this trend. Mr. Speaker, this Budget introduces a new era in Government programming in Saskatchewan. It provides positive steps to stimulate economic development in the province and to revitalize our rural areas.

Positive action – was it positive action to cancel the South Saskatchewan River Irrigation Project? Revitalize our rural areas – Mr. Speaker, does an eight per cent loss in the population of Outlook that will occur as a direct result of this decision, revitalize our rural areas?

Mr. Speaker, it is significant that the Rural Municipality of Rudy is the only municipality in the Province of Saskatchewan that has grown since the last census.

Mr. Speaker, is it the policy of this Government to penalize progress?

Mr. Speaker, this Government has proclaimed throughout the province greater people participation in Government legislation. The people of Saskatchewan were to be heavily involved in decisions affecting their way of life. Could the Government tell me where the people participation was in the Hog Marketing Commission? What happened to the farmers' participation in Bill 50? Whatever happened to prior producer participation that was promised by the Minister of Agriculture before a decision affecting the irrigation would be reached?

This Government is ruling with iron-handed dictatorial controls. More and more, Premier Blakeney is assuming the role

of the benevolent godfather of Saskatchewan.

The Government has spent more than \$15 million buying into prosperous Saskatchewan companies. While that money has bought an interest in business it has created no new jobs and has done nothing to stimulate the Saskatchewan economy.

At the same time the Government killed one of the brightest projects in Saskatchewan. The irrigation project was steadily expanding the growing population and economy of Rudy Municipality. The continuation of the project would have meant a steadily increasing population and a strengthening economy throughout the area benefitting all of Saskatchewan. Positive action – the killing of the South Saskatchewan River Irrigation Project can hardly be called positive action.

In a brief to the Government submitted by the Outlook Chamber of Commerce, the Town of Outlook, the Village of Conquest, the Rural Municipality of Fertile Valley, the Outlook Water Users Association and the Alfalfa Cubers Mutual Limited it was said and I quote:

It is the opinion of all parties concerned that the returns to the farmer and to the province have not been given a fair chance.

That pretty well sums it up. This Government may be offering a New Deal For People but there is one thing you can be assured of, it is not a fair deal for people.

With those remarks, Mr. Speaker, I will be supporting the resolution.

Some Hon. Members: — Hear, hear!

Hon. J. R. Messer: — (Minister of Agriculture) Mr. Speaker, in speaking to this motion, I want to say that I will be presenting an amendment to it after I have made some remarks in regard to the decision of the Government in delaying further construction of the South Saskatchewan River Irrigation Project.

Mr. Speaker, I think it is plain that it is not the intent of the Government in its decision to penalize progress in any area of the Province of Saskatchewan, in this instance, in the area where the South Saskatchewan River Irrigation Project was being carried out.

The Government, I think, had to assume its responsibility to all farmers in the Province of Saskatchewan and see that some endeavors were undertaken to provide a stable and viable agricultural industry for all farmers in this province. And when we look at the expenditures that have already taken place in the South Saskatchewan River Irrigation Project, the kind of hardship and problems that farmers who are endeavoring to irrigate have had to endure, the kind of problems and hardships that they are confronted with, we realize that there are some real legitimate reasons for us to delay further encouragement in that area and take the funds that would have normally been continued to be funneled into that project and spread over the entire province and make them available to other farmers so that we can bolster the entire economic agricultural industry

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in this province.

We have a considerable number of acres that have potential irrigation prospects in the South Saskatchewan River Irrigation Project on the east side already. We find that only a fraction of those acres are irrigated at this time because farmers have been reluctant to undertake irrigation even though it is undertaken with large subsidies from the Provincial Government. They have experienced some real difficulties in obtaining any kind of net returns from irrigation. I think it can be safely said that most farmers have, in fact, suffered losses year after year in the irrigated crops. To help alleviate the situation the Provincial Government has made special grants of \$10 per acre to those irrigating farmers for three years in a row to help offset their losses in irrigation.

We have committed ourselves to give priority to recognizing the problems of farmers on the east side and hopefully to turn those enterprises into economic and stable farming units.

One is the cubing plant where the Government has encouraged farmers to establish a cubing operation. I am told that construction is now underway in regard to that plant. They have already sold or have commitments to sell the total production of alfalfa cubes from that plant which will be coming on the market sometime this summer. We are taking pasture land and making it available to farmers as rapidly as possible in order to expand and develop a livestock enterprise in the irrigated region. We are also providing special considerations under the FarmStart program which will give irrigating farmers or those who wish to establish an irrigated farm, special consideration by providing larger sums of money and raising the ceiling of gross productive assets that will be needed and will have to be available to farmers in order to establish an irrigated unit.

In all probability we shall have to make other concessions and other grants available to farmers in the east side in order to develop a viable irrigated operation in the South Saskatchewan River Irrigation Project.

The prospects for changing the operation and maintenance costs in the near future are not good and we are certain that we shall have to continue to subsidize those costs for some years in the future. Besides the expenditure of nearly \$16 million which the Provincial Government has already made, which is about \$400 per irrigatable acre on the east side, there will be considerable further expenditures in the maintenance and operation of the project. With the background of experience that we have, it just did not make sense to proceed with the west side where costs were even higher.

To develop the first 17,000 acres, public expenditure of nearly \$600 per acre is required. Public expenditure for a 400 acre farm is, therefore, nearly one quarter of a million dollars besides the cost of acquiring land from farmers who prefer not to irrigate and further subsidies to establish paying farm enterprises and to take care of the operation and maintenance grants which are fairly high in irrigated areas.

Prospects for attracting a major industry are not good. In all probability another 15,000 to 20,000 acres would have to be developed at these high costs before we could even

consider pushing for such kinds of industries.

Until irrigation, Mr. Speaker, gets on its feet on the east side in particular, it is not realistic to develop the west side and the funds at our disposal need to be used for increasing income opportunities, as I have already said, in other areas of agriculture in the province.

It does not, therefore, Mr. Speaker, make sense to build an oasis and have the rest of the province deserted.

The Province has for all intents and purposes met its commitments under the agreement for developing irrigation in the SSRIP. Complete irrigation works including a complete surface drainage system have been built to service 37,600 acres. And the 17,000 acres have construction built to service another 5,000 acres in the Broderick and Outlook area. Main works have been built to serve another 5,600 acres in the Broderick east and the Bridgewater areas. Through the acres in the Broderick east and Bridgewater areas and through the Saskatoon south east water supply works, this will bring water to another 7,000 acres which have been constructed. The total then is over 55,000 acres which have potential irrigation opportunities.

Mr. Speaker, because there have been a number of statements and/or accusations made as to who was really responsible, or for that matter, to blame, for the establishment of the irrigated undertaking in the South Saskatchewan River Irrigation Project, I want to give you just a brief history of the development of the South Saskatchewan project.

I think one should go back as far as 1935 when there was the passage of the Prairie Farm Rehabilitation Act by the Federal Parliament of Canada. The purpose of this was to counteract the effects of drought in the southern portion of the prairie provinces. I think it provided the kind of atmosphere that some people responded to when they started thinking of an irrigated acreage for the Province of Saskatchewan.

In 1937 PFRA established small irrigation projects at Val Marie, Eastend and Maple Creek which were, in fact, a beginning of community irrigation of the southern portions of this province. In 1943 PFRA was authorized to make studies on the feasibility of damming the South Saskatchewan River for the purposes of developing a larger irrigation project. In 1947 an interim report by the PFRA on the South Saskatchewan River development was tabled. It recommended that the Coteau Creek site was feasible as a dam site. It was possible to irrigate 500,000 acres with a power potential of 210 million kilowatt hours annually. The total cost of the dam at that time was estimated to be \$66,360,000 without any irrigation development.

In 1949 the Conservation and Development Branch was set up in Saskatchewan within the Saskatchewan Department of Agriculture to give assistance to irrigation development. In 1959 a final report from PFRA came in regard to irrigation.

In August of 1951 a Royal Commission of the South Saskatchewan River Project was appointed by the Government of Canada to decide two important factors. One, whether the economic and social returns to the Canadian people on the investment in the proposed South Saskatchewan River Project would be commensurate with the cost thereof. Two, whether the project represented

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the most profitable and most desirable use which could be made of the physical resources involved.

In 1953 the report of that Royal Commission recommended that the project not be considered because of the high cost in relation to the benefits that would be gained.

In 1954 to 1957 there were a number of submissions and studies and proposals put forward to the Provincial Government which were in favor of the construction and the establishment of an irrigated project.

In July of 1958 an agreement was signed between Saskatchewan and Canada to proceed with construction of the project. 75 per cent of the cost was to be borne by the Federal Government, 25 per cent of the cost by the Province in regard to the dam and to appurtenances. Saskatchewan was to construct irrigated works so that 50,000 acres of land could be served one year after the dam was completed.

In 1958 PFRA entered into several contracts regarding construction. Saskatchewan started topography and soil surveys. From 1959 to 1964 investigational work on irrigation construction, land classification, economic studies and income projections were made and engineering studies of a distributing system done. Extension work with farmers in the area was carried out.

The Government stated on many occasions that farmers would have an opportunity to vote on the acceptance of irrigation.

Then, Mr. Speaker, in July of 1964, I want you to note that date of July 1964, because there has been a significant change. That was that some months earlier the Government in the province had changed and it was after that Government change that the irrigation works, in a physical sense, began to take place.

The Government stated in July of 1964 that the construction of irrigation works would go ahead to meet the commitment with the Federal Government. No vote would be held with the farmers. The Government would buy land from those who were opposed to a change-over. Consulting engineers, Crippen and Associates, were engaged to draw up specifications. There were a number of contracts awarded from that time on in regard to the establishment of the physical structure as it is today.

Starting on June 8, 1965 a contract was awarded to Pigott Construction for the pump structure for \$704,000. I could list all of them to you, Mr. Speaker, but I think there is no real need to. But from that date of June 8, 1965 to July 24, 1970 \$9,370,000 was put out by the Provincial Government for construction in the SSRIP area.

Then there was a commitment made in 1970 to develop the west side. The \$9,370,000 that I made reference to was for works totally carried out on the east side of the project. But a commitment was made and a decision was made by the former Government to then endeavor to develop and expand the irrigated works to the west side. And on April 14, 1971 a contract was awarded to P and N Construction of Outlook for the coffer dam for some \$14,000, Graham Construction for the substructure and pump plant for \$792,000. From April 14, 1971 to August 16, 1971, there were contracts awarded to the extent of \$2,304,000 on the west side.

Again, another significant change took place. The Government changed in the Province of Saskatchewan.

But I want to impress upon you that all the money had been provided by the former Government for the development of the west side and that the tenders had, in fact, been let in the spring before the change of Government took place.

When I was appointed Minister of Agriculture there were already some contracts signed and some construction being carried out on the west side. In fact, there was some construction being carried out on the west side for which contracts had never been signed. It was obvious that it would be foolish and ridiculous to make a statement in regard to termination of the project even though there were some grave doubts being expressed as to what its merits would be if we continued to develop it, so the work for that year which had already been budgeted was allowed to be carried out.

But during that period of time there was some considerable works being done by the Department of Agriculture by some other interested people, there was a re-institution of a group of people in irrigated works which had not been functioning for some period of time, to re-investigate the potential and the wisdom of carrying on the development of irrigation on the west side. They made some reports to me, Mr. Speaker. There was also a consulting firm hired to look into the potential and the rewards that might ultimately accrue to farmers and to the Provincial Government in expanding the irrigation project. A report was ultimately tabled in this Legislature last session. This was the Sibbald Report providing information to the Government on the merits of pursuing and expanding the irrigated works in the area. We also had some extended discussions with the University, our own departments were looking at the wisdom of further expanding irrigation in the area. When we compiled and summarized all of the material that a year's work made available to us it was obvious that it was not in the best interest of the Government or in the best interests of the people in the area to continue to pursue further establishment and expansion of irrigation in the area.

The farmers on the west side, at least in the majority sense, are not fussy nor are they willing to undertake irrigation. In most instances the Province would have to buy the land from the farmers because they wish to continue to be dry land farmers and we would then have to turn that over to farmers who were willing to undertake an irrigating project. This is the same situation that the Government was confronted with on the east side and we simply looked back in history to see the problems that emanated from that kind of situation. So we decided not to terminate the South Saskatchewan River Irrigation Project as some Members have said, we simply decided to delay any further construction until we can give higher priorities to establishing the acreage which is available for irrigation, which is available on the east side. Once that has been done and once it can be shown that there is potential and viable units are, in fact, in place on the east side and there is potential for expansion of development on the west side, the Government will then continue to expand the irrigation project. But not until we have been able to satisfy both ourselves and the farmers who are now able to irrigate land that it is, in fact, a wise decision for them and one which will ultimately give them a viable and economical, irrigated unit.

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It is for those reasons, Mr. Speaker, that I move an amendment, seconded by my seatmate, the Minister of Labour (Mr. Snyder) that Resolution No. 15 be amended:

That all the words after the word "Assembly" be deleted and the following substituted therefor:

"commends the Government of Saskatchewan for its decision to postpone the development of the west side of the South Saskatchewan River Irrigation Project and further that this Assembly urges the Government to continue to place emphasis on developing farming units which are already under irrigation into prosperous and viable operations and on establishing new farmers in the area already developed."

Some Hon. Members: — Hear, hear!

Mr. J. Wiebe: — (Morse) Mr. Speaker, what we have heard this afternoon from the Member from Elrose (Mr. Owens) and the Minister of Agriculture (Mr. Messer), I feel is one of the lamest excuses ever given to this Legislature for cancelling one of the greatest dreams that this province ever had.

Some Hon. Members: — Hear, hear!

Mr. Wiebe: — One of the excuses which they used was that it costs too much. It costs too much to continue on a program that would give this province more young people, would give this province more net return in the agricultural industry. They say that it costs too much when only a month ago they spent \$10.2 million for 45 per cent of \$6 million. Do you call that economical, Mr. Speaker? They spent that \$10.2 million for something that did not provide one new job in this province, did not add one new industry in this province, nor did it put one more young farmer on the land in this province.

The Minister of Agriculture also mentioned that the dry land farmers that were there already were not that interested in obtaining the land. What has the Minister of Agriculture and his Government done to attract these farmers on to this land? What have they done to educate these farmers, to provide incentives, to provide grants and provide opportunities for them to go on? What about our young people? Of course, the young people have never had the opportunity to farm with irrigation and they haven't had that much opportunity to dry land farm because they aren't that old, Mr. Speaker. Why doesn't this Government act upon a program to educate our young people to put them on these lands. An example of what can happen, Mr. Speaker, is exactly what has happened at Outlook. The 2½ section farm which was previously operated by one farmer quite easily is now being operated by 19 families. Mr. Speaker, 19 families now make a successful living on two and a half sections of land that was previously done by one man. That is how the Minister of Agriculture could put more young people back on this land.

He talked about the tremendous cost of irrigating or developing this land for irrigation, something like \$1,600 to \$1,700 per acre. I imagine this, Mr. Speaker, is for flood irrigation but has the Government bothered to look into the

possibilities of sprinkler irrigation. Sprinkler irrigation cost, Mr. Speaker, runs around \$400 an acre. This land around Diefenbaker Lake and Diefenbaker Dam is definitely suitable for sprinkler irrigation. Why doesn't the Minister of Agriculture take the time to go down to Colorado, for example, and look at what sprinkler irrigation is doing for that state?

Mr. Messer: — I went to Vancouver once.

Mr. Wiebe: — Certainly, you went to Vancouver. They are certainly having a tremendous time irrigating the mountains up there as well. But if he would have taken the time and I hope, Mr. Speaker, that some of the Members opposite who did accompany us on the Foreign Ownership of Land Committee tour of Colorado this summer will get up and explain to the Minister of Agriculture just exactly what irrigation can do for a country and for a province or for a state.

An Hon. Member: — As soon as you sit down they will jump up.

Mr. Wiebe: — You go to Colorado, Mr. Minister, you will find their cost between \$50 and \$60 an acre to purchase the land. It is bare prairie, nothing can be grown on it but grass. For a cost of between \$300 and \$400 per acre that land is now netting that farmer close to between \$50 and \$60 per acre clear profit. The banks and the governments in the State of Colorado provide money for these farmers to develop that land. The terms for this money are around seven to eight years. When you can make \$50 to \$60 clear profit per acre you can easily pay the \$400 per acre cost in that length of time.

As well, the State of Colorado provides the technical assistance and advice to allow these young people to go into irrigation. This is the type of project this Government should take in Saskatchewan instead of deciding to cancel the project which could do tremendous things to this great province.

Another example, Mr. Speaker, is the question or the problem which the Minister of Agriculture brought forward that there are no sales for the products that this irrigation land will produce. Naturally, there are no sales for this produce because when you have got a Socialist Government in this province you are not going to bring industry into this province that is going to process those products. Why doesn't the Minister of Agriculture encourage potato processing plants? Why do we have to go and purchase our potatoes and our peas and our beans from the Province of Alberta? Why can we do that here in Saskatchewan?

It is for this reason, Mr. Speaker, that I heartily support the motion made by Mr. Gardner.

Some Hon. Members: — Hear, hear!

Mr. D. L. Faris: — (Arm River) Mr. Speaker, I just wanted to direct a few remarks since the Member for Morse who has no irrigation farming in his constituency has pretended to be an expert on the subject.

Mr. Wiebe: — Mr. Speaker, for the

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information of the Member opposite we have a tremendous amount of irrigation in the Morse constituency and it is flood irrigation as well as sprinkler irrigation and I should like the Member to come down and have a look at it. I might mention that I spent more time moving irrigation pipes than the Member opposite has.

Mr. Speaker: — Order! Will the Hon. Member please take his seat when I call for order.

Mr. Faris: — If the Hon. Member is such an expert on irrigation then he will know that a great majority of the irrigation farmers in the Diefenbaker Lake area are in the Arm River constituency. As a matter of fact, they are in the Cutbank poll. I invite you to look at the results of the Cutbank poll. The votes of the irrigation farmers in the last election went four to one for the New Democrats and they will go four to one or more for the New Democrats in the next election.

But after the very interesting comments by the expert on irrigation concerning Colorado I am just at a loss as to why he didn't tell us about irrigation in Peru or Viet Nam or some other parts of the world which he knows equally little about. The fact is that there are 22,000 acres of land which the Members opposite, when they were the Government, could have irrigated. All of these extension programs and this invitation to young people to come and farm could have been given to young people when they were the Government. I am sure that invitation was extended but the fact is that these young farmers were not foolish enough to go into the situation where year after year they had losses. Now the Minister of Agriculture has pointed out to us that for three years there has been a \$10 per acre payment made to these farmers. That program was started under the former Government in the year just prior to the election of 1971. The reason for that was that at that time as at present the financial feasibility of irrigation had not yet proved out. It makes great, good sense and it makes great, good sense to the irrigation farmers who live in my constituency that we should first of all develop the east side, develop those 22,000 acres before we move on to the west side.

Now I realize that to come forth with an irrigation policy takes some courage. I also realize and you would realize it if you were to speak to the irrigation farmers, the men who are actually doing the farming in that area, that under the former Government there was no irrigation policy. That is the major thing they are concerned about. You just talk to those farmers, I invite you to come up with me sometime, Jack, and we will go and talk to those men and ask them what the irrigation policy was under the former Government. The answer is there was none. That is what they are mainly concerned about. I am very pleased to see that the FarmStart program is going to be applied to these farmers in a special way. They have made the point very well that in order to get into the intensive use of their land they are going to require larger amounts of land capital than are necessary in dry land farming. They applaud this move and they are very pleased with it. That along with the cubing plant, along with the intensive use of this area for cattle, should bring it into a condition where these men will not have to go to the Government for further loans and grants. They don't want that. Like most of us they want to be able to work hard and

make a decent living and I believe that in the years to come we will see that first of all the east side will be made viable and at that time we will all be pleased to see the west side developed. I think it is a shame that the Members opposite should continue to say, as they have said in this House and in the press, that this project is being cancelled because that is news to those farmers on the east side who are at this time looking forward optimistically for the first time in many years to being able to make a decent living on irrigation farming.

Amendment agreed to on division.

Mr. E. F. Gardner: — (Moosomin)

Mr. Speaker, we certainly listened to some pretty depressing remarks from some of the Members opposite regarding the irrigation project on the South Saskatchewan River. It certainly demonstrated a complete lack of imagination, completely negative thinking. They say, in effect, that we give up and we don't think it is going to work. Sorry, we spent a lot of money, it is wasted and we are just going to forget about it. This is certainly a surprising result from the people who are going to do all the things they claim for agriculture.

You will recall, Mr. Speaker, that we have 40 per cent of the arable land in Saskatchewan and we are almost the only province in Canada with no canning industry. Alberta, our neighboring province has over 600,000 acres under irrigation and we have, by the Minister's own admission, 17,000 acres under irrigation. Almost nothing in comparison to Alberta and still the experts in the irrigation field tell you that the potential in Saskatchewan is just as great or greater for irrigation than that in Alberta. There is certainly room for expansion and there is certainly need for the continuation of this program.

I should like to make one point very clear, Mr. Speaker, in closing this debate and I want to make it clear to all of the people of Saskatchewan. It is already clear to people in the Outlook area, to people in the irrigation community and that is that the NDP Government is effectively shutting down irrigation in this province. If they think they can convince anybody in this province that 17,000 acres, a small number of acres such as that, is going to support any kind of an irrigation program, of course, it is ridiculous. It requires much more than that. You are not going to get any industries which will use the products that are grown on irrigated land. You are not going to be able to have the technical people there, the research people. It is not a viable program in any way with 17,000 acres. It is not a cut back in irrigation, it is not a postponement, it is a cancellation and they might as well admit that is what it is. We are just not going to have an irrigation program in the Province of Saskatchewan. These people who are now in the irrigation business if they find themselves in difficulty and it is quite possible that they will, they can only blame the Minister and the NDP Government for cancelling the program, for denying the expansion that is necessary to keep this program alive.

The Minister again mentioned the cubing plant that is being built near Outlook and I am surprised that he did mention it because he announced it in the House one day, it was announced in the Throne Speech, we have one of the Ministers announcing it in Mayfair and we find out that, in effect, they are spending \$500.

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Mr. Messer: — On a point of order, I made no announcement in this House regarding any hay cubing plant. I may have responded to a question but I made no official announcement with regard to a cubing plant.

Mr. MacDonald: — (Milestone) Point of order, Mr. Speaker. If he would just go back and read his own Throne Speech he would find out where the announcement was.

Mr. Gardner: — Perhaps, he should consult with the Minister in the row behind him who made a similar announcement in the constituency of Mayfair (Mr. Brockelbank). The fact is that the Government instead of building a \$700,000 hay cubing plant are actually putting up \$500 in cash towards the project.

I am concerned, Mr. Speaker, about some of the remarks made by the Member from Elrose (Mr. Owens), the machine dealer from Elrose. I am a little concerned, he is not in the House at the moment, but he indicated that we shouldn't have any concern for farmers in the rest of the province. He said the Member for Moosomin lives down there in the east side of the province, what's he doing being concerned about people up in the irrigation area. Of course, this is a ridiculous type of statement. All of the people on our side of the House regardless of where they are from, whether they are from the city or any place in this province, are very concerned about the cancellation of the irrigation project at Elrose.

Some Hon. Members: — Hear, hear!

Mr. Gardner: — We had a similar statement from the Member for Arm River (Mr. Faris). They both seem to think that we shouldn't be concerned about what is going on or what is happening to our farmers in the rest of the province. I should like to remind him somebody has to be concerned. We had some remarks from the Member from Hanley (Mr. Mostoway) the other day and he didn't indicate any concern for this project and these farmers. Certainly, the other two Members who spoke didn't indicate any concern and I should like to tell them that we are concerned. I should like to tell them also that as an indication for our concern, about two weeks ago I went up to Alberta and spent a day in consultation with the irrigation people to try and find out all of the information I could about the irrigation projects in Alberta. I am sure that this is more than they have ever done. They didn't consult with anybody, they didn't get any information, they just make a snap decision and this is the result. My colleague from Morse mentioned some of the costs in the United States. We have had some ridiculous figures by the Minister and the Member for Elrose. I think in calculating the cost of bringing water to a certain number of acres of land they must have taken into account the cost of the complete dam because some of these figures are certainly not correct.

In his letter to the householder, Mr. Speaker, the Minister indicated that there were 17,000 acres being irrigated and we take his word for it. I think this is probably correct. He goes on to indicate the cost and he says also in his letter that one of the reasons for cancelling this project is that funds are needed in developing new programs such as FarmStart

and the Land Bank. Of course, this is what is happening. The money that should have been used for irrigation is being used by the Socialist Government to grab up land in this province for the Socialist state. Instead of using the money to promote family farmers on the irrigated land in Outlook they are taking this money, cancelling the project and using it to buy up more land.

Mr. Speaker, there was very little consultation, if any, before this project was cancelled. There was certainly no warning for the people involved and this is obvious by some of the statements that we have heard from them. The whole province is concerned about the end of this dream. I read a letter the other day from an executive member from the constituency of Mayfair and this is an indication of the concern of all people of all political faiths in the province. It doesn't matter whether they are city people or country people, all over the province they are concerned about this particular program and the fact that it has been cancelled. We share their concern, Mr. Speaker.

Mr. Speaker, we are not going to support a motion, this amended motion which commends the Government for killing this great project and we won't be voting for this motion.

Some Hon. Members: — Hear, hear!

Motion as amended agreed to on division.

The Assembly adjourned at 5:09 o'clock p.m.