

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session — Seventeenth Legislature
26th Day

Thursday, March 1, 1973

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

WELCOME TO STUDENTS

Mr. Thibault (Melfort-Kinistino): — Mr. Speaker, I should like to introduce to you a fine group of students from my constituency from Crystal Springs about 16 miles south of Birch Hills. It is far away from Regina and they got up at 5:00 o'clock this morning to make it here. When you say that youngsters can't get up at 5:00 they sure can because they were at the Steel Mill and were on time. They visited the Steel Mill and the Museum of Natural History. Now they are going to watch the Legislature in action. I am sure that the House will join with me in wishing them a trip that will be very educational and also wish them a safe journey home.

Hon. Members: — Hear, hear!

Hon. Mr. Taylor (Kerrobert-Kindersley): — Mr. Speaker, I should like to introduce to you and through you to Members of this House, a group of Grade Twelve students from Major High School. The students left home yesterday and will be returning tomorrow. Major is close to 300 miles from Regina. I am sure that the House will join me in welcoming these students and wishing them a very good trip, both on the way home and a good experience while they are here at the Legislature.

Hon. Members: — Hear, hear!

Mr. Robbins (Saskatoon Nutana Centre): — Mr. Speaker, I should like to introduce to you and the Members of the Assembly, 37 students from Bishop Murray School in Saskatoon in the constituency of Nutana Centre. They are accompanied by their teacher Mr. Nieman and a student teacher — I haven't his name. This is a school very close to my own home. I know some of the people around that district very, very well. I am certain that the Members of the Assembly wish them welcome here this afternoon and hope that their stay will be informative and educational and we wish them a safe journey home.

Hon. Members: — Hear, hear!

Mr. Grant (Regina Whitmore Park): — Mr. Speaker, in the east gallery I should like to introduce 32 students from the Elsie Dorsey School, under the direction of Mr. Thompson. I believe they made a tour of the buildings and I will be meeting them afterwards. We do wish them a good visit and I hope they don't get too confused at what takes place between now and the time they leave.

Hon. Members: — Hear, hear!

Mr. Rolfes (Saskatoon Nutana South): — Mr. Speaker, I should like to join with my colleague from Nutana Centre in welcoming the students from Bishop Murray School, the school where I had the privilege of being principal for three years. I know, Mr. Speaker, despite my having had the principalship there it is still an excellent school.

Before I sit down, Mr. Speaker, I should like through you and to the House to introduce a group of students from Churchill School. Churchill School is in my constituency. There are 47 students who are accompanied by Mr. Gogal and in talking to the students I find they didn't leave at 5:00 o'clock this morning, they left at 9:00 by STC bus. The students were certainly looking forward to coming to this House and watching the procedures. It is my hope that their experience here in the House will broaden their knowledge of democracy in action and that their trip will certainly be worthwhile here in Regina.

Hon. Members: — Hear, hear!

ANNOUNCEMENTS

Return of Mr. Boldt to House

Mr. McPherson (Regina Lakeview): — Mr. Speaker, I should like to take this opportunity before the Orders of the Day to introduce the Member for Rosthern (Mr. Boldt) back to the House.

He has been away reading the Liquor Report and seems quite happy with the results. He is ready to make a speech. We are all glad to see the Member back in the House and I am sure both sides will join in welcoming him here.

Hon. Members: — Hear, hear!

Hon. Mr. Blakeney (Premier): — Mr. Speaker, I wonder if I might add my welcome to the Hon. Member for Rosthern. We, on this side of the House, join with all other Members in the House in expressing the hope that his health is improved and that he will be able to take his full and characteristically active part in the proceedings of this Legislature. It will perhaps be particularly active when we come to the consideration of the Saskatchewan Government Insurance Office or the Report of the Liquor Committee.

STATEMENTS

St. David's Day

Hon. Mr. Blakeney: — Mr. Speaker, I should like to take this opportunity while I am on my feet, to make a couple of brief statements on the Orders of the Day.

I should first like to remind Hon. Members that today is March 1st and it has been my duty on a number of occasions to remind the House that March 1st is St. David's Day.

St. David is the patron Saint of Wales. He was a Bishop who lived in Wales about 500 A.D. He was invested by legend

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with many remarkable gifts. I won't go into all of them now but I do say this — among his gifts were not an ability to slay dragons or an ability to uproot snakes. These gifts were thought to reside in other Patron Saints from lesser lands.

He was a scholar and a man of learning, a man of peace who preached peace and brotherhood and practised what he preached. Today my purpose, Mr. Speaker, is through you to pay tribute to the people of Wales and particularly to the people of Welsh ancestry who are citizens of Saskatchewan. We have a good number of them. Places like Bangor which was settled by a group of Patagonian Welsh and many other communities. One thinks of Bryn Mawr and others, indicate the fact that people of Welsh origin settled our province.

People of Welsh origin have been in this Legislature and have been distinguished Members of this Legislature. I think of my colleague the Member for Elrose, Mr. Owens and I think of my former colleagues Mr. Lloyd, Mr. Davies and Mr. Williams. I think there were others on the other side of the House although right now the Members opposite, while they are Celts, many of them, the McIsaacs, the MacDonalds and the Steuarts, they represent another branch of the Celtic people.

In any case I think that it is “up the Celts” day and that I will get some support from them. In a traditional way, Mr. Speaker, I want to pay tribute to the Saskatchewan citizens of Welsh origin on this, the day of their Patron Saint.

Hon. Members: — Hear, hear!

Intercontinental Packers Limited

Hon. Mr. Blakeney: — I want also, Mr. Speaker, while I am on my feet to take the opportunity to make a statement with respect to the announcement which was made yesterday at a time when I was out of the House in respect of the matters of that announcement.

It dealt with a transaction between the Saskatchewan Economic Development Corporation and Intercontinental Packers Limited, or rather the shareholders of Intercontinental Packers Limited.

It has not been the custom to indicate the details of transactions between SEDCO and its clients. We discussed this in the House recently but since the transaction is somewhat out of the ordinary I felt that I wished to give the House a general outline of the nature of the transaction.

Accordingly I make the following statement.

1. SEDCO has offered to purchase 45,000 of the 100,000 outstanding shares of Intercontinental Packers Limited.
2. The purchase price for the 45,000 shares is \$10,237,500.
3. A down payment of \$2 million has been made.
4. The offer has been formally accepted by five of the seven shareholders of Intercontinental Packers representing the large majority of the shares. Acceptance by the other two shareholders is anticipated before the final date for acceptance March 15, 1973. Parenthetically I indicate that the deal is not totally firm and accordingly some details, therefore, are not able to be fully disclosed.

5. Following the formal closing of the deal the new shareholders agree inter alia, that there will be ten directors of whom SEDCO can name three; that the vote of 75 per cent of the directors, or in some cases shareholders representing 75 per cent of the shares, will be necessary to bring about major changes in the company's operations, such as, consolidation, or merger of the company, the incorporation of subsidiaries, declaring dividends in excess of 40 per cent of earnings, major capital expenditures, increasing salaries of certain senior officers and the like.

6. The company shall retain its head office in Saskatchewan.

7. The offer contains provisions whereby under certain circumstances shareholders can purchase the shares of other shareholders.

8. The offer contains provisions dealing with audits, the appointment of auditors, a guarantee against undisclosed liabilities, the repayment forthwith by the vendors of certain obligations to Intercontinental and like provisions common in share purchase transactions of this kind.

Mr. Steuart (Leader of the Opposition): — Mr. Speaker, I thank the Premier for some of the information that he has given to this House.

The deal was announced yesterday by the Attorney General in this House about the same time, I presume, that the Premier and the Minister of Industry (Mr. Thorson) and Mr. Messer were announcing it in Saskatoon.

Let me say, Mr. Speaker, the Premier leaves unanswered far more questions than he answers. I hope he will make a note of these and I would hope that we will have these answers within the next two or three days.

He says that we are paying \$10 million for a 45 per cent share of this Intercontinental Packing Plant. Would the Premier table the last five years' statements of Intercontinental Packers? We have no way of knowing, the public have now way of judging, whether this is a good deal or a bad deal, a financial good deal or bad deal. There are many other implications besides the finances of this, whether this is a good deal or a bad deal, but until we know the financial condition of that company, we can't make any judgement.

Hon. Mr. Snyder: — A good deal or we wouldn't be in it.

Mr. Steuart: — We will be the judge of that. I noticed today that Burns and Company stock is selling at \$18.50 a share. You have how many shares for \$10 million? About \$22 a share. Now I recognize that we may be comparing apples and oranges because we don't know how many outstanding shares Burns has and we don't know the true value of the Intercontinental Packers. I want to see, tabled, the last five years' operating statements of Intercontinental Packers and this is not, as the Premier knows, available to the public at this point.

There are 10 directors and we bought 45 per cent or the Government has, and has 30 per cent of the directors. Again, this is not a big point as it depends on the power that those directors have, it depends on the veto power, in fact, that the

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Government has or it depends on the kind of arrangements that are made between SEDCO or the Government and the company as to the disposition, the disbursement of profits between the shareholders.

Mr. Speaker, on the surface this doesn't look like a good deal for the people of Saskatchewan. It looks like a good deal for the Mendel family. Now I have no criticism of the Mendel family, in fact, my admiration for Mr. Mendel has always been very high and it is much higher today.

Mr. Mendel seems to have had great success with socialist parties. He fooled the National Socialist Party of Germany around about 1932 or 1933 when he got over here and now it seems he has apparently put another one over on another socialist party, the socialist party of Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — Mr. Speaker, \$10 million invested by a government that was too timid to go ahead with the west side of the South Saskatchewan Dam and try to get that industrial program completed where there would be hundreds and hundreds and maybe thousands of new job opportunities. Ten million dollars invested by a government that was too timid to go ahead with the pulp mill which would have provided 4,000 to 6,000 jobs directly and indirectly. Ten million dollars invested in an ongoing company where there will not be one new job.

It raises some other questions, Mr. Speaker, questions that I hope the Premier will answer. The NDP over the years has been the greatest critic of the packing house industry on record in this country. They have criticized them for the amount of money that they paid to the farmers. They have criticized them . .

An Hon. Member: — What's the question?

Mr. Steuart: — This isn't a question, this is a statement . . . for ripping off the farmers and they have criticized them on the other side of the coin for the high prices they charge the consumer.

An Hon. Member: — Hear, hear!

Mr. Steuart: — Hear, hear, he says! I look forward to the announcement within the next few days, within the next few weeks, that the prices to the farmers paid by Intercontinental Packers would increase by 10 to 15 per cent.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — And at the same time, to an announcement that prices paid by consumers in Saskatchewan towns for Intercontinental Packers products will be discussed.

Now the people figure you are Allan's Abattoir or whatever you want to call it, and prices will be reduced by 10 or 15 per cent.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — There is another question that is being raised, Mr. Speaker, and I think a very serious one. Now can we look forward to Messer's meatballs being sold much cheaper than Burns or . . .

An Hon. Member: — Henry's . . .

Mr. Steuart: — . . . Henry's heavy pork sausages reduced to a new low price? Will the Government let Intercontinental Packers deal directly with the National Farmers Union or are we going to have another boycott? We have something here already and I don't want this to spread, Boycott Blakeney's Baloney. This has already begun.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — Now I would be the last to put this on my car. I will offer it to the Premier but he may not put it on his car, he just boycotts Kraft products.

Mr. Speaker, I think, kidding aside, that the Premier has left as I said, far more questions than he answered. We have 25,000 unemployed, we have a jobless rate that is the worst in the last 10 years in this province's history, yet we can risk \$10 million, \$2 million cash, into a plant that is already here and will not produce one more job. It is an effort by this Government to show, I guess, that they can get along with industry, it is an effort to show that they have got an industrial development policy. They can't get any industry, they can't keep the industry that is here and they take a financial risk with a plant when we don't know what shape it is in. We know what condition it is in. The managing director is well over 80 years old, he is a fine man, he is an upright citizen and an outstanding citizen. Don't tell me that he will long be in control of this plant because he won't.

What is the future of the management of this plant? When you invest \$10 million of the people's money you had better have some pretty good answers about who is going to manage that plant. Let me tell you that the packing industry is a tough competitive industry, one of the toughest in this country and you need tough competitive management.

Burns and Company has gone up and up in the past three years. They have almost doubled or tripled their output and whom have they taken the market from? There is no Canada Packers industry in here. Swifts have pulled out. Whom have they hurt? They have hurt somebody because we are still only a handful of over 900,000 people as the population hasn't gone up, it has gone down. Have they hurt Intercontinental Packers? Was this company offered to anybody else? Is this a last ditch effort and the Government of Saskatchewan has bailed them out?

Another question I should like answered is: How much do they owe SEDCO? I think it is time that we know that now. This is a different deal than just a private deal between SEDCO and a company. How much do they owe SEDCO? How about the DREE grants?

The Intercontinental Packers have already agreed to take about \$500,000 of the DREE grants. Was this included in the

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price? In other words, are the people of Saskatchewan paying \$10 million for a share of the money that the Intercontinental Packers got, or will get, and are in the process now, I presume, of earning, from the taxpayers on the federal side of the coin. These are questions that need to be answered.

Mr. Speaker, this looks, on the surface, like a good deal for the Mendels and a very questionable deal for the people of Saskatchewan.

There is another question that is being asked and I hope it will be cleared up. We are in the process of developing a compulsory hog marketing plan, where the farmers — this legislation will be against our will, I can tell you that —

Some Hon. Members: — Hear, hear!

Mr. Steuart: — . . . a hog marketing program.

Mr. Speaker: — Order, order!

Mr. Steuart: — Just a minute, Mr. Speaker, I just want to connect this.

Mr. Speaker: — Order, order!

Mr. Steuart: — Because it has . . .

Mr. Speaker: — Order! I think that the Leader of the Opposition must keep his remarks to the line of the statement of the Premier and we can't go into the hog marketing program or things of this kind unless we have a motion to debate.

Mr. Steuart: — Mr. Speaker, the connection it has with the abattoir in which they have invested with Intercontinental Packers, is that they are one of the biggest purchasers of hogs in this province, is it the plan of the Government now to say to the farmer, this is the packing plant where you will sell your hogs when you have that compulsory Hog Marketing Commission? And farmers are asking that right now.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — So, Mr. Speaker, I say to the Premier, you answered one or two questions, you've just answered enough questions to open up another volume of questions that need, and must be answered, to the business men of this community, to the people of this province, to the farmers of this province and indeed, to this Legislature. So, I hope — and I notice he made some notes — I hope we will see that information tabled within the next two or three days and then we can have a proper debate on this entire subject to find out whether, in fact, Mr. Mendel took those people across there, as I think he did, or whether in fact we have made a good deal on behalf of the people of Saskatchewan.

STATEMENT

Return to House After Illness

Mr. Boldt (Rosthern): — Mr. Speaker, before the Orders of the Day, I should have liked to have got up a little sooner but I didn't want to

interfere with the debate that was progressing. I want to thank the Premier for the kind remarks that he made on my behalf, and to the Member from Regina, our Whip (Mr. McPherson) welcoming me back into the House. As most Members know I missed a good deal of the Session last year, for which I really cannot apologize. My health is considerably better from what it was and I hope that I will be able to stay in the House for the rest of the Session. In the last five or six weeks, on doctor's orders, I went down south and if I can interject a little bit of humor here, Mr. Speaker, it's a great privilege to go into a country where you have a real right-wing, free enterprise government . . .

Some Hon. Members: — Hear, hear!

Mr. Boldt: — . . . that alone, Mr. Speaker, has contributed a good deal to my health and when I came back I saw the sober aspects of the unemployed, and no industry in Saskatchewan and I don't know how long I am going to be well.

Hon. Mr. Blakeney: — More sick Liberals!

Mr. Boldt: — I want to thank all Members for the kind remarks they made in this House and outside the House today. I hope that I will be able to contribute to the welfare of this province. Thank you.

Hon. Members: — Hear, hear!

ANNOUNCEMENTS

Saskana Sausage and Meat Processing Plant – Regina

Hon. Mr. Smishek (Minister of Public Health): — Mr. Speaker, before the Orders of the Day I want to bring to the attention of the Members of the House and announce that another meat processing plant has started operation today in the city of Regina.

This morning, Mr. Speaker, I had the privilege of cutting the ribbon and officially participating in the official opening of Saskana Sausage and Meat Processing Plant in the city of Regina.

Some Hon. Members: — Hear, hear!

Hon. Mr. Smishek: — We wish to inform the House that Mr. John Hirth who was in business in this city left Regina in 1969 but returned in 1971.

Some Hon. Members: — Hear, hear!

Hon. Mr. Smishek: — The new plant and equipment is valued at some \$350,000. They will be employing in the order of 15 people . . .

Some Hon. Members: — Hear, hear!

Hon. Mr. Smishek: — . . . they will produce

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canned and party sausages, the only such product in Canada. They expect to have a market in Ontario and in western Canada. They will be processing over one million pounds of meat a year and one million cans and casings will be used and about 40,000 pounds of spices, per year will be used in their production.

Mr. Speaker, I thought it important to make this announcement to see what is really taking place in the meat processing industry and I do wish Mr. Hirth and his employees great success in the years to come.

Some Hon. Members: — Hear, hear!

QUESTION

Unemployment in Saskatchewan

Mr. Lane (Lumsden): — Mr. Speaker, before the Orders of the Day, I have tried for several days to get an answer from the Government on unemployment. I am going to ask the Minister of Finance (Mr. Cowley) the following question: Does the Government have an estimate at this time as to what the unemployment level in Saskatchewan will be on June 1st, 1973?

Hon. Mr. Cowley (Minister of Finance): — Mr. Speaker, we do have some preliminary estimates as to employment figures. I am not aware of, but I can certainly check and see whether we have estimates of unemployment figures as of June 1, 1973 and I will endeavor to inform the Member tomorrow.

SECOND READINGS

Hon. Mr. Messer (Minister of Agriculture) moved second reading of Bill No. 50 – **An Act to amend The Natural Products Marketing Act, 1972.**

Hon. Mr. Messer: — Mr. Speaker, may I firstly recognize the return of the Member for Rosthern constituency (Mr. Boldt), also that he is in better health, to the extent at least that he will be able to participate to some degree in the activities of this Legislature. I can assure him that there will not be many occasions, if any occasions that I will agree with his viewpoints. Nonetheless, I know that he will be bringing them forward.

Mr. Speaker, in speaking to the proposed amendment to The Natural Products Marketing Act, I wish to review the role which this legislation plays in a modern agricultural industry and food marketing system and briefly to outline some of the concepts upon which it is based. But I should like firstly to make some remarks in regard to the observations that were made by the Leader of the Opposition (Mr. Steuart) just a few moments ago. He asked, I think, some very legitimate questions in regard to the Government's activities in Intercontinental Packers. The theme of it was to try and establish a joke out of a very significant undertaking between, not only the Government of Saskatchewan and Intercontinental Packers, but the farmers and those who are producing livestock in this province. He may talk, Mr. Speaker, about Messer meatballs or Henry's ham, or Blakeney's baloney, but I can assure him every producer in Saskatchewan is keenly aware of the activities of the Government

and the majority endorse the kinds of transactions that have been made in order to further their ability to improve their income.

Some Hon. Members: — Hear, hear!

Hon. Mr. Messer: — The problem with the Members opposite, Mr. Speaker, is that in all of the years they were in government, they showed little, if any, good faith at all towards encouraging expanded production in the province when it was susceptible to price declines because of disruptions at the international market level.

Some Hon. Members: — Hear, hear!

Hon. Mr. Messer: — For the first time ever in any province in Canada a government has the guts enough and the fortitude and the foresight, Mr. Speaker, to look ahead to establishing some means of giving some assurance to producers that they will attempt to level out declines and the upswings in the production of agricultural products, mainly livestock.

Some Hon. Members: — Hear, hear!

Hon. Mr. Messer: — Our Government, Mr. Speaker, has been introducing a large and fairly complex set of legislative proposals and programs designed to stimulate a new era of rapid growth and development in the agricultural sectors of this province. Each and every one of these programs fits into the total package as an essential and integral piece. The emphasis that we are placing on marketing of farm products is one part — and only one part — of the overall complex of programs.

Our first and foremost concern as a Government is to enhance the farm opportunities available to rural people in Saskatchewan in order to stem and in order hopefully to reverse the trend towards depopulation of our rural areas and decline in our farm numbers.

In order to do this, it is absolutely essential that farm growth patterns be redirected to be consistent with the overall objectives. We, as a Government, do not deny the need for individual farms to grow and to develop through time as new technology and new methods of production become available.

Most of our past programs and policies relating to agriculture, most of them introduced by former Liberal governments at provincial or federal levels, have failed in their ability to influence and/or assist the farm development process in such a way as to increase opportunities for farmers in Saskatchewan.

Generally speaking, our credit and extension programs have emphasized the growth of individual farm units through the creation of an ever-expanding land base. The logic of this type of process is inevitable. If the individual farms are to grow and expand through added land base, the result must be a declining number of farms in this province.

It is our Government's contention that this type of growth pattern need not be the dominating one for individual farm units.

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We recognize that many farms, and in particular small farms, must grow and expand their resource base if they are to become economic units.

Some Hon. Members: — Hear, hear!

Hon. Mr. Messer: — However, it is our contention that government programs and policies should be directed towards encouraging farms to grow through creating an every greater value of product that is produced from the given land base that is available in this province now.

Essentially, we must look towards building up from the land base for individual farm units, rather than towards expanding the size of that farm. The inevitable result of this kind of growth strategy for farm units will be to create an ever-growing volume of farm products produced in the province, products that must be successfully marketed. In order to achieve this result, and thus to enter into a new period of dynamic growth and expansion in the production of farm products, much will have to be done in the near future.

There is a need to put into place adequate facilities for farm transfer and farm tenure. Individual farm units must have a sound and adequate form of business organization relating to their acquisitions and utilization of land. And it is for this reason that we have put into place the Saskatchewan Land Bank Commission, as a complement to the existing programs that are currently available to assist in the process of farm land transfer.

We believe that the Land Bank Commission provides an important additional element in the options which are available to farmers successfully to transfer farms from one generation to another, and I must say that this belief is being more than fully justified by the very heartening and enthusiastic response that the farmers of Saskatchewan have made to the Saskatchewan Land Bank Commission.

Some Hon. Members: — Hear, hear!

Hon. Mr. Messer: — We recognize, Mr. Speaker, the need for credit facilities that will permit farmers to create the necessary capital structures to be associated with a growing production without burdening them unduly with high and unstable interest and principal payments.

In order to create an ever-growing value of production from our given land base in this province, we are going to have in the aggregate and on the individual farms to greatly increase the rates of capitalization in productive resources directed at expanding the livestock industry as well as other specialty crop areas.

It is for this reason, Mr. Speaker that we have introduced the FarmStart program.

Some Hon. Members: — Hear, hear!

Hon. Mr. Messer: — This program, in combination with the Land Bank Commission

and our other general extension activities will, I am convinced, Mr. Speaker, introduce in Saskatchewan a stage of agricultural growth and development that has not been equalled in this province since the homestead days.

I believe, Mr. Speaker, that we are entering into a period of renewed growth, renewed development, and renewed revitalization of our farm areas that has not been equalled since the early days of settlement in this province. I think it interesting, most interesting, Mr. Speaker, to review the history of this settlement period and to note the importance which farmers placed on marketing during those days of original settlement of Saskatchewan farm areas.

The whole period of original development, stretching through from the turn of the century until the beginning of the Second World War, was characterized by a long and difficult struggle to overcome the major and substantial problems relating to the marketing of the principal farm commodity of the period, which was then mainly grain.

The pioneer settlers of this province recognized, with great clarity and with great vision, that the rapid increases in grain production being experienced during that time made it absolutely essential that farmers themselves become involved in developing adequate and efficient market structures within the province.

It was recognized clearly that we could not have a successful grain producing economy unless the whole problem of developing adequate forms of market organization, consistent with the needs of producers, was resolved. This period was one of great interest to the students of political economy because it contained many instructive lessons on the struggle between farmers on the one hand and the monopolistic, highly organized railroads, grain companies and milling companies on the other hand. The lessons learned during that period are quite clear, Mr. Speaker, and some of the Hon. Members opposite who sit to your left, would do well to study some of those lessons. It is clear from those experiences in our earlier days that farmers must organize their marketing systems so as to develop some countervailing power and authority in the market place. It was clearly recognized that the basic structural changes in the marketing of agricultural products were needed to enhance prices and introduce price stability for farm products. It was recognized that the marketing and processing industries for farm products do not necessarily act in the interests of farmers, but that they often create duplicating and competing structures which introduce large scale inefficiencies in the system with the expense being borne, generally speaking, totally by the farmer.

I should like, Mr. Speaker, today to pay tribute to a large group of, what I think could be referred to, brave and courageous farm leaders and individual farmers of that early period who struggled against tremendous odds to develop effective marketing structures for grain in the prairie region.

Some Hon. Members: — Hear, hear!

Hon. Mr. Messer: — I think of such great men as Mr. E.A. Partridge of Sintaluta, who deserves the greatest part of the credit for the formation of the United Grain Growers' Company, a farmer-owned

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co-operative type company that was eventually to develop into the United Grain Growers Company Limited.

I think of Alexander James McPhail, the key and driving force for the creation and early operation of the Saskatchewan Wheat Pool.

Some Hon. Members: — Hear, hear!

Hon. Mr. Messer: — I could go on, Mr. Speaker, to list many others, including the many, many farmers who struggled so long and so hard for the creation of the Canadian Wheat Board, one of the greatest orderly marketing agencies for farm products in the world today.

Some Hon. Members: — Hear, hear!

Hon. Mr. Messer: — I pay tribute to these men, Mr. Speaker, because their example can teach us much in our consideration of needs for new and improved methods of marketing farm products. These men had the vision and the foresight to recognize that a growing and developing agricultural economy cannot ignore the need for businesslike marketing. They recognized that if an area with a vast potential to produce agricultural products is to achieve the full and stable returns which producers deserve and must have, the problem of organized marketing has to be tackled with determination and clear thinking.

Some Hon. Members: — Hear, hear!

Hon. Mr. Messer: — It is discouraging to me, Mr. Speaker, to see how far backward the Liberal Party has moved in this province in that regard. I would remind the Members opposite, Mr. Speaker, that it was a Liberal Government, although admittedly with a substantial amount of pushing and convincing on the part of the CCF and other political leaders that it was a Liberal Government that made the Canadian Wheat Board a compulsory marketing agency in September, 1943. A compulsory marketing agency, Mr. Speaker. Now, that Government, although it needed some convincing and needed some considerable pushing, at least was able at that time to see the merits in having a compulsory organized system for the marketing of wheat produced on the prairie regions. Now, thirty years later, Mr. Speaker, we have the Liberal Party in the Province of Saskatchewan that stands up and literally promises to destroy and disrupt every attempt made by the Government and by the producers to create orderly marketing systems for farm products in this province.

Some Hon. Members: — Hear, hear!

Hon. Mr. Messer: — I can only conclude, Mr. Speaker, as the producers conclude, that they are completely unaware of the threshold of development that currently faces this province. I can only assume that the Hon. Members opposite do not recognize that Saskatchewan is about to enter into a period and a phase in production of livestock and specialty crops that will be even greater and more astonishing than the greater earlier development in production of grain in this province. The world is literally knocking at our door. It is practically begging us to produce meats and protein crops that will feed hungry mouths

in the entire world. And we must, Mr. Speaker, we must open that door and meet those needs. In order to do this it is quite clear to those who have some minds and use them, that we must have the legislative authority and we must have the creation of the agencies to do an effective businesslike job of marketing these products.

Some Hon. Members: — Hear, hear!

Hon. Mr. Messer: — I do not think that there should be any question, Mr. Speaker, about whether or not we are going to gear up to meet the demands of the hungry world. Surely it is incumbent upon us to utilize the great and vast resources we have here, to provide the opportunity to our farmers in this province to go to work and do the job that needs to be done. It is incumbent upon us as a Legislature to put into place legislation that will permit the effective creation of the marketing agencies needed as an integral part of this job. It is incumbent upon us to ensure the development of an efficient and an effective processing industry for the ever growing quantity of products that will be processed in this area and to see that processing of these products takes place in an efficient manner and in a manner that will assure the producers of maximum possible return.

Now I don't mean to suggest that we should look to the past in order to get exact prescriptions for the kinds of marketing agencies that were created. This is a rapidly changing world and those changes mean that we must be ever ready to adapt and react accordingly. With the aid of modern technology agriculture has developed rapidly in the last few decades. Farmers now use sophisticated production techniques and extensive specialized machinery and equipment to produce products for an ever increasing market. Consumers now demand a high quality product produced to meet their specific desires. Products now move from Saskatchewan farms to markets all across Canada and to other parts of the world. Products are now refined and processed to the point where the consumers in many instances pay more for the processing of the product than they do for the product that actually leaves the Saskatchewan farm. With changes in the agricultural and food processing industry the function that must be performed by the marketing system has also been drastically changed.

The livestock and meat system has been specialized. The producer has little if any communication with the consumer in the vast majority of cases. Products flow between the producer and the consumer through a number of institutions or agencies, each of which performs specialized functions. For example, hogs leaving a farm pass progressively to the assembler, the processor to the wholesaler, the retailer and finally to the consumer. The complexity of the food system is not recognized by many people, including many of the learned Members who sit to your left, Mr. Speaker. The Liberal Party while in power from 1964 to 1971 indicated and showed their complete lack of ability to comprehend the need for modern and improved marketing systems for agricultural products.

Some Hon. Members: — Hear, hear!

Hon. Mr. Messer: — The result, Mr. Speaker, of that chaotic and unorganized marketing was evident in 1971 when hog prices fell to a low of

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\$18 per hundredweight. Market systems as well as most other man-made creations often become obsolete and yet continue to be used unless influenced by the forces of change. It is the belief of this Government that producers must be able, if they so choose, to control the flow of their product from the time it leaves their farm until it reaches the hands of the ultimate consumer. The concept of free and open competition can no longer be demonstrated in today's society. It is a myth like a unicorn. The agricultural sector, while attempting to upgrade on a competitive basis, is forced to deal with other industries which have much greater economic and bargaining power. Other industries are able to set prices, to meet costs of production or to request and obtain protective tariffs to ensure adequate prices for the products being produced. If producers are to receive adequate compensation for their efforts it is obvious the greater producer control from the marketing of agricultural products must come about. Producers must be put in a position of using their collective marketing power and this is exactly what The Natural Products Marketing Act provides the opportunity to do.

I am not suggesting, Mr. Speaker, that producers organize themselves to charge consumers exorbitant prices for farm products, rather I am suggesting that producers organize themselves to develop effective marketing systems which with the greatest possible efficiency can move the product from the farm gate to the hands of the ultimate consumer. Such a system should aggressively seek new marketing opportunities at reasonable price levels. The result of such a marketing system would be increased ability of production and price levels. The producers of this province should no longer have to face the instability of product prices such as has occurred in the last few years and I refer again to the example of hog prices in 1971 and a low of \$18 per hundredweight, then only two years later as high as \$40 and \$45 per hundredweight. Farm economic development can be enhanced through a design of an improved marketing system. Farmers have a right to a marketing system which provides an opportunity for expanded production at a remunerative price, which permits them to produce products in the form demanded by consumers, which takes a lesser charge for its function and which causes the product to be sold in more remunerative markets.

The Government of Saskatchewan therefore believes that improved and more effective marketing of agricultural products can greatly contribute to the well-being of the farm sector of the provincial economy. We also believe that greater producer influence in the marketing system through the development of marketing agencies is the most appropriate means of accomplishing that end. A revised Natural Products Marketing Act was passed at the last session. This legislation is enabling in that it provides a wide range of powers which a producer marketing board or marketing commission may exercise if circumstances warrant. The amended Act will enable the marketing agency to become a significant influence in the functioning of a food system and participate in it where warranted. It is essential that marketing agencies function in the interests of producers and this is what this provision will do.

The Government of Saskatchewan takes the position that marketing boards or commissions should be established where producers indicate a desire for such an agency. In the case of hog marketing in Saskatchewan, time was a critical factor

because of the severe problems apparent during 1972 due to price spreads between provinces and the need for joint efforts to develop export markets. Producers through their various organizations and representatives indicated to the Government a desire for a provincial hog marketing agency and in response to that demand, the Provincial Government took the initiative to establish a commission to act in the interests of producers.

Mr. Speaker, I should like briefly to outline what I believe to be the essential elements of an effective marketing agency:

1. A marketing agency must enable producers to become more broadly involved in the marketing of their produce.
2. A marketing agency should bring about the badly needed stability which will increase producer and middleman confidence in a system that should benefit all concerned.
3. A marketing system should increase efficiency of marketing, processing and transportation of the product, a benefit of which should accrue to all members of society.
4. A marketing agency should provide a focal point for the expression of farmers' viewpoints with regard to marketing; the expression of such views in regard to marketing can return to producers.
5. The powers which producer and marketing boards and commissions wield and their actions should be subject to a set of checks and balances as are the actions of elected representatives in a democratic government. The nature of these checks and balances in the case of marketing commissions is such that producers' views do not go unheeded and are not neglected.
6. A marketing system should penetrate untapped export markets for agricultural products and extract an adequate return for producers. Without an effective marketing system we will lose some of these markets to our more sophisticated competitors. A marketing agency is the appropriate tool to upgrade the effectiveness with which our agricultural products are marketed.

In accordance with these criteria, this Government is proposing amendments to The Natural Products Marketing Act which will strengthen and which will improve the Bill. The proposed amendments will add clarity to the Act and give boards and commissions the power to operate a pool and to enter into marketing arrangements with other organizations or agencies to accomplish mutual objectives. With the proposed amendments, marketing commissions will have the same power as marketing boards with one notable exception. A marketing commission will not have the power to control production. This Government takes the position that the power to control production should be reserved for marketing boards established by producer plebiscite.

The newly established Hog Marketing Commission will not have the power to control production of hogs. It is the desire of this Government that this province achieve considerably higher levels of hog production. It is my sincere desire to see each and every hog producer expand current levels of production and I hope to see many new hog producers in the next few years.

In summary then, Mr. Speaker, The Natural Products Marketing Act as amended will give producers the power to have more control over their own destiny. I sincerely hope the producers will use this power which they have been given to the advantage of all residents of this province. At the same time, the sheep producers and vegetable growers in the province are very

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interested in establishing an organized marketing system for their products. They have solicited and received the assistance of the Department of Agriculture in looking at the various alternatives that are available. While we have definite ideas as to what can be accomplished through an adequately designed marketing agency, we will not nor will we choose to ignore producers' views as to what they think is appropriate. Officials of my Department will assist them in their deliberations where possible.

It may appear, Mr. Speaker, to the uninformed observer that in the light of current high prices for agricultural products, seemingly limitless market opportunities, and a spirit of optimism in the agricultural industry, our efforts to improve and make more effective the marketing of agricultural products are not now necessary. However, I think we must remember that the agricultural industry is an unstable one, traditionally beset by cycles of prosperity followed by periods of low income and depressed prices. Agriculture, even with high prices, is only marginally profitable when the return to labor and capital employed in it are compared to the return from similar resources in other industries. Therefore, I cannot overemphasize the fact that more depressed market conditions will return to the agricultural industry as the recent past should remind us and that the most appropriate means of preparing for such conditions is to streamline the agricultural industry now. This means improving the marketing system for our products, developing new products and encouraging the diversification of our agricultural industry in the province.

This Government will not sit idly by as the Liberal Government did in the mid-sixties and walk into another period such as occurred in 1968, 1970 and 1971 completely unprepared. For this reason, Mr. Speaker, I recommend that this Bill receive the unanimous approval of all Members of this House.

Some Hon. Members: — Hear, hear!

Hon. Mr. Messer: — Mr. Speaker, it is important to recognize that our activities and programs in the agricultural and food industry are not limited simply to farm production and farm marketing. It is the belief of this Government that in order to enhance and stabilize returns to producers and in order to have agriculture contribute in a substantial and an important way to the development of this province, that we must take a total view of food production, marketing and processing systems. One of our basic and fundamental concerns is to encourage and direct the development of a substantial and important food processing industry in this province. We also believe that such industries should as much as possible be owned and controlled by Saskatchewan interests, and that the management should operate in accordance with the overall development interests of this province.

I cite to you, as an indication of our determination to see that this is so, our recently announced acquisition of a substantial interest in Intercontinental Packers Limited. Intercontinental Packers is a unique company in this province in many respects, Mr. Speaker. It is a company that was founded and grew and developed on the basis of activity within this province. It is an example of how, even against the great odds of a national policy that does not consider the economic interests of this area, basic ability and provincial capital can develop

a successful and major processing industry, capable of employing large numbers of workers and of utilizing products of Saskatchewan. I am sure that we are all aware of the great difficulties that are encountered in developing successful processing industries in this province. In many respects our province has not proved to be well suited to the successful development and growth of such industries.

The size of the provincial market and the structure of the national freight rates, are factors which are particularly strong in militating against substantial development of food processing industries in Saskatchewan. We are also faced with the problem of ownership of these industries. The major national and multi-national corporations tend to make their decisions about retaining and developing plants on the basis of economies of scale in production and marketing, and that are already associated with the establishment of plants in other major market areas.

We are all very familiar with the trend which seems to be operating at the present time for our major processing industries, not only in the food sector but all of the resource sectors, to transfer their operations to the larger population centres outside of the province.

These kinds of decisions are often made, not because the Saskatchewan operations are unprofitable, but because there would be some efficiencies gained in moving outside of the province and thus the profits would even be greater to those concerned.

The national and multi-national corporations have introduced a new element of greed into their business world today. It is absolutely essential that Saskatchewan people and the governments that represent those people, take a much more active interest in the financial and operational future of these companies.

This is going to require an aggressive and farsighted policy of public investment in the business activities of this province.

This is a challenge which our Government accepts not without recognition of the problems and difficulties which will be encountered but in recognition of the absolute need to take this kind of action if we are to see continued growth and development of industrial activity in this province. We also recognize the need for this kind of action to protect and enhance the basic interest of the producers of raw materials in the province.

Continued centralization of our processing industries under a very limited number of large corporate umbrellas tends only to reduce the extent of competition in the processing sectors, and thus to increase the extent of corporate power relative to the power of the basic producer.

Our Government is absolutely determined to assure producers that the selfish interests of the large national and multi-national corporations will not run roughshod over the producers and the taxpayers of this province.

Our recent acquisition of Intercontinental Packers Limited assures the continued independence of this company, and

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consequently, ensures that this company will continue to maintain keen competition in the packing industry and will serve to assure producers of maximum returns.

Our new thrust towards the production and marketing of farm products means also that we must turn our attention in a much more aggressive fashion towards major achievements in export markets. These markets exist, and are very much demanding the meat and other products of Saskatchewan agriculture.

What is needed is the marketing system that can serve the needs of these major export markets, and the processing capability that can deliver the processed product to those markets in the form and in the quantity that is required.

Intercontinental Packers Limited has been a major innovator in moving into the export markets for meat products and particularly pork. The participation of the Saskatchewan Government in the ownership of this company will only add assurances that the company will continue to aggressively compete and develop these kinds of markets consistent with our needs to market the products that we are producing.

The company is one which can operate in close co-operation with the Saskatchewan Hog Marketing Commission in pursuing its marketing objectives, and this in a partnership which can only contribute in a substantial way to ever-increased returns and production possibilities for Saskatchewan farmers.

We are looking forward, Mr. Speaker, in the days ahead to a completely changed configuration in the overall marketing and processing systems for livestock products in this province.

I look forward, as a consequence of the major initiatives taken by this Government in the meat packing and processing sectors, to a new configuration in the overall food system. I look forward to a new phase of co-operation and achievement of common objectives by the basic production of processing industries.

The pursuit of common interests by our marketing agencies such as the Hog Marketing Commission and by our major processors such as Intercontinental Packers, can only contribute in a substantial way to the improvement of the farm situation in this province and to the improvement of the situation in our rural communities.

Some Hon. Members: — Hear, hear!

Hon. Mr. Messer: — Of course, Mr. Speaker, this means a much greater degree of public participation in the marketing and processing activities. The Hon. Members of the Opposition, the Hon. Members who sit to your left, do not have the courage to take these kinds of initiatives so that the development can take place in the interests of Saskatchewan people and according to the demands of Saskatchewan people.

Some Hon. Members: — Hear, hear!

Hon. Mr. Messer: — The Members of the Opposition would take their do-nothing policy and allow continued decline of Saskatchewan economic and

Saskatchewan society, selling out all of our great potential and all of our great future to the vested interests of the major corporations and major financial interests in Eastern Canada and in other countries.

This is wrong, Mr. Speaker.

Some Hon. Members: — Hear, hear!

Hon. Mr. Messer: — The people of Saskatchewan have clearly indicated that they have the courage and that they have the determination and that they are willing to take some risks, so that Saskatchewan can proceed and move forward and fulfill the great expectations and the great possibilities that exist in this province.

Some Hon. Members: — Hear, hear!

Hon. Mr. Messer: — I serve notice to this Assembly today, Mr. Speaker, that our Government stands ready to create new marketing agencies under this legislation we are discussing in order to enhance and improve the marketing situation for producers.

We must get down to doing the job of businesslike marketing. We are prepared to provide the legislative authority to producers that is needed if they are to extract their fair share of the returns from the food dollar.

We will assist and we will encourage the development of marketing agencies on behalf of producers that will contribute to more stable and to better prices, and we will encourage and assist in the development of marketing agencies that will actively pursue new market opportunities in order to create outlets for an ever growing quantity of farm production.

I also serve notice to this Assembly that we will be willing as a Government to act on behalf of the people of Saskatchewan to take an interest, financial or otherwise, in major processing companies and other industrial activities which are key and essential to the economic development of our province.

We will not risk a slow economic death for this province by standing aside and letting our major industries move out through acquisition by extra-provincial and foreign corporations. We will invest the money needed to maintain and to further expand major industrial operations such as those owned and operated by Intercontinental Packers.

The Members of the Opposition they say no, they don't want us to touch these things. They say no, they are afraid. They say no, we do not have the courage to do these things that are necessary to assure Saskatchewan's rightful place in the future.

Some Hon. Members: — Hear, hear!

Hon. Mr. Messer: — Where is the original pioneer spirit, Mr. Speaker, that was so much a factor in developing this province? Where is that spirit and determination to have the co-operation between producers and the public sector generally in order to achieve legitimate aims and objectives of Saskatchewan farmers, Saskatchewan labor, and Saskatchewan business?

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I will tell you, Mr. Speaker. It still resides in the hearts and minds of the little people of Saskatchewan.

Some Hon. Members: — Hear, hear!

Hon. Mr. Messer: — The farmers, the little people — not Liberals, the workers and the small businessman. These people through letters and through meetings say to me and all other Members of this Government let us not be afraid to do something substantial.

Some Hon. Members: — Hear, hear!

Hon. Mr. Messer: — Let us not be afraid to get involved in the marketing and processing of our products to see that we get a fair share of the returns.

Some Hon. Members: — Hear, hear!

Hon. Mr. Messer: — And to see that we maintain the maximum possible amount of activity in this province.

They recognize the benefits that accrue to all people of Saskatchewan from doing so, and they have the courage to take some of the risks involved in getting that job done.

Just as I can tell you where the determination and the courage to do this resides in Saskatchewan, Mr. Speaker, I can also tell you where it does not reside. It does not reside in the hearts and the minds of those Hon. Members across the way, and of the leading members of the Liberal Party in this province.

Some Hon. Members: — Hear, hear!

Hon. Mr. Messer: — They are afraid, Mr. Speaker, afraid to do what has to be done, and one can only wonder why they are afraid.

Is it that their statements about being concerned for the future of Saskatchewan and about wanting to do something to develop and expand our economic base in this province, is not really sincere?

Is that the reason, Mr. Speaker? Is it that they are influenced by the major national and multi-national corporations which filled their election coffers so very full of that much needed money they needed in an attempt to win elections?

An Hon. Member: — Oh no, oh no.

Hon. Mr. Messer: — I will leave it to the Members of this Assembly and to the people of Saskatchewan to answer those questions, Mr. Speaker.

In the meantime I am confident that the vast majority of farm people in Saskatchewan have the foresight and the understanding to support this Government in its efforts constantly to develop and improve our marketing and processing capabilities for farm products.

I am confident that they will support this legislation and the amendments that we are proposing. I therefore move second reading of this Bill, Mr. Speaker.

Some Hon. Members: — Hear, hear!

Mr. Gardner (Moosomin): — Mr. Speaker, in his usual manner the Minister has talked about everything except the contents of this Bill.

He has talked about the Land Bank and mother love and everything else. We don't really blame him for ignoring the contents of this Bill. I am sure if the contents could remain hidden from the farmers of this province it would suit the NDP very well.

He used his usual clichés. He talked about multi-national corporations, this seems to be the favorite bogey man today. He talked of orderly marketing without really understanding what it means at all. To him orderly marketing means state monopoly control.

Some Hon. Members: — Hear, hear!

Mr. Gardner: — Now I am interested in the contents of Bill No. 50. The Minister never got around to telling us what was in Bill No. 50. But unlike the Minister I hope to stick to the contents of this Bill.

I might just say that I was amused also by his talk of the decline in the farming economy of the province at this particular time. Mr. Speaker, we have waited for some time in this Legislature for the Minister to give his second reading speech on Bill No. 50 — An Act to amend The Natural Products Marketing Act. We sympathize with him. We can well understand his reluctance to introduce the Bill. No Government Minister should have the audacity to ask any Legislature for the type of power provided for in this Bill.

Some Hon. Members: — Hear, hear!

Mr. Gardner: — Part of the basic philosophy of any socialist government is that they know best what is good for the people. And they are going to give it to them whether they want it or not. This is a prevalent socialist attitude. They believe that the planners and the politicians have a divine right to make decisions affecting people even though the people themselves may not be in agreement. They don't believe, for example, in votes for producers. We on the other hand believe in maximum consultation.

Some Hon. Members: — Hear, hear!

Mr. Gardner: — We believe a scheme such as the Land Bank, the Foreign Ownership Bill should not be foisted on the people like a dose of castor oil whether they want it or not.

Mr. Speaker, when a Bill such as this comes before us in the Legislature we often tend to forget the people who may very seriously be affected by the Act. We think of marketing boards,

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government departments, regulations and legal phrases in the Bill. But what about a farmer whose way of life could be controlled by the powers contained in an Act such as this.

The Minister mentions the little people of this province. Let's just, for example, take a look at one of the little people. Let's look at a typical but imaginary small farmer, let's say he lives in a Saskatchewan community near a town such as Broadview. Joe Stevens is a mixed farmer, he keeps about 20 cows. Each fall he sells 15 calves at the auction market in Whitewood. He has farmed for 25 years and has marketed his cattle this way for the past 10 years. How could the powers of this Act affect Joe Stevens? That is the question that every farmer in this province wants to know. He is one of the little people whom the Minister talks about.

First of all we should ask would Joe's calves be covered by this Act? Will a natural product as defined in Section 2 clause (j) is, and I am going to quote this clause:

Any product of agriculture, of the forest, lake or river, animals including poultry whether alive or killed, skins or pelts or fur bearing animals, meats, eggs, wool, dairy products, grains, seeds, vegetables, vegetable products, fruit and fruit products, honey and any article of food, wholly or partially manufactured or delivered from any such product.

Now this obviously, Mr. Speaker, includes Joe's calves. And you may note also that it could cover wheat, could cover barley, pigs, potato chips, peanut butter, ham sandwiches, pork and beans, almost anything else you can mention.

The first thing that Joe must do is buy a licence because Section 15 clause (e) gives the board the power to fix and collect licence fees. So for the first time in his life Joe would have to buy a licence to raise and to market his calves. If he doesn't abide by this or any other regulation Section 31 says and I am going to quote this:

Every person who fails to comply with any determination, regulation or order of a board or commission or any agency operating under this Act, or who fails to comply with any part or provision of this Act, is guilty of an offence and liable on summary conviction to a fine not more than \$500 or to imprisonment not exceeding three months or to both fine and imprisonment.

Now, Mr. Speaker this is bad enough but a new amendment has been added to Section 31 and it is a rather extraordinary amendment. I am going to quote again the amendment, Section 31 B (1):

In a prosecution for failure to obtain a licence or to pay fees, penalties or charges, the onus of proving that a licence was not required or that the fees, penalties or charges were paid as the case may be to the board or commission, shall be upon the accused.

The onus of proving, Mr. Speaker, that a licence is not required shall be upon the accused. You will note that the NDP here are reversing one of the basic principles of British law. They are saying that Joe is guilty until he proves himself

innocent. All they have to do is accuse Joe of not having a licence or failing to comply with the regulations. If Joe cannot prove himself innocent he is subjected to the penalties mentioned above.

Mr. Speaker, Joe probably objects to all this but he likely buys his licence anyway, because he doesn't want the NDP Government to throw him in jail for three months for not having a licence to raise calves. Joe usually sells his calves at the Whitewood Auction Market about October 15th of each year. This has been his usual practice. It works out well and he is satisfied with the price. Last year he got over 50 cents a pound for steers, 40 cents for his heifers, he was well satisfied. But what is the situation now under this Act. I am going to quote from Section 15 clause (a). The NDP board will now have the power to do the following and I quote:

To regulate the time and the place at which, and the agency through which any regulated product or any variety, class or grade thereof shall be marketed; to regulate the manner of distribution, the quantity and quality, grade or class of any regulated product that is marketed by any person at any time; to prohibit in whole or in part the transportation packing, storage or marketing of any grade, quality or class of any regulated product.

Now, it is fairly obvious, Mr. Speaker, the board can now tell Joe he must sell his calves not at the Whitewood Auction Market on October 15th, but in Regina on September 15th. This of course may not suit him because he is probably still combining at that time. But he doesn't want to risk breaking the regulations so again he complies. What is convenient for Joe may be of little concern to the Board of the NDP Government. But they will tell them what to do and he is forced to do it or suffer the consequences.

Some Hon. Members: — Hear, hear!

Mr. Gardner: — In connection with this, Mr. Speaker, we received some very disturbing news yesterday and it has been mentioned before in this House, we heard it as an announcement from the NDP government, we were informed that they had purchased a large share of Intercontinental Packers of Saskatoon. Thus, Mr. Speaker, about 24 hours ago, the Premier and the Minister of Agriculture were announcing an agreement which would have the effect of putting this socialist Government in the meat packing business in Saskatchewan. Today the Minister of Agriculture in Bill No. 50 is asking the Members of this Legislature to give him the power, and again I quote from the Bill so that everyone is clear on it:

to regulate the time and place at which and the agency through which any regulated product of any variety class or grade shall be marketed.

Surely, Mr. Speaker, this in no way could be a coincidence. The connection between yesterday's announcement and this Bill are perfectly obvious to all.

Some Hon. Members: — Hear, hear!

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Mr. Gardner: — Yesterday, the NDP announced they were going in the meat packing business, today the NDP are acquiring the power to tell the farmer where he must deliver his livestock.

Some Hon. Members: — Hear, hear!

Mr. Gardner: — This policy is an accepted fact in socialist countries around the world. The farmer delivers his product whether it be grain, livestock, vegetables etc., to a state monopoly at the price and the time that they say. There is no free market for the farmer and there is no freedom. The NDP here obviously intend to do what is done by other socialist governments, complete and absolute control over farmers and their products. Yesterday's announcement and the powers in this Bill today will make this very clear to anyone who has any doubts as to the objectives of the NDP.

Let us get back to the effects of this Bill on a typical farmer. Mr. Speaker, like hundreds of other farmers Joe has always loaded his calves in his truck and taken them to the auction market himself. Now he could well be prevented from doing just that because the board also has control over the distribution and the transportation of the product. They could say that a government truck will come and pick up his calves. Joe would have to accept it. This Bill also gives the Board power to say to Joe, we won't take your calves anywhere anytime because the new Section 15 clause (a-B) says that they can:

prohibit in whole or in part the transportation, packing, storage or marketing of any regulated product or of any grade quality or class.

If for example, the product was barley and it could be, it is covered under the provisions of this Bill. The above section could prohibit you from storing, transporting or marketing it. I should like to know what the farmer is going to do with that barley, if he can't store it, transport it or market it. There could well be hundreds of very disgruntled farmers around this province who are going to tell the Minister what he can do with it, and Bill 50 besides.

Some Hon. Members: — Hear, hear!

Mr. Gardner: — The above examples, Mr. Speaker, are well within the realm of possibility. Powers are clearly set out in this Act to impose all of the controls I have mentioned and much more besides. It will not be good enough for the Minister to say that he is not going to use these powers. Experience has shown that powers available are often used and can be used. The very fact that this amazing power is available in this Act is a sword hanging over the head of every producer of farm products in this province. Every farmer must toe the line or these powers can be used against him. Mr. Speaker, this is a vicious Bill, it is an infringement of the basic rights of every farmer. It is much worse than the controversial Foreign Ownership Bill that the Minister was forced to withdraw last year. If the Minister thought he was in trouble over that bill, he can look forward to a far more severe reaction on this one.

Some Hon. Members: — Hear, hear!

Mr. Gardner: — In my opinion, this is certainly the key bill of this Session so far. Surely his own farm Members, I ask the farm Members over there, I am sure they are not going to sit idly by and let the Minister grab this type of control over the farmers whom they represent. There is precedent in this Legislature whereby a Minister can withdraw a bill that is particularly objectionable. Just one year ago this same Minister was forced to withdraw that infamous Foreign Ownership Bill because of severe pressure from the Members of the Opposition and from the public.

Some Hon. Members: — Hear, hear!

Mr. Gardner: — I urge the Minister to do the same thing with this one, to get up as he did last year to reconsider and withdraw this Bill. I urge all Members of the Legislature to take a close look at this Bill. How can you go home and face your farm constituents if you vote for a bill that gives the Minister of Agriculture powers of this magnitude? Whether or not the Government sets up a marketing board for some particular product is not the issue in this particular Bill. At stake here is the individual rights and freedoms of thousands of family farmers in this province. Since this Government took office they have steadily attempted to erode the basic rights and freedoms of every individual including the farmer, but nowhere have they taken such a giant step toward that objective as they have in this Bill. Freedoms that farmers have enjoyed for generations could be wiped out by Bill 50. Listening to the Minister today, my worst fears are justified.

Mr. Speaker, there are a number of other comments that I should like to make on this Bill, I beg leave to adjourn the debate.

Some Hon. Members: — Hear, hear!

Debate adjourned.

Mr. Tchorzewski (Provincial Secretary) moved second reading of Bill No. 61 — **An Act to amend The Companies Act.**

Mr. Tchorzewski: — Mr. Speaker, after those long words we have just heard I am going to say that my comments are going to be very brief on this amendment to amend The Companies Act.

At the present time under The Companies Act, Saskatchewan companies are placed at a disadvantage compared to other companies that are registered in other provinces. In order to equalize their opportunities we are bringing in this amendment to The Companies Act. Mr. Speaker, The Companies Act provides the framework in which companies and corporations may operate in this province. Basically The Companies Act provides the means for creating a company or a corporation as a legal entity and as well, the Act provides for registration of extra provincial companies or corporations engaged in doing business in Saskatchewan.

At present, Mr. Speaker, The Companies Act stipulates that a public company incorporated in Saskatchewan is inhibited from purchasing shares in any other corporation or company because of

the requirement of an ordinary resolution by company shareholders. This is not the case in other major jurisdictions, Mr. Speaker. Normally this necessitates the calling of a special meeting of shareholders which would then determine whether or not the company would indeed be expanding or not. I am informed that at present none of the major jurisdictions as I have already said in Canada have equally restricted regulations which hamper the process wherein one company acquires shares of another. In addition to the time and energy lost in calling the shareholders together this procedure makes difficult the conduct of a normal bid by a Saskatchewan based company to acquire shares of other corporations. The practical necessities of the situation dictate that there must be strict secrecy prior to the making of a bid. A public meeting may tend to jeopardize the bid of a Saskatchewan based company. The effect of this amendment, Mr. Speaker, will be to place Saskatchewan companies on an equal competitive basis with other such companies incorporated in other major provinces of Canada which do not operate under this strict regulation.

Mr. Speaker, this amendment will enable Saskatchewan based companies and corporations to expand and grow by acquiring shares of other companies without the encumbrance of calling a general meeting to discuss matters of a delicate nature, thereby possibly jeopardizing their opportunities for expansion and conduct of business.

With these brief comments, Mr. Speaker, I just want to say that a repeal of this section will place Saskatchewan on a favorable footing in comparison with other major jurisdictions and with these brief comments, Mr. Speaker, I move second reading of this Bill.

Some Hon. Members: — Hear, hear!

Mr. Faris (Arm River): — Mr. Speaker, I am very pleased to see this action which will stop the war on business that was carried out for seven years, seven long lean years by the Members opposite.

Some Hon. Members: — Hear, hear!

Motion agreed to and Bill read a second time.

ADJOURNED DEBATES

MOTION

Rail Line Abandonment

The Assembly resumed the adjourned debate on the proposed motion of Hon. Mr. Blakeney:

That this Assembly urges the Federal Government that no railway branch line abandonment be considered in Saskatchewan before all the alternatives are thoroughly studied and the social and economic costs to producers, businesses and communities be ascertained and, further, that no abandonments be allowed without the prior agreement of the Government of Saskatchewan and, specifically, that no abandonments be authorized until 1980.

And the proposed amendment thereto by Mr. Gardner:

That the following words be added to the motion:

and further that the railroad companies be obligated to:

1. Provide a high standard of service on present lines.
2. Provide adequate maintenance and improvements on rail lines and equipment so that a high standard of service can be maintained.

Mr. Lange (Assiniboia-Bengough): — Mr. Speaker, in reintroducing discussion on Mr. Blakeney's resolution on rail line abandonment I should like to take a slightly different tack on the subject and try to attack the subject from three different areas: The history and development of the Canadian National and Canadian Pacific Railways in Canada; the reasons for rationalization of rails in Saskatchewan and more particularly what the Saskatchewan Government can do in the alternative.

I should like to go into the history and development of the Canadian National and Canadian Pacific Railways for the mental edification of Members on the opposite side of the Chamber since they may not be able to understand that. The Liberals probably think that Canadian Pacific and Canadian National are one and the same thing. But I should like to point out that there are vast differences between Canadian National and Canadian Pacific Railways.

Let's take the Canadian Pacific to start with. The Canadian Pacific Railways is a private Canadian company. It has railroads in eight of ten provinces in Canada. It has highway transport service, a fleet of coastal steamships. The Canadian Pacific Railway has a chain of large hotels and resorts and a telecommunication system. The Canadian Pacific Railway has scheduled Canadian and International Air Services and it is actively engaged in pipeline research.

To show you that the Canadian National Railway is entirely an animal of a different color, I should like to show that the Canadian National Railway is a public corporation. Unlike the Canadian Pacific Railway it has railways in 10 provinces. It has a highway transport service, it has a fleet of coastal steamships. The Canadian National Railway has a telecommunication system, it has a scheduled Canadian and International air service. The Canadian National Railway is actively engaged in pipeline research. This gives you some idea of the vast differences between these giant corporations.

In this speech I should like to eliminate the fleet of coastal steamships that both have on the grounds that they do not particularly concern us in Saskatchewan. Suffice it to say that the only thing that is important about the chain of large hotels and resorts for Saskatchewan is the fact that the Saskatchewan Hotel in Regina has only two years ago started to pay its taxes to the city, which amount to \$350,000 a year. It is also interesting to note in that aspect that the city of Regina is still paying for the water supply in the Saskatchewan Hotel.

The telecommunications of Canadian Pacific and Canadian National have been ripping off the Canadian taxpayer ever since

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they were erected. But that is subject material for another speech.

What I should like particularly to concern myself with today is the railroad and associated subsidiaries of the Canadian National and Canadian Pacific. It is easy to see from their amassed assets that Canadian National, Canadian Pacific have a virtual monopoly on all transportation systems in the Dominion of Canada. Furthermore, because of their multi-transport aspects they are capable of facing virtually any new trend which may occur in transportation systems.

Again for the mental edification of Members opposite I should like to go through a brief history to show how the CP and the CN developed their tremendous assets. Let us deal with the Canadian Pacific first of all. Now all of us know that the Canadian Pacific Railroad has been cited as an instrument of national development for the Dominion of Canada. Let us look at how the Canadian Pacific Railway started with its development in 1880. An 1880 contract which was signed by the Federal Government and the Canadian Pacific Railway, the CPR was granted amongst other things a cash grant of \$25 million to aid in construction of railways. It was granted a land grant of 25 million acres to be chosen wherever it pleased in the Dominion over a period of 20 years. It was granted land required for road beds, station grounds, workshops, dock grounds, yards, buildings for construction, operation and maintenance of all railways. Furthermore it was granted exemption from taxation by the Dominion Government, by the Provincial Government and by municipal governments, of all of its rolling stock, its equipment, its station grounds, its yards property, all for the construction and working of the railway. It was also granted exemption from taxation of all lands acquired for a period of 20 years. To top it all off, 700 miles of completed railway were built by the Dominion of Canada at a cost of \$37 million. Land, cash and completed track were valued at that time at about \$140 million.

One must wonder again at the magnanimity of the Federal Government in granting \$140 million to private entrepreneurs for the development of a public transportation system. But perhaps the answer to this is a little more obvious when we realize that 40 Members of Parliament and 12 Senators of the day had vested interests in the Canadian Pacific Railroad. These politicians also guaranteed themselves and other shareholders of the CPR a clause which said that freight rates in Canada would not drop so low to return any less than 10 per cent to the Canadian Pacific Railway on its invested capital. Also, since then, the Federal Government has condoned 66 to 100 per cent higher freight rates in Western Canada than the Eastern Canadian people have experienced. It is also interesting to note as a side line that people in Western Canada educated their children in spite of the Canadian Pacific Railway. Remember that the Canadian Pacific Railway in the early days was exempt from taxation, consequently, all schools were built out of funds from people's pockets, not from taxation on land.

Also in 1897 the Crow's Nest Agreement was signed. This subsidized the building of the Canadian Pacific Railroad to southeastern British Columbia and for the Canadian Pacific Railway Company this opened their huge mineral and metallurgical empire which has been built largely by exploiting southeastern British Columbia. And quite an empire it is that the CPR owns.

As well as its railroad, airline, telegraph, telex and teleprinters services which are operated by the company, Canadian Pacific Steamships Limited operates in both the Atlantic and the Pacific waters. Canadian Pacific Transport operates over 11,000 pieces of equipment including trucks, trailers and tractors in Manitoba, Alberta, Saskatchewan and British Columbia. Smithson's Holdings Limited, owns Smith's Transport Limited and is the largest trucking concern in Canada; and its subsidiaries as well. The Canadian Pacific Oil and Gas has petroleum rights in over 23 million acres in western Canada. Canadian Pacific Railway hotels, which is part of Canadian Pacific Investments, along with the Canadian Pacific Railway Company, operate 11 hotels across the country. Marathon Realty owns, among its \$310 million worth of assets, the \$35 million Place du Canada in Montreal. CominCo, which is Consolidated Mining and Smelting, owns or controls National Hardware Specialties Limited in Dresden, Ontario, which is a zinc die-casting plant; Western Canada Steel Limited in Vancouver; Pinepoint Mines Limited in Trail, BC; Pacific Coast Terminals Limited, New Westminster; Ricken Mines, Yellowknife, which is a goldmine; Coast Copper in Trail, BC; SunCo Mines Limited which is also a copper mine. Of course, then there are the Canadian Pacific Railway interests in the United States. There's a zinc interest in India; its fertilizer, lead and electronic parts plants in the United States; and its lead smelting in Japan. Throw in its Canadian fertilizer plants, six hydro-electric power plants in British Columbia; some pipelines, and it is easy to see that the Canadian Pacific Railway is not exactly destitute of funds. As a matter of fact, the enterprise of the Canadian Pacific Railway Company has grown in such proportion that last year Canadian Pacific Railway Company changed its name to Canadian Pacific Limited. In other words, the bulk of its investment is no longer in railroads, but in subsidiary enterprises.

The Canadian Pacific Railway and its fully-owned Canadian subsidiaries had a net income of last year of close to \$70 million. CominCo, owned 53 per cent by Canadian Pacific Investments, had a net income of over \$35 million. Pinepoint Mines Limited, in which the Canadian Pacific Railway has a 37 per cent ownership, netted over \$35 million last year. But the Canadian Pacific Railway, in the meantime, tells us that it cannot afford to run a transcontinental passenger service or that it cannot afford to grant subsidies to Saskatchewan farmers.

As a matter of fact, the Canadian Pacific Railway has never exactly been destitute of funds. In 1914 for instance, it realized a net profit, after taxes, of \$46 million. In fact, since 1920 the cumulated net profit of the Canadian Pacific Railway in Canada is, according to their figures not anyone else's, one billion, two hundred and seventy-nine million dollars. Would that the rest of us could have that sort of a start in enterprise. In fact, \$140 million invested at a mere 5 per cent, over a period of 93 years, would yield the investor \$13 billion, 83 million, 7 hundred thousand. Is it any wonder that the Canadian Pacific Railway has managed to amass such assets? It is easy to see from this that the Canadian Pacific Railway's enterprise was indeed "free".

Let's have a short look at the Canadian National Railway. Of course, this is as I said earlier, an animal of a different color entirely. The Canadian National Railway as all of you know, is an amalgamation of several railways which took place after 1920. These railways were initiated by free-enterprisers

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of the East who thought that they too could rip-off Western Canadians much similar to the Canadian Pacific Railroad. The Grand Trunk Railroad was established; the Great Western Railroad; the Grand Trunk Pacific; the National Transcontinental; and the Canadian Northern Railroad. But by 1917, due to overexpenditure and optimism of free-enterprisers, and mismanagement by the Federal government of the day, all of these railroads were 'broke'. These railroads then were bought by the Canadian Federal Government and the shareholders were paid out. This then, was the Canadian National Railroad – a group of insolvent railways sanctioned by an incompetent government, having a burden of interest debts which can only be described as fantastic. So much so in fact, that the management of the day was faced with an apparently hopeless proposition financially. But the Conservatives of the day bailed these free-enterprisers out; and rather than expropriating them as they should have, they paid these incompetent businessmen out and we are still paying for it today.

As a matter of fact, to date, the Canadian Government has guaranteed bonds to the Canadian National Railway, to the tune of \$860 million. This does not include the forgiveness of debt which occurred in 1937. It does not include the converted half of the \$760 million debt which existed in 1952 to preferred equity shares and this does not include the forgiveness of interest for ten years, ending in 1961, of \$100 million of the Canadian National Railway's debt.

It is interesting that people who do not wish to condone nationalization often cite the CNR as a failure. I do not think that this is fair. I think that they should cite instead the founders of the CNR, the government of the day. For it is not that the CNR didn't operate like a business, but the fact is that it wasn't set up as a business by the proponents of free-enterprise of the day – the Government of Canada.

As a matter of fact, the Canadian National Railway, just to give you an idea of the magnitude of the folly of the Federal Government, has been a bigger albatross around the neck of Canadians than the Athabasca Pulp Mill would have been had it gone through in Saskatchewan.

But, in spite of this, the Canadian National Railway has a rather interesting amount of assets itself. Included in the Canadian National Railway system, in spite of its hardship, are the following companies, and some of them are very interesting: We have the Canadian National Railway; the Canadian National Express; the Canadian National Railways Limited in France, of all places; we have the Canadian National Realties; the Canadian National Steamship Company; Canadian National Telegraphs; Canadian National Transfer; Canadian National Transportation; Canadian National Railway Security Trust, of all things; the Canadian Northern Quebec Railway Company; Chapman Transport; Eastern Transport; Empire Freightways; The Great Northwestern Telegraph Company of Canada; Hoar Transport; Husband Transport; Husband International Transport; Midland Superior Express Limited; The Minnesota-Manitoba Railroad Company – an International concern; The Minnesota-Ontario Bridge Company (a bridge company of all things); Mount Royal Tunnel and Terminal Company; The Northern Consolidated Holding Company; Provincial Tankers Limited; (that's an interesting one); the Quebec and Lake St. John Railway Company; Royal Transportation Limited; Scobe's Transport; Swan River-The Pas Transfer; The

Toronto-Peterborough Transport Company; Central Vermont Railway (an American Railway); Central Vermont Transportation; Duluth-Rainy Lake and Winnipeg Railway; Duluth, Winnipeg and Pacific Railway Company; Grand Trunk Corporation; Grand Trunk, Milwaukee Car Ferry Company; and Grand Trunk Western Railway Company. It is easy to see that the Canadian National Railway is not exactly destitute of assets or funds either.

During its period of development of assets, the Canadian National has not been exactly pleasant to Western Canadian farmers. But in contrast to this, let's have a look at how helpful it has been to industry. In 1952, for instance, when Kitimat was opened up in British Columbia, the Canadian National Railway and the Government of Canada were there to build a railway to Kitimat, to cross the Skeena River, which is, of course, where the Canadian National's Minnesota and Ontario Bridge Company would be used. They built a bridge across the Skeena River, the Canadian Government built a railroad to cross the bridge to go to the town of Terrace, which at that time had a population of 8,000 people. That's interesting, because there are presently 80,000 farmers in Saskatchewan. The Canadian National Railway and the Government of Canada were there in Manitoba when the Sheritt-Gordon Mines changed location from Sheridan to Lynn Lake, Manitoba. The Canadian National Railway and the Government of Canada built the line. The Canadian National Railway was there when the mineral and forest wealth of Chibougamau in northern Quebec was opened up and the Canadian National Railway and the Federal Government were there when Manitouwadge area in northwestern Ontario was opened up for zinc, copper and silver mining.

In this year's annual report of the Canadian National Railway, in a commentary which was given by the board of directors, I should like to draw your attention to one sentence, in which they state:

The Company is well aware however, that its future will be determined, not only by general economic conditions, but also by the qualities of the men and women who work together for its progress.

It is very interesting that the Canadian National Railway should be interested in the qualities of the men and women who work for its progress. But I would like to assure Members in this Chamber that if the qualities of the Western Canadian farmer are going to perpetuate the progress of the Canadian National Railroad, that its future looks very bright, very bright indeed.

This then, is a brief summary of the Canadian National and the Canadian Pacific Railroads. They are two networks – one is private, one is public. Both have been financed to the hilt by the Canadian taxpayer. They are two empires having collectively almost the largest amount of trackage in the world. A total monopoly upon virtually all aspects of transportation in Canada. They have financial resources and assets so large that they can economically control the destiny of many Canadian lives, not the least of which will be the destiny of the Saskatchewan farmer. Both are results of mismanagement and shortsightedness on the part of the Federal Government. Both are paid for by the Canadian taxpayer.

Mr. Speaker, I would suggest that the West has been raped, by the Canadian National Railway, the Canadian Pacific Railway

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and the Federal Government and that now we are presently entering a rationalization rape. There is another more colloquial expression for this form of aggressive tactic, but I'm afraid the dignity of this Chamber will not allow me to use it.

This brief history has been for the benefit of the Members opposite only, to give them some background of Canadian National and Canadian Pacific. And now, if I may, I would like to get to the heart of the resolution.

Why would the Canadian National and the Canadian Pacific Railways wish to abandon lines, particularly when it is their business to transport?

One reason might be cited when one looks at The National Transportation Act. It states in there that in order for a railroad to qualify for subsidy from the Federal Government on freight rates it must first apply for abandonment of the rail line in question. That's interesting. But it's more interesting to refer to a hearing that was held a number of years ago in which the Canadian National Railroad and the Canadian Pacific Railroad said that the reason they wished to abandon lines was because they were receiving too much competition from truck lines. But the most interesting thing about that is that the truck lines that were giving them the most competition were wholly-owned subsidiaries of Canadian National and Canadian Pacific Railroads.

Another reason they give is that elevators in Saskatchewan are in bad shape. This is definitely not so. As a matter of fact last year the Saskatchewan Wheat Pool had a record year in grain movement. But perhaps there is another reason and in this I will refer back to The Canadian Transportation Act, which is administered incidentally by the Canadian Transport Commission under the auspices of Edgar Benson. This Act expresses a National Transportation Policy aimed at an "economic, efficient and adequate transportation system making best use of all available modes of transportation at lowest total cost". The thing that the Act does not state is lowest total cost for whom. And I should like to suggest that the lowest total cost that the CN and CP are thinking of is for themselves, of course. This is evident when we realize that only 25 million bushels of grain are shipped out of the Port of Churchill in a year, when ten times that amount could very adequately be shipped out.

Some Hon. Members: — Hear, hear!

Mr. Lange: — The reason that it is not shipped is simply because the Canadian National and the Canadian Pacific make ten to fifteen cents a bushel more shipping it out through the Lakehead. This is the lowest total cost to the Canadian National and the Canadian Pacific; highest total cost to the prairie farmer.

In order to help the Members in the Opposition to understand the subject a little bit better, I have taken some time to prepare some material and if I can beg the indulgence of the House, it will take me a moment to get it set up here.

Now, Members of the Opposition will not understand this, so I will explain it to them. This is a map of Saskatchewan. This black conglomeration of lines represents all of the lines in Saskatchewan that Canadian Pacific and Canadian National Railways have applied to abandon. Three thousand miles to be

exact. Now, why would the Canadian National and Canadian Pacific want to abandon lines? Primarily because it costs \$35,000 a mile per year to maintain a mile of railroad track. 3,000 miles abandoned, saving \$35,000 maintenance per year on every mile, gives the Canadian National and Canadian Pacific \$105 million which they will not have to expend on maintenance the following year.

An Hon. Member: — Build a skyscraper instead.

Mr. Lange: — Do you think that this \$105 million will be returned to Western Canadian farmers? Dubious. It will be invested in a skyscraper, in a new steamship or perhaps an addition to the Canadian National, Canadian Pacific Telecommunications system.

Now let's see what it will cost the Saskatchewan farmer, in the event that all of these lines are abandoned. For every line that is abandoned in Saskatchewan it will cost the Saskatchewan farmer about \$1,500 to ship his grain to a terminal some place in the province. This grain will be picked up by the Canadian National and the Canadian Pacific in any case, so they still get their profit from the freight rates shipped out of the province. It doesn't matter to them whether they pick up grain in Mossbank or whether it is hauled to Regina and they pick it up there, except that they save \$105 million a year.

Now the rationalization should become more obvious, even to Liberals. But, in fact, as I pointed out earlier, one of the greatest concerns of the Canadian National and Canadian Pacific are their trucking subsidiaries. Now I have taken a little bit of time to show what the trucking network looks like presently in the Province of Saskatchewan. On this transparency you can see a proliferation of lines which virtually cover all of the rail lines which the CN-CP have applied to abandon. Coincidental, isn't it? Funny thing that the Canadian National and Canadian Pacific should have 4,500 miles of transport truck lines to cover up 3,000 miles of line which they wish to abandon.

You will notice what it does to Assiniboia Federal constituency. In this constituency there are 1,168 miles of total rail. 605 miles, or 52 per cent of the total have been applied for abandonment. You will notice also how it lacerates Assiniboia-Bengough constituency, for which I have a particular affinity. In this area alone, 605 miles, times \$35,000 per mile, gives a saving to CN-CP of \$21,175,000 per year. If the CN and CP were to invest the \$105 million savings which they acquire every year for a period of 20 years, it would return to them \$4 billion, which should certainly be enough to pay the salaries of its executive directors. This \$4 billion will be taken out of Saskatchewan taxes. It is now becoming quite obvious why CN and CP wish to abandon rail lines. Canadian National and Canadian Pacific will save \$105 million a year in maintenance, they will still haul the grain to the coast and in all probability, because of their trucking concerns, they will get the trucking contract as well. It is quite obvious when one realizes that it costs at a minimum 3.3 cents per ton mile to truck wheat as compared to 5 mills per mile to truck it by rail, it is quite obvious that the CN and CP will make a far greater profit by trucking by truck than by rail.

The farmer is going to pay \$5 million, roughly, just to

deliver his grain to central points in Saskatchewan and the Saskatchewan taxpayer is going to pay \$2.5 million every year in order to keep the 4,500 miles of road that the CN and CP use in good shape. This is why the Canadian Pacific and Canadian National wish to abandon rail. The CP and CN wish to expand their own interests in other areas, presumably not transportation, and they wish that the taxpayer should finance it. They will perhaps build a new ship, or telecommunications, or perhaps they would like to get into pipeline transportation and develop a virtual monopoly on that. Mind you this is not unprecedented. As a matter of fact for the last 100 years the Canadian Pacific Railway has been doing exactly the same thing to Western Canada and it has been condoned by the Federal Government. We are now into the second century of it.

Gentlemen, I should like to show you what a map of Saskatchewan will look like in 20 years, if the CN and CP have their way under the auspices of a Federal-Liberal or Conservative government. This, gentlemen is what a map of Saskatchewan will look like 20 years from today if, woe-be-tide us, the Saskatchewan Liberals get back into office, a blank map of Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Lange: — It is easy to see from this discussion that Western Canada is being ripped-off by the Canadian National and Canadian Pacific and the Government of Canada by design. A design which extends back over 100 years and which is condoned by the auspices of the Feds. Why has this design been allowed to take place? Surely you would think someone would smarten up and change it. Perhaps the answer to that lies in observing the Canadian National-Canadian Pacific annual report. Let's look at the Board of Directors. In Canadian National we see that four out of 14 directors are from the West and only one is from Saskatchewan. Canadian Pacific is even worse. We see that three out of 24 directors are Western Canadians and only one is from Saskatchewan. Of all the rest 16 are from Toronto and Montreal and two are not even in the country of Canada, they are from the Netherlands and from London. Add to this the fact that the illustrious Edgar Benson follows the illustrious Jack Pickersgill as head of the Canadian Transport Commission and it is easy to see that there is very little understanding of Western problems. Not one of all these directors is a farmer and most are Eastern millionaires. Where is their empathy for the West and where is their affinity for Saskatchewan rural life, for Saskatchewan communities? To supplement this we have an Eastern Government which is steeped in the efficiency syndrome of large investment organizations. As a matter of fact it is obvious from this pamphlet that was sent to myself as a farmer a few days ago, that the Federal Government has very little empathy, understanding or sympathy for Saskatchewan or Saskatchewan farmers.

Here they present three alternatives to Saskatchewan farmers for a two-price wheat system, not one of which is acceptable. That was Otto Lang's. One would think that a man with a name like that would have more intelligence. However, that is subject material for another speech.

Some Hon. Members: — Hear, hear!

Mr. Lange: — Now what alternatives are

open to the Province of Saskatchewan when we are obviously being manipulated by the East. The most obvious one, of course, is that we could urge the Federal Government to expropriate the Canadian Pacific Railway, to nationalize it along with the Canadian National Railway, to rationalize it to an extent and to operate it as a public utility. It is absolutely essential that a network as vital to people as the transportation system should be operated by the public and not subjected to the manipulation of business entrepreneurs. I would suggest that we should decide how much we would pay the Canadian Pacific Railway after we have deducted tax concessions, subsidies, grants and what not that we have given over the past 100 years. I would guess that we would owe them very little, very little indeed. The Canadian Pacific Railway empire has been built by taxpayers and it ought to be returned to taxpayers as their rightful heritage.

But I realize that the Provincial Government will get very little sympathy from the Federal Government on this turn, particularly when we look at the record of the Federal Government's subsidy to industry as compared to its subsidy to the Canadian farmer. But there are a lot of alternatives that the Saskatchewan Government can pursue. I would suggest and strongly urge that this Government should begin experimenting with alternate forms of transportation, not the least of which might be pipeline research. As a matter of fact pipeline conveying of solid materials is a thing of the near future. It will be possible to convey through plastic capsules in pipeline slurry solutions, grain to the West Coast. I would suggest that Saskatchewan is in a good position to do this research because we have one of the most modern, up-to-date plastic plants in the Mid-Canada Plastic Plant at Melville. We also have an Ipsco Steel Plant. The Saskatchewan Government could get in on the ground floor and usurp the monopoly which the Canadian Pacific and Canadian National will surely have within a decade.

I would further urge this Government to keep the Port of Churchill open for at least 200 days of the year. This move alone could save Saskatchewan grain farmers \$20 million a year at a minimum.

Some Hon. Members: — Hear, hear!

Mr. Lange: — I would suggest further, that this Government investigate operating a government owned, government controlled cleaning plant for grain. The grain could be cleaned before it goes to coastal terminals. This would provide a saving of at a minimum to Saskatchewan farmers of \$10 million per year plus another viable industry in the screenings which come from the cleaning plant. Furthermore, the Saskatchewan Government could investigate a take-over of abandoned rail road lines. We could perhaps operate them ourselves at a rental or a lease basis from the Canadian National and Canadian Pacific railroads.

But there is one other alternative which seems far, far more attractive to me. The Canadian Pacific Railway has consistently claimed that it never makes any money on its transportation and freight rates, this is in spite of its \$70 million profit last year. Further to this the Canadian National Railway has always consistently claimed that it has lost money on its transportation network. Last year the Canadian National before paying its commitments made \$68 million. Since the CN and the

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CP have consistently stated that they do not make money in transportation and freight rates, I would suggest that the Government of Saskatchewan call their bluff. I would suggest that this Government make a deal with the Canadian Pacific and Canadian National that they cannot refuse. I would urge that this Government negotiate with the CN and CP and offer to buy all of its rail lines, all of its rolling stock and all associated paraphernalia in the Dominion of Canada. I would suggest that this province could operate this network at a profit and pay for it over the next 20 year period out of what we would save in grain freight alone. This would solve the transportation problem for all of Canada. It would improve the passenger service and give a transportation network which is absolutely vital and essential to the Dominion of Canada. Moreover it would make an integrated industry for the Province of Saskatchewan. There is no reason why we could not have a grain network which had a terminal in Hamilton, which had a terminal in Vancouver and which had inland terminals across the country, and which used the Port of Churchill. If the Saskatchewan Government owned all of the rail lines in Canada we would have a viable industry which would be based on the agricultural sector.

Saskatchewan is ideally located for this, particularly for administration purposes. It is nice to be able to see to the left and to the right and to administer from a central area. Needless to say Saskatchewan has experience in transportation problems; and it looks as if it is going to have a lot more experience in transportation problems if the CN and CP have their way. Saskatchewan history is founded upon transport problems and, therefore, Saskatchewan knows what a rational transportation system should look like.

There are also new alternatives which the Canadian National and Canadian Pacific has not even looked at which are imminent in rail transportation. Witness the Japanese rail transport system. Most important is the fact that a service such as transport should be run by a government since it is an essential public utility. It is quite obvious that the Federal Government won't do it and perhaps it is a good thing when you consider the way they have managed the Canadian National Railroad, but it is also obvious that the New Democratic Government in Saskatchewan has an excellent record in running public utilities. As a matter of fact we have just bought 45 per cent in a utility which may become public in the next decade or two.

Now of course the first question that the Liberals are going to ask, since their minds aren't any bigger is – how much? How much will we pay for the CN and the CP? This is a difficult question to answer – even for a New Democrat. However, as a matter of fact, it is very difficult to find out exactly just what the CP and the CN is worth, particularly because the CPR is a private corporation and the books are closed. But more particularly because the CNR is a public corporation which has confidential books, if you can imagine. Can you imagine a public corporation whose books are closed to the public? This is the CN. However, I have researched several volumes on assets of the CN and CP, and I must admit that they very seldom repeat the same figure twice. But any time I see the same figure more than once I jot it down. It seems to me that since the beginning of the CPR there has been invested some \$8.2 billion in both corporations. If we depreciate this according to the consistent rates, rates which the CP and the CN use in their annual reports,

it seems to me that their rolling stock and rails should be worth something in the neighborhood of \$3 billion, speaking only in order of magnitude.

There is another way that we can figure it out. If we look at their \$70 million profit and we postulate that \$70 million as a five per cent turnover on investment, it makes each one worth about \$1.5 billion on a net turnover basis. So again the figure comes out to collectively, the CN and CP perhaps could be bought for around \$3 billion. Of course how is Saskatchewan going to pay a \$3 billion debt. Three billion dollars is a lot of money but \$2 billion is a lot of money as well and \$2 billion is exactly the amount of money that Saskatchewan farmers have spent in the transportation of grain during the last 40 years. Two billion dollars has gone out of this province and into the coffers of the Canadian Pacific and the Canadian National to expand their enterprises in other areas of the world and in other areas of Canada. Given present projections for the future the grain production in this province, and I am being conservative if you will pardon that adjective, tells me that every year over the next 20 years Saskatchewan grain farmers will be spending \$50 million in transportation. This will be dead money as far as the Saskatchewan grain farmer is concerned. Add to this the \$20 million we could save out of the Port of Churchill; add to this \$10 million that we will save by setting up a grain cleaning plant in the province and we have \$80 million a year dead money which is presently being exported from the Province of Saskatchewan; add to this the Provinces of Alberta and Manitoba and we can double the figure to give us \$160 million a year expenditure just in the grain industry alone in the three Prairie Provinces. It is very conceivable that over a period of 20 years just on grain savings alone, \$160 million a year, that we could pay off a debt of \$3 billion, assuming that the railroad is going to operate on a break-even basis. Incidentally that does include interest; that is an amortized debt over a period of 20 years. It is also interesting to note that it does not include the freight income from other areas of industry in Canada, nor the income from passenger train service in Canada. It is an interesting statistic when we realize that only 25 million tons of grain are exported over the Canadian railroad network compared with a total tonnage of 233 million. And yet I postulate that the three Prairie Provinces could pay off a debt on net grain transport savings alone.

Now you will probably note an element of altruism in my speech. I am not postulating this particularly for the people of Canada, nor the people of Saskatchewan. I am not postulating it because I would like to help preserve rural life in Saskatchewan but I am trying to help out the CP and the CN, because they are obviously in a position where they would like to unload an enterprise which obviously will not make a profit for them. I am doing this, not for Saskatchewan, but for the people of Canada. I should like to protect them from the sordid designs of the Canadian Pacific and the Canadian National Railroads which are done under the auspices of an incompetent Federal Government. And since this money is going to leave the province anyway and be invested in Canadian Pacific and Canadian National coffers, then I would suggest that this province do something about maintaining it here.

As a matter of fact buying the Canadian Pacific and Canadian National Railroads makes sense to everyone and makes

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everyone happy. Obviously the Canadian National and the Canadian Pacific don't want it, we need it. It would provide a decent transportation system for Canada, including freight and passenger service, a rationalized integrated essential transportation system, which we presently don't have.

It would provide an industry for Saskatchewan, an industry that would put Saskatchewan foremost in the provinces in Canada. As a spin off it would provide research for the University of Saskatchewan for alternate forms of transportation in the future, which will be integrated into rail lines.

Moreover, buying the Canadian National and the Canadian Pacific Railroads, encompasses both Mr. Blakeney's resolution and Mr. Gardner's amendment, both of which, of course, I will support.

In closing I would urge the Premier of this province to enter into negotiations with the Canadian Pacific and the Canadian National railroad systems and make them "an offer they cannot refuse".

Some Hon. Members: — Hear, hear!

Mr. Wiebe (Morse): — Mr. Speaker, would the Member permit a question before he sits down?

I must say that I am very interested in the figures which you quoted and I am just wondering on what basis you base these figures on and if you wouldn't mind making available to me the reference material which you used to get these figures from.

Mr. Lange: — Mr. Speaker, the reference material is all located in the library in this building. If you have any statistical ability and analysis you can find it for yourself. I would be more than happy to direct you if you want to spend the same amount of time in researching, you are welcome to it.

Mr. Kramer (Minister of Highways): — Mr. Speaker, before I add my few words to this debate I should like to congratulate the Member for Bengough (Mr. Lange) for the very, very effective and well thought out speech that he has made.

Some Hon. Members: — Hear, hear!

Mr. Kramer: — This is a revelation of what the CPR and the CNR is all about. I am sure, Mr. Speaker, for those who listened and for those who were able to understand, that they would recognize the problem that we have had over the years and we have today. As was said by the Member for Bengough, the rip-off has been going on with the consent of both Liberal and Conservative governments over the past seven years.

I do not intend to go into that in any depth. I do want to say, however, and draw the attention of this House, to some of the things that were said by the Member for Morse (Mr. Wiebe).

They followed the same line the Liberals do in debate in

this House and have done over the years. I wonder, Mr. Speaker, if they ever go back and read some of their speeches, some of the wild statements they make, and try and search around and find some element of truth or even half-truths in the things they say.

Mr. Speaker, I had hoped that some of the new Members might change this pattern a bit. I had hoped this especially from the Member for Morse, who is descended from Mennonite stock, whose code — a very strict code — is mein “ja” is “ja” und mein “nein” is “nein”. That he would stand up in this House and tell the truth once in a while. But apparently he has forgotten the teachings of his forefathers. He stands up in this House, in any debate, and is so careless with the truth that it makes no more sense than the braying of an ass. That goes for many more! I don’t know of any part, Mr. Speaker, that needs two veterinarians more after all the asinine statements that we have heard from that side of the House.

Mr. Wiebe: — Mr. Speaker, on a Point of Personal Privilege. I would like the Minister of Highways to tell me whether he is calling me a liar or whether he is not calling me a liar.

Mr. Kramer: — I am saying, Mr. Speaker, that it wouldn’t be too far wrong if the decorum of this House would permit it. Either that or he is so uninformed that he doesn’t know the truth from a lie.

Mr. MacDonald: — . . . not smart like you.

Mr. Kramer: — Well, Mr. Speaker, we will leave the smartness to the Member for Milestone. We will leave the wisdom to this side of the House.

Mr. Speaker, we plead with them for a bit of truth. In one election campaign in my constituency I hung out a reward sign — \$100 — to catch a Liberal telling the truth. Nobody collected.

Mr. Speaker, I say, and I will offer some evidence, the Member for Morse stood up in this House and said that the CCF and the New Democratic Party did nothing, absolutely nothing before 1964. That is what he said! I will offer some evidence here today, Mr. Speaker, and some historic evidence that is documented, not taken out of the manure spreader or out of Mr. Davey Steuart’s smudge pot. A little history, Mr. Speaker.

Major efforts were made beginning 1962 by the Government of Saskatchewan to investigate the whole problem of branch line abandonment. At that time the railroads were submitting applications for abandonment of mileage of branch lines in the province, which if abandoned, would have been disastrous to the farming industry. The railways had already abandoned the Riceton-Wolseley line and the line of Tribune to Neptune. Also a hearing had been held on the line of railway from Rockglen to Killdeer. It was evident that if the province was going to put up an effective argument against the wholesale abandonment of rail lines a thorough investigation into the total economic social impact was absolutely essential.

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In 1962, Mr. Speaker, the province put into motion, machinery to investigate the program. Additional staff was hired at that time to set the program in motion.

Mr. MacDonald (Milestone): — The horse was gone!

Mr. Kramer: — The portion of the horse that is sitting opposite is getting pretty vocal.

Additional staff was hired, Mr. Speaker, to set the program in motion. Numerous meetings were held in the rural areas, questionnaires were developed and distributed amongst farmers, business people, municipal officials. Data was collected and was processed and analyzed and put into a form that would enable provincial officials to estimate the impact that branch line abandonment would have on the economic and social life of the community. A preliminary report was prepared showing cost factors such as farm grain hauling costs, other losses and inconveniences, loss in municipal assessment in the market value of farm land. The cost of providing new and alternative road services — and there is a problem that we can go into too — to compensate for loss of rail services.

The effect of abandonment on the business community, the social implications of rail abandonment were also gone into very thoroughly, both by government investigation and also by an independent investigation by a group of consultants.

The independent survey was carried on in the area of the Riceton-Wolseley line which had been abandoned in 1962. The results of this pilot study revealed that there was a definite adverse affect on the economic viability of certain communities affected by rail line abandonment. The study also attempted to set a regional or area approach to the railway problem in Saskatchewan. And if it was accepted that there are redundant branch lines widely dispersed throughout the province, a problem would rise on how to abandon lines assuring maximum efficiency in the transportation of commodities and minimum dislocation and cost to present users.

The results of this overall preliminary provincial investigation showed that there would be serious economic and social consequences to Saskatchewan communities stemming from any large scale abandonment of branch lines in this province — and the large scale abandonment that was planned so aptly outlined by the Member from Bengough.

It is worth noting, Mr. Speaker, that as of November 1963 the CPR and the CNR had proposed abandonment of 1,392 branch rail lines in Saskatchewan, 187 shipping points with approximately 15,000 farm families and 25,000 residents of hamlets, villages and towns involved. In addition, the affected shipping points at that time accounted for an annual movement of 15 million bushels of grain on the average. Faced with major social and economic upheaval, the Saskatchewan Government and the people of the affected communities reacted vigorously.

Local railway committees — 63 of them — were established on branch lines proposed for abandonment to organize community participation in investigating the problem. The position taken by the Government in 1963 was that rail lines could not be abandoned piecemeal simply because the railways claimed an

annual loss on their operations and that abandonment would improve their position.

The Government took the position that the losses claimed by the railroad must be balanced against the effect of such proposed branch line abandonment and what effect it would have on social and economic wellbeing of the Saskatchewan people.

To bring the whole issue of branch line abandonment into perspective, the Government of Saskatchewan hosted a conference of local community retention committees in Regina on November 22, 1963 — and everybody remembers and knows who the Government was at that time — with the objective of bringing together railways, the Federal Government and the people directly affected by the possibility of the loss of railway service, so that the clear interchange of views would be possible.

There is no question that this conference, put into focus the concern of communities and at the same time pointed out to the Federal Government authorities and railways, that there was a real problem. There is no doubt that the actions of this Saskatchewan Government, at that time, had a profound effect on the approach taken by the Federal Government in dealing with the problem which subsequently led to the agreement by the railroads to refrain from pressing for branch line abandonment until clear guide lines were established.

The Federal Government subsequently developed legislation to deal with the problem. A revision of railway costing procedures and a massive economic analysis of the situation was made. Many of our branch lines would now be abandoned if the preliminary early action by the Provincial Government during 1962-1963 and 1964 had not been taken. It is particularly noteworthy, Mr. Speaker, that the action taken by the Government of Saskatchewan in 1962, 1963 and 1964, in dealing with the branch line problem was the first positive step taken by any provincial government to organize general provincial unified opposition against piecemeal abandonment of rail lines.

Mr. MacDonald: — Is that out of the Commonwealth?

Mr. Kramer: — Oh, no this is not. I have here a document and the Member for Morse said: What did we do? What did the CCF do? Here is a document that again, if he ever got off the manure spreader long enough to do a little research as was suggested by the Member for Bengough, he would find these things in the library. And instead of going on rumor and innuendo they would come into this House with some facts, and I will give him some facts.

This is a booklet containing the minutes and a resumé of the first Saskatchewan conference of Local Railway Retention Committees.

And where was the Liberal Government in those days, Mr. Speaker? This wasn't in 1965, 1966 or 1967. No they were stomping up and down the country back in 1963 doing everything, spreading rumors as they do today, and doing nothing about this. I offer the minutes of this meeting as evidence, Mr. Speaker.

The foreword by the Chairman, and who was he? The late Hon. Russ Brown, Minister of Industry and Information, the

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Chairman of the meeting which brought together Western Canada and representatives of the Federal Government. We look at the opening speech and I will read you some excerpts of the opening speech:

We can appreciate that it is a problem of magnitude for the railway companies. Technological change altered patterns of moving goods and moving people around cannot be ignored, nor do we think that they should be looked at through a keyhole. What worries us is that moves may be made to compensate one kind of technological change and altered condition as seen by the railroads without due consideration being given to other kinds of stress and strain created by such moves. What worries us, (said the speaker) is that the railways may be abandoned in an unplanned fashion, paralleling the unplanned manner in which they were first located.

That speaker was the late Woodrow Lloyd at that meeting. I don't read the name of Steuart in the minutes and I read the minutes thoroughly as I go through them here and I don't find a Liberal Member of the Legislature. I find nothing from these Liberals who are so vocal now and ready to stand up and blame other people. I find the name, however, on one page of Rod Thompson, former NDP MP at Ottawa. At that time he was chairman of the Wheat Pool Committee. Hans Broten MLA for Watrous, I find his name. I find another speech by Thompson and one from Jack Morrow a former CCF candidate from Shellbrook. I find a Dr. LaBlanc speaking at this meeting from Gravelbourg, former CCF candidate. Again I find Broten speaking again for the farmers and I find the Hon. Russ Brown speaking for the farmers of Western Canada. I search avidly, I find many more prominent well-known CCF now New Democratic names in this. I find other names that I cannot identify. There may have been a Liberal or two there. Surely they were all not as shortsighted in the early '60s. There must have been some but I can't find them in this historic document, Mr. Speaker. I suggest that the Member from Morse (Mr. Wiebe) when he gets up should pay a little more attention to the truth of history, pay a little more attention to fact, and not come and unload garbage in this House, in debate.

These people opposite, Mr. Speaker, have indicated by their jeers and sneers that they directed to the Member for Bengough earlier, they indicated that they only give lip service to this. Their sympathy is with the CNR and the CPR, Mr. Speaker. They have indicated by their attitude that it always has been there. They are the servants of big business and they always have been and always will be. It is a sheer exercise in hypocrisy for them to stand up and vote for this Motion in this House.

Mr. Speaker, I had not intended to speak at this length but there are a couple of more things that I want to say, that I want to research a little more. I beg leave to adjourn the debate.

Debate adjourned.

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Messer that Bill No. 30 — **An Act to amend The Watershed Associations Act** be now read a second time.

Mr. Weatherald (Cannington): — Mr. Speaker, the other afternoon when this Bill was given second reading I indicated once again that the Minister was taking considerable power unto himself insofar as forcing a group into the Association or being able to force them out of the Association.

There is the possibility of a financial commitment in this regard, Mr. Speaker. At the same time I realize that there is the possibility of why a situation such as this may come about. Because of that I think that we will accept the Bill as it is printed but at the same time we will watch very closely in the future for any individual groups that feel they may be wronged by the Minister's action.

With those few words, Mr. Speaker, having indicated that we will watch the manner in which this Act is administered by the Lieutenant-Governor-in-Council, I would then allow the motion to be put to the Legislature. I don't believe, Mr. Speaker, we have any other spokesmen on our side.

Motion agreed to and Bill read a second time.

The Assembly resumed the adjourned debate on the proposed motion by Mr. Messer that Bill No. 31 — **An Act to Regulate and Control the Use, Distribution and Handling of Pesticides** be now read a second time.

Mr. MacDonald (Milestone): — Mr. Speaker, I have very little to add on this Bill other than what I indicated in my opening remarks after the Bill was introduced by the Minister (Mr. Messer).

I should just like to repeat what I pointed out previously and also indicate that I have done some investigation with the Federal Government and pass on this information to the Minister.

I indicated that there was grave concern in many areas of Saskatchewan about the possibility or potential danger of a very serious grasshopper infestation this coming spring and summer. Particularly so because there appears to be a lack of moisture and if climatic conditions continue to remain dry this danger could become very serious. This could be worse than we have seen for a long, long time.

The Federal Government in co-operation with the provincial governments across Canada have passed regulations controlling the use of certain chemicals. And among them is dieldrin. Of course this was a very effective grasshopper control measure. It was particularly effective for two reasons. One, it was very cheap. Second, it lasted a very long period of time up to as high as three weeks. It could control most grasshopper infestation by looking after the ditches and certainly the circumference of the field rather than the total area that might be involved in the farmer's field.

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When this chemical was taken off the market it was replaced by a contact spray. This contact spray was very, very expensive. It went from 16 to 18 cents an acre to as high as 90 cents an acre for adult grasshoppers from 45 cents an acre at a minimum for grasshoppers in any stage. The unfortunate thing was that this was only a contact spray and as a contact spray it meant that it only had an impact upon those grasshoppers that it came into direct contact with. Any new eggs that might be hatched, any fly-in would of course reinfect the entire crop.

Mr. Speaker, I contacted the Minister in charge of the Canadian Wheat Board last fall, the Hon. Otto Lang, concerning this problem. I asked him if he would take up with his federal colleagues the possibility of using dieldrin in the case of an emergency this coming summer. I had a reply from him at that time saying that if the climatic conditions and the threat of a very serious infestation would be evident, that he would consider taking it up with his federal colleagues. After the Minister introduced this Bill I once again contacted Mr. Lang and also the Federal Department of Agriculture. They have indicated to me that they will sit and reconsider this matter and give it serious consideration. They will watch the danger of infestation that might be coming up this spring. We also contacted the Saskatchewan Association of Rural Municipalities last fall. Many resolutions have been passed by certain municipalities where an infestation was in effect last summer. They have contacted Mr. Whelan, the Federal Minister of Agriculture. I understand that Mr. Whelan has written back to them saying that they will not permit the use of this chemical. He explained the reason why was because many of our export markets will not accept Canadian grain or feed grain if it has been sprayed with this particular chemical. They are very concerned about the future of export markets and in particular in the feed grain area. However, this is once again being discussed by members of the Canadian Wheat Board and the Federal Department of Agriculture.

I point this out to the Minister of Agriculture, I had an opportunity to talk to him privately. I would hope that he would discuss this with the Federal Government and have his own officials take it up with the Federal Department of Agriculture and officials of the Canadian Wheat Board. I would also like to suggest that the Provincial Government give serious consideration to entering into a program, the same kind of a program they entered into when they assisted farmers in the northern part of Saskatchewan in the purchase of lannate for the control of the army worm in the protection and the saving of a large portion of the rapeseed crop in the last couple of years.

I understand that the Provincial Government now contributes a small portion of the cost of the new contact chemical. It is approximately the same kind of proportion that they paid for other chemicals in the past. I would ask that the Minister and the Provincial Government be prepared if there is a very serious outbreak of grasshoppers this summer, to give special assistance to farmers. Because this chemical, is not effective, it is extremely costly and farmers are going to find that they just can't afford to use it. It could have a real potential danger for agriculture in the Province of Saskatchewan.

Mr. Oliver (Shaunavon): — Mr. Speaker, would the Hon. Member answer a question before he sits down?

I would just like to know, did you, in your discussion with Otto Lang, discuss the matter of endrin as well as dieldrin? Endrin does not have as much residual effect in livestock and grains as does dieldrin.

Mr. MacDonald: — I didn't mention any specific spray. I just pointed out that the new contact chemicals that were being used, particularly the one in Saskatchewan was very ineffective and very expensive. I mentioned dieldrin, the old chemical that had been used so effectively and so cheaply by farmers. And asked him until such time they got an adequate substitute for dieldrin which was very cheap and effective, they shouldn't force farmers to turn to a new contact chemical which was extremely ineffective and at the same time very costly, with the hope that perhaps the Federal Research Department of the Department of Agriculture would come up with some adequate substitute. And until such a substitute comes up that then they should consider reinstating an effective chemical whatever it may be.

Mr. Messer: — Mr. Speaker, I simply want to say that a great deal that the Member has pointed out has already been carried out by myself and my officials in regard to trying to reduce the costs of chemicals that farmers are now confronted with in the Province of Saskatchewan.

This piece of legislation as the Member is aware and I think other Members of the House are aware, does not give the powers to prohibit or endorse or license chemicals unless they have been previously cleared by the Federal Government and the legislation of the Federal Government. We recognize that some of the chemicals that we have been discussing in this debate such as DDT, endrin and dieldrin and the like of that have been banned by the Federal Government. The problems that the Province of Saskatchewan has been confronted with is when producers or agents selling a chemical that has been banned such as DDT or dieldrin or endrin were selling the chemical we had virtually no power to step in and remove that chemical from use. I recognize that in so doing these people were providing cheaper control for insect outbreaks. But the fact of the matter was that the majority of the farmers in the province were using the chemicals that were licensed and those people were taking unfair advantage of them.

We also find that the countries to which we are exporting our grains are becoming more and more conscious of pollution and chemicals that do have residual effects on crops. And if we allowed a minority of people to continue to use chemicals that have been banned we stood at some point in time to lose a total market for a commodity in Saskatchewan because of a few who were using a chemical that was not licensed.

We have on occasion, on a good number of occasions in the past consulted with the Federal Government to contribute at least by recognizing the higher costs of some of the newer chemicals and to contribute to some cost sharing program between the Provincial and Federal Governments and the farmer using the chemical in order to reduce those costs to something that was more realistic to compensate for the chemical that was taken off the market or in some way related to costs of production. The best example that I think could be used was the chemical

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lannate that had to be used in 1971 to combat the Bertha army worm outbreak, whereby its cost was some three times more than the former chemicals that were used. It had to be used because the former chemical was banned. We as a province said that we would pay one-third of that increased cost. We made appeals to the Federal Government to consider also contributing one-third. We are saying that they should assume some responsibility because it was their initial action that took the former chemical off the market and licensed a new more costly chemical. They did not see fit to do so.

In the case of dimethoate which is again a very costly chemical and which replaces dieldrin which was much more effective and much cheaper, we as a province have been purchasing the chemical and providing it to farmers with a modest subsidy. But because of the action of purchasing and warehousing chemical for potential outbreaks, we were able last year to sell chemical for grasshopper control at approximately \$9 per gallon. In the Province of Manitoba farmers were paying as high as \$23 a gallon for that chemical. And in Alberta the prices rose to that level and the chemical was not available for farmers to use.

I think this Government and the Department of Agriculture has done all within its power to try and provide the chemical to the farmer at a reasonable cost. We have, I think, to take into consideration that we cannot undertake a program of subsidization of price increase in relation to some chemicals that have been banned and those that come on the market so that there is virtually no increase to the farmer.

We say that we are willing to sit down and discuss with the Federal Government, and in fact, have discussed cost sharing programs or else the providing of these chemicals to be continued to be used as long as they don't jeopardize our export markets until effective chemicals can be brought into use at cheaper prices than the chemicals that the farmers are forced to use now.

Motion agreed to and Bill read a second time.

The Assembly adjourned at 5:19 o'clock p.m.