

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session — Seventeenth Legislature
40th Day

Wednesday, March 21, 1973.

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

WELCOME TO STUDENTS

Mr. E. C. Whelan: — (Regina North West) Mr. Speaker, I am pleased to introduce to you and to all Members of the Assembly, from Regina North West 55 Grade Seven and Eight students from McNab School seated in the east gallery. Their teachers, Dayle Wollenberg, Gordon Rodmacher and Bob Hahn are with them. On behalf of all Members may I extend a warm welcome to these students and their teachers. And may their stay here be pleasant, informative and a memorable occasion for them.

Hon. Members: — Hear, hear!

Hon. E. L. Cowley: — (Biggar) Mr. Speaker, I take great pleasure this afternoon in introducing to you and through you to this Assembly, some 40 Grade Six students from the town of Delisle in the Biggar constituency. They are accompanied by Mr. Schultz and Mr. Leffler. I know that all Members of the Assembly will join with me in wishing that their trip down was enjoyable and that they have an informative session at the Legislature this afternoon and that they have a safe trip back.

Hon. Members: — Hear, hear!

Hon. A. E. Blakeney: — (Regina Centre) Mr. Speaker, I take great pleasure in introducing to you and to the other Members of the House a group of students from the Thomson School here in Regina in the constituency of Regina Centre. They are 30 Grade Eight students with their teacher, Mr. Adair, and they are in the Speaker's Gallery. They are here as part of their course of study in Social Studies. I know that we all wish to welcome them and to express the hope that their stay here will be interesting and useful in their studies and, particularly, in understanding how our laws are made.

Hon. Members: — Hear, hear!

Mr. H. H. P. Baker: — (Regina Wascana) Mr. Speaker, I should like to echo the words of welcome of the Premier to the Thomson School students. This was our home public school and I had the privilege of being president of their Home and School Association for some eight years.

Thomson School is a school with much history and has turned out many fine students in this community. So, I too, want to say welcome. I must say that I represented that area in that school district from 1964 to 1971 as MLA. So the Premier has had the privilege of doing that for the past two years. I am sure he likes that area too, however, I don't know what will happen after the next redistribution. Again

welcome to the students from that fine school.

Hon. Members: — Hear, hear!

WELCOME TO MR. DICK COLLVER CONSERVATIVE LEADER

Mr. D. G. Steuart: — (Leader of the Opposition) Mr. Speaker, I think it is very fitting that when we are introducing various students, I should like to introduce in the gallery some political students who have graced our Speaker's Gallery, led by Mr. Dick Collver, the new leader of the Conservative Party in Saskatchewan. I wish him well and I hope he enjoys that seat and maintains it exactly where he is for the next five or six years.

Some Hon. Members: — Hear, hear!

Mr. W. A. Robbins: — (Saskatoon Nutana Centre) Mr. Speaker, Mr. Steuart, the Leader of the Opposition beat me to the draw. He is quick on the draw. Often he hasn't got much to fire with, but . . .

Some Hon. Members: — Hear, hear!

Mr. Robbins: — It had come to my attention through the Press and the news media that a constituent of mine had been successful in gaining the leadership of the Progressive Conservative Party.

I recognize Mr. Dick Collver in the gallery to the right and I might say, Mr. Speaker, insofar as the Members of the Government are concerned, he is appropriately placed at the present time, being seated on the right.

I am certain that Members would wish to congratulate him on his achievement, but I assure him that in all probability Members in this House will expend a considerable amount of time and energy, at an appropriate future time, to ensure that his electoral success is not continued too far into the future.

A cursory examination of this House will clearly indicate to you, Sir, that there isn't much room on this side of the House, and obviously you will need to be placed on that side of the House, if you are successful in the next election. We trust that if present Members suffer casualties that these will be Liberal in nature.

We do welcome you and your group, sir, to the Assembly today and we sincerely hope that you will enjoy the day's proceedings.

Hon. Members: — Hear, hear!

Hon. A. E. Blakeney: — (Premier) Mr. Speaker, I add my welcome on behalf of all Members on this side of the House to Mr. Collver and to the other Progressive Conservatives who are with him.

It is not easy for them to find their way into this House as I am sure they will be prepared to admit, but we trust that they will, in all of the constituencies of the province, make

every effort to find their way into the House. As was already noted, I think they are now appropriately seated to the right of us, on this side of the House and to the left of Members opposite.

Hon. Members: — Hear, hear!

WELCOME TO STUDENTS

Mr. H. H. Rolfes: — (Saskatoon Nutana South) Mr. Speaker, on behalf of the Attorney General (Mr. Romanow) I should like to introduce a group of students from St. Francis School. It is appropriate for me to introduce these students because due to some initiative on the part of the Leader of the Opposition, that school is no longer in my constituency. I really feel that they belong in my constituency.

Mr. Speaker, I should like to introduce these students to you and to this House. They were brought here by their two teachers, Mr. McGartland and Mr. Nicholson. They are seated in the west gallery. I would certainly hope that their visit to this House is both edifying to them and that they will enjoy the proceedings here. I wish them a good trip home.

Hon. Members: — Hear, hear!

QUESTIONS

General Manager Required for Hog Marketing Commission

Mr. D. G. Steuart: — (Leader of the Opposition) Mr. Speaker, before the Orders of the Day I should like to direct a question to the Premier in the absence of the Minister of Agriculture (Mr. Messer).

I have here an ad from the Star-Phoenix of March 10th, "The Saskatchewan Hog Marketing Commission requires a general manager." It outlines some of the qualifications, some of the opportunities.

An Hon. Member: — Are you applying?

Mr. Steuart: — No, I am not applying, I think as I will prove later, the Liberals are too smart and the NDP are too stupid and then you have real problems.

It says this is a challenging opportunity. The general manager will be responsible for developing detailed objective policies. He will report to the Board of Commissioners and to the Board alone. He will have full responsibility for directing the day to day operations of the Commission, and so on. His opportunity for involvement and influence will be virtually unlimited. The Commission's head office will be Saskatoon. His salary will be in the \$20,000 range, with the usual employee benefits. Moving expenses will be paid and so on.

Now I should like to direct a question to the Premier — two questions. One, have they had a successful applicant and have they chosen one, in other words? Two, are they going to

pick a Saskatchewan man or a Canadian?

Mr. Blakeney: — Mr. Speaker, I am unable to assist the Leader of the Opposition with those inquiries. I simply do not know what applications have been received nor whether any have been found acceptable to the Hog Marketing Commission which is presumably making the choice.

I should imagine that they would be selecting a Canadian, but so far as I am aware the Government hasn't given any guidance although the Minister may have given them some. So far as we are aware we have given the Commission no instructions other than the general instructions of selecting a suitable applicant from Saskatchewan or Canada if they are available.

Mr. Steuart: — Mr. Speaker, is the Premier aware that this same ad was carried in the Des Moines Register and Tribune of March 10, 1973. That is in the United States, which the Members opposite get so upset about.

I was so surprised when I got this and it didn't have the name of the paper on it, but I was told it came from Des Moines Register and Tribune. So I phoned them and they checked and they said, yes, we ran this ad on March 10th. Now I am absolutely shocked to hear that a man who will be given almost unlimited powers — we are against this Board because it hasn't been given a democratic vote — to be given almost unlimited powers and they are going down into the United States, the people they profess they have such a great hatred for, to bring someone out and put him in charge . . .

Mr. Speaker: — Order!

Mr. Steuart: — . . . of our Hog Marketing with almost unlimited powers.

Mr. Speaker: — Order. We can't have debates on questions.

Mr. Blakeney: — In reply to the Hon. Member's question, about whether I was aware that this ad was in the Des Moines Register, the answer is no, I was not aware that the ad was in the Des Moines Register. However, I would see nothing unusual about it. Members opposite seem to forget that in the year 1970 their government drove people out of the province, 30,000 Saskatchewan people, and if we want to get them back we have to advertise in Ottawa, Des Moines and everywhere.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — We are very frequently looking for Saskatchewan people and in order to do so we have to advertise all over Canada and the United States. Such was the record of your government, Sir.

Mr. Steuart: — Mr. Speaker, a supplementary question. I wonder if the Premier would give us the figures up to date of how many they have driven out.

Mr. Speaker: — Order! I think the question period is slightly being abused.

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. J. R. Messer, that Bill No. 60 — An Act to provide Financial Assistance to Encourage and Promote the Development and Expansion of the Agricultural Industry in Saskatchewan (FarmStart) — be now read a second time.

Mr. D. H. Lange: — (Assiniboia-Bengough) Mr. Speaker, in speaking to the FarmStart Bill I should like to do a short review of the situation in which farmers find themselves in Saskatchewan today.

Let us recognize a few of the problems which are associated with rural Saskatchewan today and the role of the farmer. Now obviously the farmer competes in an unprotected market. Moreover he is under the illusion that he is an independent entrepreneur. In fact, the Liberals would even on occasion call him a free enterpriser. A free enterpriser, in spite of the fact that he is told what he is going to sell, how much he is going to get for it, how much dockage and freight he is required to pay, during what period he will make the sale and even at times he is told how much he is going to seed. He is institutionally financed and he is totally fettered with payments.

Not all of these aspects are bad. I point them out only to indicate that he is, by no means, independent. He also has no collective bargaining agency. Although a farmer uses his machinery to increase his efficiency, the farmer in effect, competes with the machine companies from which he buys, companies which are free to adjust their prices more or less according to their whims. These companies at the same time have obvious advantages of internal financing, protective markets, of diverse interests, vertical integration of production, none of which the farmer has.

But the greatest single advantage that large corporations have is that they can study the market, intensity or diversify their operations and, in effect, control subsequent markets. Farmers, by contrast, subject themselves to the designs of industry, the pandering of financial institutions, the manipulation of livestock speculators and speculators of grains, which are not controlled by the Canadian Wheat Board. And this is not to mention the uncertainties that are associated with agriculture as an industry, simply due to the vagaries of nature.

Now the trends associated with agriculture are evident in the minds of virtually every farmer and as a matter of fact they have been a subject of much discussion over the past several years through the Task Force Report.

The Task Force Report accurately predicted the trends in agriculture and had it been left as a document which stated that, and only that, it can be greatly respected. However, the political connotation which was associated with the Task Force

Report, is something with which I would quarrel. To recognize and to document trends is one thing, but for the Canadian Liberal Association to endorse these trends, simply reflects the inflexibility and lack of imagination, which is associated with their thinking.

To endorse a trend towards the alienation of people does absolutely nothing for a country. And to provide virtually no alternative does less for a country.

Now farmers, obviously, will not organize themselves in order to counter the control that corporations have over them. There have been a number of organizations which have tried to organize farmer for several decades. It is further obvious that the Federal Government will not organize farmers or work on their behalf, much less even have an understanding of what their problems are.

No one quarrels with the desirability of farming becoming more efficient. We only quarrel with the methods which will be used. Technological efficiency is one method which can be used, but by itself, it increases alienation by forcing people away from farming.

It is important to recognize that over the past several decades the only reason, ironically, that corporations have amassed the tremendous assets that they have, is because they have co-operated financially, and they have co-operated in other aspects as well.

They have done this while farmers, by contrast, have become virtually more and more independent. So independent farmers are competing with co-operating corporations. I think it is necessary that farmers recognize that they must use some of the same tactics that corporations and investment organizations are using in our social structure.

Co-operative intensification and diversification can help the agricultural industry, and at the same time pull farmers into an organized style through the finances which it provides.

The FarmStart Bill could be the basis for both farmer organization and for farmer co-operation and for a better lot for farmers in competition with corporations.

One of the most important aspects of the FarmStart Bill will be its financial aspect. It is possible to finance FarmStart through two methods — either through a Crown corporation, funded by government, or through a government guarantee through which farmers could borrow from banks.

I would urge that this Government investigate the options available to it in the two alternatives. Obviously the most important consideration will be, what will FarmStart cost to the taxpayers?

There is a simple formula to relate the costs to the taxpayer. It is simply the interest on borrowing money, plus administration charges, less the six per cent interest, which the farmer will pay for the money, is the cost to the government or the cost to the taxpayer.

Banks can probably buy money at six per cent and may lend it for something around seven or seven and a half. The Government, on the other hand, through a Crown corporation could probably best, at the present time, borrow money at between seven and a half and eight per cent.

It is conceivable that it may cost more to administer the FarmStart Program through the Department of Agriculture than it would to administer it partially through the banks, which already have a structure set up through which they can operate.

The difference between a Crown corporation and a government guarantee could be as high as 1½ to 2 per cent. And if this money can be saved then it will be saved for the taxpayer. And, in fact, I would suggest that if it is saved it could go towards the purchase of the Canadian National and Canadian Pacific.

A side effect of it being a government guarantee is that in the event that the unlikely happens and that the New Democratic Government is defeated in this province, the FarmStart Program could then not lend itself to being a political tool. This is not to suggest that the Liberals would ever think of that, of course.

No matter which route we choose to go we should not ignore banks nor credit unions because it is absolutely imperative that a farmer be able to go to banks and credit unions in order to obtain operating costs subsequent to the FarmStart program.

The primary object of FarmStart should be to increase livestock production in Saskatchewan. This is the only way there will be any economic benefit to the province as a whole. This must not be done by using FarmStart to purchase land since there is plenty of money available to purchase land and since an increase in land production does not necessarily imply an increase in the intensity of farming. Furthermore, FarmStart must not pay operating costs. Money is needed to buy buildings and machinery with which to expand a livestock operation. The increase in livestock production should be borne by the Government. The money for land and operations should come from financial institutions. It is also possible that money for operations and perhaps for FarmStart could come from credit unions and their provincial organization which has a great deal of money at its disposal now at low rates.

FarmStart should definitely not be security conscious. It should take no more security than is absolutely necessary, leaving some security for banks and for credit unions to enable a farmer to obtain operating costs. FarmStart must be much less security conscious but not necessarily reckless and they are fairly safe in that since there are not a great many fly-by-night farmers in the country.

On the other hand there may be some farmers who wish to purchase six per cent land through the FarmStart program. This could conceivably happen with a farmer who presently had 150 head of cattle which he could sell for perhaps \$45,000 now to purchase a section of land this spring, then he turns around in the fall and borrows from FarmStart at six per cent interest to buy another 150 head of cattle. In order to eliminate this I think that applications should state a three-year record of

the applicant.

I think you will remember that one of the primary purposes of this Government was to stabilize agriculture in Saskatchewan. In conjunction with the purchase of partial shares in Intercontinental Packers and expanding our market possibilities in the world, it is imperative we increase production. FarmStart should simply not apply to resale only of cattle. I think we can remember what happened a few years ago when the Opposition, the Government at that time, brought in The Livestock Loans Guarantee Act which provided some assistance for farmers to purchase cattle. Its basic purpose was to stimulate the economy in an economic sense. Other than that it had no particular purpose and no goal in mind and it certainly did not stabilize agriculture. The plan enabled people to buy cattle all over the province and as a result gave a fairly high return to people who presently held cattle but did not increase the production. It forced the sales to give high proceeds and gave no net increase in cattle production. Farm Start should particularly favor people who intend to increase production. Now we may find that there will be some people who will be financially unable to increase production. In the event that the Government finds that production is not being increased because people are forced to sell heifers during the fall rather than tiding them over the winter to become breeding stock, then I would suggest that the Government buy those heifers, in turn sublet them to farmers who can winter them and in spring sell them back again to farmers, thereby producing breeding stock and thereby increasing production. If this were done for only a few years it would give a tremendous increase in production of livestock.

Perhaps the most critical aspect of agriculture can be reversed by FarmStart. It is well recognized that the average age of a farmer in Saskatchewan is well over the 50 year mark. There is no particular point in tying a 55 year old farmer to ten years of debt simply so that he can liquidate himself at the end of that period. A community approach is absolutely crucial to the agricultural future in Saskatchewan. A community approach is essential both for the betterment of a 50 year old farmer, for the betterment of a community and as a result for the total subsequent betterment of the province.

There are provisions in the FarmStart Bill for co-operation. The community approach could be fully endorsed by FarmStart through co-operative ventures. These need not necessarily take the form of the Department of Co-operatives. They could be joint stock companies, they could be co-operatives, they could be syndicates or they could be partnerships. It really doesn't matter. The important thing is to intensify livestock production. Let's take an example of five young farmers who would be able to borrow \$60,000 each, giving a total of \$300,000. Let's assume that because they wish to go into a co-operative venture they obtain, as a result, the full grant which is another \$40,000. Mr. Speaker, \$340,000 would give about a 350 breeding sow operation with five people employed for roughly 40 hours of the week and provide an income to each of about \$6,000 a year plus the equity in their business. It would also provide a vehicle to which that business could be transferred to a subsequent generation without a great deal of capital turnover.

FarmStart, on the other hand, should definitely allow an

individual to decide for himself how he, or a group of individuals, would like to set up an operation. I think that it is imperative that we recognize that the individual should determine his own financial future. I think the Liberals would particularly appreciate that aspect. The co-operative aspect can be fully appreciated by this side of the House and it is rare that a Bill can come before the House and both sides will appreciate it. Moreover, I think that if FarmStart is implemented with these goals in mind it can be a subtle ploy to advance socialism in North American Society. With these comments I would fully endorse this Bill.

Some Hon. Members: — Hear, hear!

Mr. C. P. MacDonald: — (Milestone) Mr. Speaker, I have a very few comments to make on this Bill and I should like to restrict them to two particular aspects.

First of all I should like to recommend, for the Member from Assiniboia's reading, the Department of Agriculture Report, page 252, which demonstrates the increase in the cattle population in the Province of Saskatchewan since 1969 under The Livestock Guarantee Loans Act. For example, in 1971 it went up 11.4 per cent in beef cows alone; it went up 7.3 for bulls, one of the greatest increases in one year in any period in Saskatchewan agriculture. Since the beginning of The Livestock Guarantee Loans Act the diversification in Saskatchewan has taken a great leap forward. However, Mr. Speaker, I just want to spend a very few minutes talking about FarmStart from two particular viewpoints.

One, I believe in some areas it is a retrograde step. That is because it places a limitation on those people who qualify for loans under the new piece of legislation as contrasted with the Livestock Guarantee Loans Act. As you know when the Livestock Guarantee Loans Act was passed in this House there was no limitation upon the size of the unit or the number of cattle that were required. It had two goals in mind. The first goal was, of course, to help the young farmer expand or get into cattle breeding and cattle raising and the second objective was to expand the livestock population in Saskatchewan. All farmers and I think most people recognize the importance of diversification in Saskatchewan in the agricultural industry and particularly in the red meat field. The cattle population had not been growing and expanding in the way it should, neither had hogs and sheep, and to the credit of Ross Thatcher, our former Premier, he is the man who recognized the need of some special form of legislation which would make possible those two aspects.

First, the young farmer who wanted to enter into the cattle business could go and make a loan, go out and buy some breeder stock. All of us are aware of its provision, he didn't have to make a payment until he sold the first calf which was two years. You know also that there was no limitation on who could qualify for the loan, so that even if the farmer had 50 or 75 cows and he had the pasture or the feeding facilities, and if he had the agricultural land under cultivation and had the feeding and capacity to expand his herd, he also qualified. It made a very dramatic impact on the livestock population in Saskatchewan and of course upon farm revenues in general.

This FarmStart legislation now places a severe limitation on anyone who can qualify. Certainly we do want to encourage young people and young farmers to get into the livestock industry but we are not here only, I would think, Mr. Speaker, to start farmers into the livestock business. We are here to recognize the fact that for too long Saskatchewan feeder cattle have been shipped to Eastern Canada; for too long now the cow-calf operation has not been of the size and dimension in our province that is required and there is a real need and urgency to building up the livestock industry in Saskatchewan and the livestock population, and therefore that limitation to me is a very severe weakness.

Number two, is the danger of establishing a Crown corporation and in order to establish a Crown corporation, Mr. Speaker, it gets back to that old aspect that every time since this Government has been elected in 1971, every time they want to do something the only people who can do it are civil servants, the only people who can do it is big brother, the Government itself. Now they are saying that first of all we will use established credit facilities, we'll use the banks or the credit unions, but we also need to establish a Crown corporation ourselves. It is not very often I agree with the Member from Bengough (Mr. Lange) but certainly he did emphasize the fact that when you get into competition with existing credit facilities, they first of all have the experience and the knowledge, they have the facilities, they have the trained people, they have the credit management experience, but then it is going to cost the farmers of Saskatchewan money. The NDP want to take The Livestock Guarantee Loans Act, the SEDCO loan program, combine them into one thing that they call FarmStart so that they can remove it from the stigma of the Liberal Party and gain some credit for it. All I want to tell you, Mr. Speaker, is that is going to cost the farmer of Saskatchewan a lot of money. It is going to cost them 1 or 1½ or 2 per cent to administer that program.

Let me give you an example. Last year we saw a program called the Land Bank where the Government was going to expend \$10 million. There was something in the neighborhood of well over \$600,000 for administration. This year the Land Bank is going to cost the taxpayers of Saskatchewan \$1 million to administer \$20 million in loans — over a million dollars. Mr. Speaker, if they would use existing credit facilities, I suggest that it could be cut by ten times. All it would require, for example The Livestock Guarantee Loans Act, to loan \$47 million to the farmers of this province, would be one clerk in the Department of the Treasury, if my memory is correct. One clerk.

Now they are going to start up an administration that is something similar to the Land Bank, how political it is we don't know. All the Land Bank local regional committees are going to be appointed by the Government. This to me, Mr. Speaker, is a real weakness in this Bill. It is going to cause a real duplication of services and yet it clouds it by saying that we may use the credit facilities. I hope that the Government opposite and the Minister of Agriculture will recognize that it isn't only the NDP and big Government that can run things, that we don't need to increase the civil servants, that we don't need to set up a brand new corporation to loan money when we have got a lending facility and a lending agency in practically every community in the Province of Saskatchewan. If it isn't a bank at least it is a credit union.

Those credit unions are capable of doing a very good job in this regard as they have done in The Livestock Guarantee Loans Act. The Minister of Agriculture (Mr. Messer) also indicated that the loss ratio in the loans under the Livestock Guarantee Loans Act was very minimal, in fact he quoted something in the neighborhood of \$36,000. Certainly the majority of loans are now only coming into effect where they are going to have to be paid back but that is an indication of the success of that program. I would suggest that the loss ratio at any bank or any program and any lending institutions is no higher, or no lower, pardon me, Mr. Speaker, than under Livestock Guarantee Loans Act

I should also like to bring up another point if I may stray very briefly from this particular FarmStart. If they are really sincere, Mr. Speaker, at helping the farmers of Saskatchewan, I am concerned about the cancellation of the STEP program for farmers and businessmen. You know, Mr. Speaker, if my memory serves me correctly, over 3,000 farmers used the advantage of STEP and PEP over the past two years. First of all it gave them an opportunity to bring their sons home perhaps and have them work on the farm and gain some experience in agriculture. Second, it gave a real opportunity for university students and post secondary students to get out and get a job, an opportunity on the farm. Now they have cancelled this program. Once again only big government can hire students under the new program that they call YEP or STEP or YES or whatever it may be.

Mr. Speaker, I want just to conclude my remarks by saying, I hope the Government will not establish a duplication of services by starting a Crown corporation with civil servants to administer loans. It can only result in one thing, costing the farmers of Saskatchewan a great deal of money. Second, if they are truly interested in expanding the livestock population in the Province of Saskatchewan I hope they remove the restriction on the number of farmers that can qualify.

Some Hon. Members: — Hear, hear!

Mr. L. Larson: — (Pelly) Mr. Speaker, I couldn't miss this opportunity to say a few words on this very historic occasion. The occasion, of course, is the bringing in of the FarmStart program. It makes me wish, Mr. Speaker, that I were a young man again at the threshold of going into farming. Never before in the history of this province have we had a program with as much imagination and as much scope as the one that is presented to us in this Bill. I therefore, want to congratulate the Minister for bringing it forward. Again we see a very interesting performance of the Members opposite, the Member from Milestone (Mr. MacDonald) just taking his seat of course parroted the same old Liberal line. He said it is retrograde because of the limitations. Of course what he doesn't realize is that the limitations of the former program that he went to such great pains to explain was limited before it ever got off the ground. If he would examine the Bill he would realize that it is geared basically and fundamentally to helping young farmers to an extent that has never been possible or never thought of in this province before. Loans up to \$60,000 and the grants associated with that loan are larger than the total loan that the Liberal Party inaugurated

Mr. Speaker. So how he can conclude that this is a retrograde step is beyond me and certainly going to be beyond the farmers of Saskatchewan.

Then of course he parroted the same old broken down gramophone record, the danger of a Crown corporation. He doesn't realize that if he were to use the facilities of banks, their good friends the bankers, and credit unions, that the interest rate that is being offered under FarmStart will not be within their reach. Under the Liberal program you paid the prevailing interest rate. FarmStart will do something about those interest rates and, therefore, it is absolutely essential and necessary that it be a Crown corporation. Furthermore, Mr. Speaker, with a Crown corporation the kind of information and advice and guidance that is necessary if we are going to bring many of the young people that were squeezed out of farming back into industry, back from other jobs, these young people are lacking in experience, lacking in know-how. They will need this technical assistance to get back into the swim of modern farming and into the modern technology that's involved in farming today. So, therefore, it is very necessary and very expedient that it be a Crown corporation to provide the kind of advice and the kind of help that is going to be necessary.

A very interesting performance, Mr. Speaker. They are for the Bill and they are against it. A Liberal speaker, the other day, talked about that there is nothing new. There are programs that have included some of these grant forms and some of this assistance. This is true, Mr. Speaker. There have been programs with grants, dug-out grants; registered sire grants; family farm improvement branch grants; cattle loans implemented by the Liberal Party, of course, didn't have grants.

I want to say at the outset that these were good programs. They were programs that met probably, to some extent, the needs of the day. But in today's modern agriculture and its agricultural needs they are outdated and, therefore, they become irrelevant and must be replaced by a new program.

We have heard considerable about what the new program will do. I want again to review some of the prospects and review some of the exciting future that can be available to farmers under this new program. It is designed to assist in maintaining a maximum number of farm units at adequate farm income levels. It will make credit available and grants available to persons developing farming operations in Saskatchewan, by encouraging diversification into livestock, including hogs, cattle, dairy, poultry and bee keeping. The turn towards a larger farm base for farming units during the past several years has had a very devastating effect on the rural population. Diversifying the farm industry by increasing livestock is the next big step to arrest the migrations of people into larger cities and other provinces. We must increase the dollar output per acre of land. Presently, 36 per cent of Saskatchewan's gross product is derived from grain and 14 per cent from cattle, hogs, poultry and sheep. It will be beneficial, both to the province and farmers if gross sales of livestock were expanded to equal sales in grain. The most obvious way to expand the province's gross product is through livestock production.

The importance of agriculture to the total economy, as I

have said on previous occasions, it is logical that the government should attempt to stimulate the agricultural industry with programs such as FarmStart. The program is aimed at helping establish economic livestock enterprises on farm units. Loans will be made to a maximum of \$60,000 per farmer, providing the amount of credit does not exceed the total value of the individual's productive assets to more than \$100,000. Loan applications must have a net worth of less than \$60,000 and they must presently be earning not less than \$10,000 net income per year. Grants will be available to persons who are eligible for credit; grants will be available up to \$8,000, Mr. Speaker. The amount of a grant will be set according to a farmer's net worth, up to a certain limit, which is to be determined.

Farmers with a net worth over the set limit will still be eligible for a grant, but according to a sliding scale. So the Member for Milestone (Mr. MacDonald) is not correct in his assumption. It will be on a sliding scale and it will be available to a very great number of farmers.

Increased livestock production will have practically no effect on prices. Saskatchewan produces only about one per cent of the total volume of meat required by the North American market. It is estimated that the North American pork market will need an additional 10 million hogs each year by the end of the next decade. World markets are also demanding increased supplies of meat.

As an example, predictions indicate that Japan's per capita pork consumption may increase during the next year to 30 pounds per person, compared to the present 10 pounds. World market demands for meat are changing. This is providing an excellent opportunity for Saskatchewan farmers to diversify their operations and have the security of receiving a larger portion of income from livestock. FarmStart will provide credit, with terms that are flexible enough to meet the special needs of livestock producers. Special features of the FarmStart will include provision for a deferral of the first payment until income is generated by the livestock enterprise and deferred payment when livestock prices drop below profitable levels.

Again, Mr. Speaker, the observations of the Member for Milestone, are certainly not correct.

It is very interesting, Mr. Speaker, to compare some of the statistics and some of the things that are happening in the livestock industry in Western Canada. For example, Saskatchewan has more than twice the number of cattle that Manitoba has. Yet, Manitoba meat processors produce \$2 worth of products for every \$1 here in Saskatchewan. For every four head of cattle in Alberta, there are three in Saskatchewan, yet Alberta processors turned \$4 into meat products for every \$1 turned in Saskatchewan. Only slightly more than one in three slaughtered cattle raised in Saskatchewan are actually slaughtered here. The other two-thirds are shipped out of the province alive and with them we're exporting jobs out of the province.

If Saskatchewan's annual hog production was increased from 1.1 to 3 million head and the beef breeding herd from 1.2 to 1.9 million, some \$280 million would be added annually to farm cash receipts. This is double the value of potash in 1971, about 50 per cent greater than the value of petroleum produced in 1971; and two-thirds of the total value of all minerals

produced in Saskatchewan.

This, Mr. Speaker, is very significant insofar as the total agriculture picture of Saskatchewan is concerned. These are the prospects that are open and available to us and being made available to young farmers through the Land Bank and through the FarmStart program. If we fail to move in these directions, certainly the whole agricultural industry stands to suffer; stands not to be able to take advantage of the opportunities that are opening up, not only within our own province, but in the other provinces, and the North American Continent, as well as the European markets and the foreign countries.

This, Mr. Speaker, is the key to the whole concept of the Land Bank and the FarmStart program. As I said at the beginning of my remarks, it is the most exciting and the most challenging time in the history of agriculture in Saskatchewan. That a government has recognized the importance; has recognized the timeliness; has recognized the need and come forward with these programs, is an indication that we are in step with the times, that we are in step with the needs and that we certainly have the courage and are not afraid to implement programs with far-reaching effects with the money to back them up and the ability to meet the challenges and the needs of the future.

There is much more to be said, Mr. Speaker. I, therefore, beg leave to adjourn the debate.

Some Hon. Members: — Hear, hear!

Debate adjourned.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Messer that Bill No. 50 — An Act to amend The Natural Products Marketing Act, 1972 be now read a second time.

Mr. D. F. MacDonald: — (Moose Jaw North) The other day, Mr. Speaker, before adjourning debate I expressed my disappointment in the attitude of the Members opposite for criticizing the producers (the livestock producers) for having meetings. That the meetings weren't representative and so on.

I would like to tell the Members that last night at Mortlach, twenty miles from the city of Moose Jaw, they had another meeting. They had over 200 at the meeting last night. I'm proud to say that they weren't all hog producers, they were livestock producers, they were hog producers, they were producers of different commodities. They are all afraid of Bill 50. At the Marquis meeting the vote against the Government's action was 84 to 3; last night it was 200 to nothing.

In yesterday's paper, The Moose Jaw Times Herald, there was an editorial and I am going to read part of it into the record. The reason I do is because this editorial reflects my view completely and I think it is worthy of reading into the record. The title of the editorial is "Keep Protesting" and it starts out:

'With this Government you can expect anything.' The words were those of a farmer attending a producer's meeting

in Marquis last week. They were uttered during a discussion on amendments to Bill 50 — The Natural Products Marketing Act. The amendments to the Bill are causing concern because of the apparently vast powers they will give government over producers. It is at once, both encouraging and humorous, to see farmers finally get uptight about proposals by the Blakeney Government, at yet more intervention into our daily lives. We were beginning to wonder if anyone was ever going to stand up and call for a halt to what is going on. There are signs, however, that people are finally waking up to the clear reality facing them. Either they protest government intervention or suffer the consequences.

Also, last week we saw farmers in British Columbia protesting the NDP Government's Land Commission Act, an Act that has imposed a freeze on all sub-divisions of property among other niceties.

Recent visitors from B. C. have told us that thousands of jobs are hanging in the balance because of this Act, because businessmen have, in turn, put a freeze on future development.

We pay tribute to those producers who showed up at Marquis to make their feelings known and to those farmers who demonstrated in British Columbia and we warn all the rest that they had better pay heed or be prepared to see more of their freedom eroded.

That's the end of the editorial.

Now, Mr. Speaker, I would like to direct my remarks to the Bill, Bill 50 — A Bill to amend The Natural Products Marketing Act.

My first words are to say quite frankly that this is not good legislation. This Act was originally introduced by the government of T. C. Douglas. The Liberal Government then took steps to ensure that a vote of producers would be taken prior to implementation of the Act.

Last year the Minister of Agriculture, Mr. Messer, saw fit to remove this insurance of a producer vote. The amendments last year allowed for the Government to impose a marketing commission on the producers. With these amendments no producer vote is allowed. The producer is not even given any opportunity to decide if it is good or bad for his product. The producer is forced to rely on the benevolent attitude of the Minister of Agriculture.

Last year, the Liberal Opposition didn't object strenuously to the amendments, nor did the general public. But if we knew last year what we know now, then both the Opposition and the public would have voiced strong objections last year.

Some Hon. Members: — Hear, hear!

Mr. MacDonald: — Why didn't we object strongly last year? Well last year we took Mr. Messer at his word and he intimated that he needed a provision to deal with dire emergencies. His exact words are, and I quote the Minister's speech from last year:

The need for a Commission can be better outlined if in the future a need for quick action by government to correct or improve a deteriorating market condition arises.

The producers of this province, as I did, believed that before a marketing commission would be introduced, they would have the opportunity to understand the functions of that commission and most importantly that they would be given the opportunity to then voice their opinions through a vote.

This is my excuse, admittedly weak, for not objecting loudly last year. I am new to politics and was naïve enough to think that you could rely on the stated intentions of a Government Minister.

The introduction by Mr. Messer of the Hog Commission proves that I was wrong. From now on my objections will be based on what is written into a Bill. I think that my interpretations of the intention of a Bill is just as valid as that of a Minister.

The Natural Products Marketing Act may seem to be an innocuous appearing document in that it does not specifically mention any product or commodity. But coupled with the amendments of last year and those proposed for this Session, the powers accorded to the Minister of Agriculture make him the Czar of agriculture.

What does the Minister of Agriculture have in mind? Why is he asking for so much power? Perhaps we should ask the hog producers of this province. They could certainly tell us about the aristocratic, 'big brother' approach of the Minister of Agriculture. The hog producers could enlighten us on this would-be dictator posing under the guise of benevolence. Whom is this self-styled dictator going to inflict his benevolence on next? Without any doubt, it is the beef industry. And in the beef industry the Minister is going after a tough one this time.

T. C. Douglas and his CCF Government tried to put through a cattle marketing board. The beef producers forced back the CCF and the beef producers had a lot less to fear with the Douglas Government than they have today. Compared to the Blakeney Government, Mr. Douglas was moderate and fair-minded. Never in the history of the CCF-NDP has that party been so hungry for power, nor have they exerted so much control over our farmers as they do today under Mr. Blakeney.

I ask the Members opposite to remember what the beef producers did to the Federal Government when they introduced Bill C 176. The beef producers fought that mighty Federal Government to a draw on that Bill and let's remember that Bill 50, under discussion today, is a far worse Bill than C 176.

Some Hon. Members: — Hear, hear!

Mr. MacDonald: — Bill C 176 may have been bad legislation but Bill 50 is vicious legislation.

Some Hon. Members: — Hear, hear!

Mr. MacDonald: — The beef producers did beat the government of T. C. Douglas and they did beat the Federal Government. The beef producers may find the battle a little more difficult against the Blakeney Government. The cattlemen won't find Mr. Messer to be as reasonable as the CCF or the Federal Government. This time the beef producers will find that the Minister of Agriculture has armed himself with a great deal of power. The producers will find that they have an uphill battle. However, I am willing to bet that the cattlemen will beat the would-be Czar from across the floor in the eventual confrontation that the Minister seems destined to bring about. At the very least, the cattlemen will give the Minister a bloody nose. The field of battle may be the next provincial election and if that's the case I'll bet on the beef producers.

Some Hon. Members: — Hear, hear!

Mr. MacDonald: — If the Minister of Agriculture has any doubts as to the wisdom of my statement, I'll ask him to consider what the ranchers did to Mr. Bud Olson, the former Minister of Agriculture, and make no mistake the cattlemen offer Mr. Messer and the Blakeney Government the same fate as they gave to Mr. Bud Olson.

The history of the livestock industry is one of cyclical price fluctuations. Red meat is probably the king of agricultural commodities in the world today. With the emerging markets in Asia it is likely to remain such for many years to come. With net returns to producers at record heights, why does the Government choose to intervene at this point in time? The answer must be philosophic rather than economic.

The argument that marketing commissions would have superior access to the export market is unadulterated nonsense. The present marketing outlets available have done more than an adequate job in responding to supply and demand of livestock produce. Obviously Bill 50 is one more piece in the total jigsaw which will lead to the ultimate socialization of agriculture.

The livestock industry needs protection only against overproduction. This can only be obtained by a free market, not another bureaucracy. If the Government is truly sincere in its desire to aid the livestock industry its action should be directed at ensuring this free market.

We already have the case in this province where one organization controls nearly all the stock yard outlets. This is not a healthy situation and does not ensure a truly free market.

The expansion of auction marts should be encouraged. They are the epitome of free enterprise and of open markets. They help to ensure the best return for livestock. The Minister's intentions towards auction marts is unclear at this time.

Any legislation which is not democratic is bad legislation. Bill 50 does not allow for the full democratic process. The distinction between a marketing commission and a producer controlled marketing board is a matter of semantics. When a

March 21, 1973

producer vote is not allowed on the subject and the role criterion is the benevolence of the Minister then the result is the same as that of any totalitarian state.

The cattlemen of this province do not want a marketing board or a marketing commission. They have demonstrated this time and again and are overwhelmingly opposed despite what the Farmer Union says.

I would remind the Blakeney Government that the Farmers Union do not represent the livestock producers. They by and large represent a socialist philosophy.

If Mr. Messer wants advice on socialism then by all means contact the Farmers Union. If, however, he wants advice on livestock, I would suggest he consult cattlemen or hog producers. Mr. Messer claims he has consulted with various groups and he mentions the Saskatchewan Federation of Agriculture and the Farms Union. The problem is that these organizations don't represent the feelings of the specific producer. The hog producers have shown this by pulling out of the Saskatchewan Federation of Agriculture. The Saskatchewan Stock Growers are also threatening to do the same. The Farmers Union of course is nothing more than a political movement.

If Mr. Messer wants to consult about a specific commodity then he should contact a specific commodity group. If he wants to consult about a marketing commission for a commodity then his best method is to consult by means of a producer vote.

If the Wheat Pool or the Federation of Agriculture wants to give broad advice to the Minister this is their prerogative. These organizations represent agriculture on a very wide basis. However, if the Minister wants to affect the cattle industry, then he should consult with the cattle industry.

I think the cattle producers have made their feelings known on marketing boards and if the Minister of Agriculture doesn't take this into account he can rest assured that they will demonstrate their feelings again in the next election.

I will of course strongly oppose second reading of this dictatorial and vicious Bill.

Some Hon. Members: — Hear, hear!

Mr. K. R. MacLeod: — (Albert Park) Mr. Speaker, the seriousness of the amendments proposed to The Natural Products Marketing Act, 1972, are sufficient to require a substantive study by all the people involved.

Mr. Speaker, as usual we are getting a fair amount of assistance from the Members opposite. To allow them to prepare their material, I beg leave to adjourn the debate.

Debate adjourned.

The Assembly adjourned at 5:28 o'clock p.m.