

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
First Session - Eighteenth Legislature
21st Day

Friday, December 12, 1975

The Assembly met at 2:30 o'clock p.m.

On the Orders of the Day

STATEMENT BY SPEAKER

MR. SPEAKER: — Yesterday the Hon. Member for Swift Current without notice to my office as specified in Rule 6, rose on a Point of Privilege to the effect that the Minister of Mineral Resources gave information outside the Assembly while not answering an oral question which was asked by the Member for Nipawin on December 3, 1975. I ruled that no prime facia case has been made for a Point of Privilege.

Without lecturing the Members of the Assembly in any way, I do want to say something about the responsibility of a Member who raises a Point of Privilege. Since it is a matter of some seriousness, if sustained and may be equally serious to some Members if unsubstantiated. For purposes of illustration, let me use the issue raised yesterday by the Hon. Member for Swift Current (Mr. Ham) as a case in point. As near as I can determine, the facts are as follows:

1. Oral questions before the Orders of the Day must relate to an urgent and important matter. (Statement by Mr. Speaker, November 27, 1975.)

2. The Hon. Member for Nipawin asked an oral question of the Minister of Mineral Resources before the Orders of the Day, December 3, 1975, as follows:

Does the Minister have any idea what the total planned expenditure for radio, television and newspaper advertising for the Government of Saskatchewan or any related agency or Crown corporation, for the period October 1, 1975 until December 1, 1975 relating in any way to the resources of Saskatchewan?

3. The Minister requested the question be put in a written form on the Order Paper, since a detailed answer would be required. That was quite in order.

4. The Hon. Member for Nipawin for reasons for which I am unaware, has not submitted that question in written form. That was quite in order.

5. Yesterday the Point of Privilege was raised which had the effect of shifting the responsibility for primary investigation of the facts from the Hon. Member for Swift Current, which it should properly lie, to the Speaker.

6. I am not privy to the questions which may have been asked, nor answered nor the answers given at an alleged meeting in Swift Current on December 10, 1975. This is not pertinent to the Point of Privilege.

In any case, if all of the above mentioned points had been checked, no Point of Privilege would have been established.

In conclusion, the raising of Points of Privilege without benefit of easily obtainable facts may in the interim before a ruling is given, do serious harm to a Member, against whom a charge is laid.

QUESTIONS

Re-Open Negotiations with Potash Industry

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. I wonder in view of the disastrous defeat of socialism that took place in British Columbia . . .

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — Would the Premier now be prepared to withdraw Bills 1 and 2 and bring a return of common sense to the potash situation here in the province by re-opening negotiations with the potash industry, talking some common sense to them in regard to a level of proper taxation and attempting to get a commitment out of them that they will proceed with the necessary expansion to this very important industry?

HON. A. E. BLAKENEY (Premier): — Mr. Speaker, I noted that the election results in British Columbia had led to the defeat of the government, although not so far as I can see to any decline in their popular vote. I note also that the same election resulted in the almost total demise of the Liberal Party . . .

SOME HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — . . . from five Members in the previous election to one now and a drop in their popular vote from 16 per cent to about seven per cent. And the Conservative Party dropped even more from 13 per cent to four per cent.

I did not know what the economic doctrines of the new government would be. So I got some books by Major Douglas on Social Credit, I have them here. I know Hon. Members opposite will want to bone up on these matters.

SOME HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — These evidently are the doctrines which are going to prevail in British Columbia and under which they would manage the potash industry of this province. It is the triumph of these views that they are heralding. I am not sure that these views are going to be acceptable to the people of Saskatchewan. Therefore, I think that there is no call for changing our approach to government; certainly Liberal policies and Conservative policies have been overwhelmingly repudiated in British Columbia. The New Democratic Party at least got 40 per cent of the vote. As for those who follow Major Douglas I am not sure that I want

to be numbered among them.

MR. STEUART: — Just in comment, yes, we didn't do that well, but we only lost two Members. Mind you several of our Members did very well running under another banner, I think is the word. But we did elect our leader and we only lost two Members. You lost your leader and 17 Members.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — A supplementary, Mr. Speaker. If the Premier rather, if he is not prepared to give an assurance of return to common sense, if the Premier would then give the people of this province an assurance that he will not immediately or in the near or long future, (as long as he lasts over there) begin to hire people like Premier Barrett, well he could use Premier Bennett. How quickly you forget that little social worker! Ex-Cabinet Ministers, and a hoard of socialist planners they have out there that brought their economy almost to its knees. Would he give this House the assurance that they will not immediately start a program of hiring those people and loading them on the payroll of the Government of Saskatchewan?

MR. BLAKENEY: — Mr. Speaker, this Government is always looking for good employees. I don't know whether we would find them among premiers of British Columbia or whatever persuasion. With respect to public servants we will certainly consider applications which may come in and the fact that they may have worked for a government in British Columbia will not bar them. I know that there are governments in Canada and there have been governments in this province where the association with a government of a different persuasion would have been enough to bar them even from consideration. I was just reading the other day - and this goes back many years - where the Hon. Mr. Calder, now deceased, was calling upon people in the public service to watch a particular gardener because they weren't sure of his political allegiance. I don't know whether anybody can take offense just because a member of the Liberal Party happens to take objection to comments of the Leader of that party when apparently they are not taking offense when ex-federal cabinet ministers of the Liberal Party stand for office under another political banner. I think that one can't really object to Mr. J. W. Gardiner's tactics.

I do say that we will consider all applications on their merits. I think that there may well be some good people from governments all across Canada who might wish to share in the growing prosperity of Saskatchewan.

SOME HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — May I just say in passing that I think that some people who can take some encouragement from the events in British Columbia, and among others who may take some discouragement from the fact that the new Premier of that province is the son of the old Premier of that province. I don't know whether that holds out something for Mr. Thatcher, the Member for Thunder Creek and whether it holds something out in reverse for the Member for Regina South and Regina Wascana and the other

aspirants.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — Just a final supplementary question. I wonder, then Mr. Speaker, if the Premier will give his assurance that he will turn to common sense with the potash, take it to the people or have an election or whatever under proper means - if he won't give us his assurance that he isn't going to go out and recruit a horde of socialist planners and ex-cabinet ministers, NDP candidates - would he then give us the assurance that when these displaced NDPs start flooding east, would he at least give us an assurance that he will talk to Premier Schreyer and see if they will share the load with the people of Saskatchewan.

MR. BLAKENEY: — That's a good point! I will also talk to my colleague Mr. Lewis in Ontario, because he may be called upon very soon.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — I will give that assurance. But with respect to the other comment about whether we should call an election, I think it is only fair to enquire as to whether Mr. Thauberger is available to lead the coalition which obviously will be formed.

Social Credit Book

MR. R. L. COLLVER (Leader of the Progressive Conservatives): — I have a question to direct to the Premier in light of the foregoing questions and answers. I wonder if the Premier has read this book that he so kindly sent across to me?

MR. BLAKENEY: — The answer is No. I have never been a follower of Major Douglas. I have tried to follow the A + B theorem without any great success. I don't propose to stand under the banner of Social Credit, I don't know whether that goes for Members opposite, but time will tell.

MR. COLLVER: — Mr. Speaker, a supplementary question. I wonder then if the Premier would comment on the following quotation written some considerable years ago:

It is significant that the arguments voiced from all of these quarters (speaking about American, German, British and Russian bankers and so on) are invariably appeals to mob psychology. 'Europe must be saved,' 'workers of the world unite', etc. . . . the appeal is away from the conscious, reasoning individual to the unconscious herd instinct and the interest to be saved require mobs, not individuals.

MR. BLAKENEY: — I certainly would be prepared to comment on that, because I have heard that very sort of sloganeering so often. Sometimes it is capsuled in forms such as, "Socialist hordes are at the gates" that sort of thing. I think we all agree that that sort

of sloganeering ought to be rejected by anybody who is in public life. I know that that sort of thing will not be indulged in and certainly by our party, nor by Members opposite either.

Saskatoon Public School Board Planned Spending

MR. R. H. BAILEY (Rosetown Elrose): — Mr. Speaker, I am disappointed that the Minister of Education is not with us today. I will address my question to the Premier, as I should like to get some answers.

I wonder if the Premier is aware that last evening an official of the Department of Education, advised the Saskatoon Public School Board that the Department of Education would not recognize the planned \$11.5 million building expansion that they have. Arbitrarily the department official advised the school board that the Government would recognize only \$4.9 million of the planned expenditure.

MR. BLAKENEY: — Mr. Speaker, the answer is that I am not aware of what was said last night at an alleged meeting at which an alleged employee of the Department of Education, allegedly said that the amount available for capital expense would not be an alleged \$11 million but an alleged \$4.9 million. I have not been advised of that.

MR. BAILEY: — A supplementary question, Mr. Speaker. I was in conversation with that Board. In view of the severe cutback which I understand was given to the School Board and every reason to believe that it is true, I wonder if the Government opposite, the Premier or any other Member of the Government is in fact considering the support of mass transportation of students within a city system?

MR. BLAKENEY: — Certainly it is being considered at the Cabinet level. Whether or not it is being considered at the departmental level I am not aware. I think it is important to emphasize that school jurisdictions particularly the larger ones, are given every opportunity to exercise a great deal of autonomy and it may well be that the public board or separate board in Saskatoon is arranging the transportation of students from one school to another in order to avoid the necessity of building schools in new areas. I gather from comments in the Press that there is a suggestion of closing some downtown schools in Saskatoon by the Public School Board. I am not advised on these, but it may well be that the School Board is considering such measures.

MR. BAILEY: — Final supplementary. I wonder if the Premier would then be able through his Minister in the Department of Education, at which time will this department be prepared to give more specific terms in the way of explanation to the Saskatoon Public School Board, the reasons behind the government decision in only recognizing approximately one-third of the planned expenditure?

MR. BLAKENEY: — I would imagine that the Department of Education would answer any communication promptly and if the Hon. Member will advise me of the day of the communication from the Public

School Board to the Government asking for an explanation then I will follow it up to see that it is answered promptly. If however, no communication has been sent other than through a question in this Legislature, I think that the Hon. Member will recognize that that is hardly the way to convey information to the School Board. I know if the School Board wishes the information they will cause their staff to write or otherwise communicate with the Department of Education and get the information in the ordinary way.

Cutback of Existing Provincial Programs

MR. C. P. MacDONALD (Indian Head-Wolseley): — Mr. Speaker, I should like to direct a question to the Minister of Finance. I think the Minister of Finance may have heard the national television last night, which indicated the Government of Canada was attempting to cut anticipated expenditure for the coming year by something the neighborhood of \$1.5 billion. If they are, I think it is long overdue that the Federal Government took the leadership - I am sure the Minister will agree as well.

One of the interesting things about the program, at the attempts to cut expenditure is that they were examining specific programs and actually examining their function, their purpose and their success and actually reducing programs and cutting them out entirely for the next year's budget. Could the Minister inform me and the Members of the House if the Treasury Board in the Province of Saskatchewan is doing a review of programs with the hope of actually cancelling those that have one of the great weaknesses as the Minister knows which is that when a program gets initiated it seems to stay on forever. Could the Minister indicate if that kind of a review is going on in the Province of Saskatchewan and that we can anticipate some real leadership in the anti-inflation program in this way.

HON. W. E. SMISHEK (Minister of Finance): — Mr. Speaker, the answer in many ways is, Yes. We are at the present time in the budget period, reviewing all the departments and all the departmental expenditure proposals. The Hon. Member will probably have noticed that it has not always been possible for me as Chairman of the Treasury Board to be here during the entire proceedings of each day because that is precisely what I have been doing. In review of budgets, we are examining carefully the existing programs, the extent that programs can be better administered and thus create economies as well as the effectiveness of the current programs and whether some programs perhaps need to be amalgamated and we are examining whether some of the programs have become redundant. So indeed a very thorough examination is going on. It is not possible for me at this stage to be able to say precisely what the end result will be.

The Hon. Member is well aware that there are many areas of uncontrollable costs because of inflation, for example the hospital plan. Members opposite have been very interested in the wages of nurses and other employees and we want to recognize that problem and be fair to them. When you have programs like hospital care where 80 per cent of the cost is wages, there are other programs that are in similar categories where grants are provided. An Hon. Member was just enquiring about us providing

the money to meet an \$11 million proposal for the Board of Education in Saskatoon. This is three times more than suggested by departmental officials. All of these things are being carefully examined. Capital budgets as well as operating budgets, various social programs as well as the staff. When I am presenting the budget early next year those details will be provided to the Members of the House.

MR. MacDONALD: — Mr. Speaker, a supplementary question; Is the Minister aware that one of the programs that is being cut out by the Federal Government is Information Canada and that the members of the Press and all political parties seem to indicate that that is one program that serves no function and is a waste of the taxpayers' money. Could the Minister give me a commitment that this Government will look at savings of hundreds of thousands of dollars that are now being spent by the Government of Saskatchewan in government advertising in this review of your budget?

MR. SMISHEK: — Mr. Speaker, our expenditures on informing the people come nowhere near to the federal spending in proportion to the population and in relation to our budget. Certainly as I said every program is being examined. May I also tell the Hon. Member that many programs have been introduced by this administration and people are enquiring about them. For example a program like Aware, it is part of an information program on which we are going to be spending \$.75 million in the current fiscal year. I know from practical experience and the reports that I have been receiving from people in the community and letters that have been received the people feel that this kind of money and this kind of program is an important expenditure. That is part of the information. We have had other educational programs of this nature introduced by this Government. At any rate may I assure the Member that all programs are being examined. I can't tell him precisely what kind of cuts may be made in the information area but I can assure him that everything is being scrutinized very carefully.

MR. MacDONALD: — Mr. Speaker, a second supplementary. Would the Minister then give me a guarantee that he will cut the propaganda program that is now being broadcast throughout every station and the thousands of dollars being spent that is not information. It is not about a program now in operation. It's about a Bill that is before the House that is not even established and in no way can be determined as information. Would he guarantee me then, that the thousands of dollars that are being spent on political propaganda in relation to the potash industry will be cancelled.

MR. SMISHEK: — Mr. Speaker, it is a matter of judgment of what is information and fact and what is propaganda. Perhaps it depends on which side of the House you may sit. I know when the Hon. Member was on this side of the House and we said that they were putting all kinds of newspaper ads at government expense, they said that was information. Perhaps when we sat on the other side we might have considered it propaganda. These are judgments but we think it also indicates that potash is a very important resource and very important proposals are being made by this administration, we, therefore, believe the public is

entitled to have information on the course of the Government's action.

Rollback of Crown Corporation Increases

MR. W. C. THATCHER (Thunder Creek): — Mr. Speaker, in view of the fact that the question by the Member for Nipawin (Mr. Collver) was impromptu and perhaps in a jocular vein, I wonder if the Government might consider taking an additional question today.

MR. SPEAKER: — I had assumed that all the questions are of urgent public importance. Is the House prepared to allow a further question?

MR. THATCHER: — Mr. Speaker, I should like to address a question to the Minister of Consumer Affairs (Mr. Shillington). In his rent control legislation it would appear that the magic figure is 10 per cent. I was wondering if the Minister would inform the House if, in view of the fact the Crown corporations in existence in this province have undertaken to increase their various fees for operating anywhere from 25 to 50 to 60 per cent, if he would place his Department of Consumer Affairs at the disposal of consumers all over the province and attempt to convince the Crown corporations involved to roll back their costs to 10 per cent effective January 1.

HON. N. SHILLINGTON (Minister of Consumer Affairs): — I think there is no comparison between businesses and landlords. Businesses get their costs. I think all the Crown corporations are prepared to stand behind their increases and point out that their increases are in line with increasing costs. I say that landlords get the higher of their costs or ten per cent. You really can't compare landlords and businesses, it's like comparing apples and oranges.

MR. THATCHER: — Mr. Speaker, a first supplementary. I always have a problem counting that first, second and third supplementary. Does the Minister suggest that running an apartment house is not a business? Does he suggest, that Crown corporations are not a business? Does he suggest as does the Government that Crown corporation costs have gone up enormously? Do you not also concede that the landlord costs since January 1, have gone up far more than the ten per cent that you are suggesting?

MR. SHILLINGTON: — I am not quite sure how many supplementaries were involved in that last remark, there seem to be five or six.

There is, I think, a distinction which marks a difference between big businesses and landlords. We have said that throughout and that is the position the other provinces have taken. Wage earners get ten per cent and large businesses employing more than 500 people get their costs. Very few landlords fit neatly into either category. They are a hybrid and under the wage and price controls in this country and in this province they are being treated a little differently from either group.

MR. THATCHER: — A second supplementary. Would the Minister in charge of a Department such as Consumer Affairs be willing to use the full force of his position in his Department to encourage the Crown corporations involved to justify their increases by showing where their costs have increased?

MR. SHILLINGTON: — We'll do the work of the Opposition for them if they feel that they can't do it. I point out to all Hon. Members there is a committee called the Crown Corporations Committee and I assume that the Members opposite are going to ask the Crown corporations to justify their increases. We feel that you people can do it. Maybe you don't have confidence in yourself but we have confidence in the Committees of this House.

Introduction of Guests From Ghana

HON. A. E. BLAKENEY: — Mr. Speaker, I wonder if I might ask the indulgence of the House very briefly to introduce to the House, two guests who are with us from Ghana, who are seated in the Speaker's Gallery. Mr. Jim Appioh and Mr. Kingsley Brew, who are here working with us in order to prepare themselves to teach at technical schools and institutes in their country.

I know that all of us would want to extend a warm welcome and a rather warmer one than the weather is now extending to them to our province and to express the hope that their stay with us will assist them in their work when they return to their country.

HON. MEMBERS: — Hear, hear!

RESOLUTIONS

Resolution No. 5 - Feed Grains Policy Plebiscite

MR. L. E. JOHNSON (Turtleford) moved, seconded by Mr. Nelson (Yorkton):

That this Assembly requests the Federal Government to call the producer plebiscite promised by the Honourable Otto Lang to decide on the future of the present Federal Feed Grains Policy, and failing this to immediately remove this policy which is having a detrimental impact on producers of both feed grains and livestock in Western Canada.

He said: Mr. Speaker, I rise this afternoon to move a motion regarding a little referendum that appears to be lost in the chaos at Ottawa.

Mr. Speaker, although this vote would affect a very select portion of the western grain trade, in essence it is a question of whether stability is restored to the grain marketing system or whether the marketing system will continue to degenerate.

The Canadian Wheat Board is recognized by individuals throughout the North American continent as being very effective. Senator McGovern cited the Canadian grain-handling system as one which held definite advantages over that of the United

States. I am quoting from the Leader-Post paper of October 17, where he said:

I do think we could well afford to take a closer look at the Wheat Board and the grain marketing system developed here.

At the same press conference he also said that the Canadian system "is better than ours", that is was more organized, more disciplined. He said he hoped that the United States would study the Canadian system to correct the obvious faults in its own. The inspection system has all but broken down in the United States. The amount of bribery and corruption that has crept in is a national scandal according to those who have investigated it. Since the United States is currently involved in long range negotiations with the Soviet Union on wheat it would pay to look at the workings of the Canadian Wheat Board. These are some of the indications that are coming out of the United States.

MR. LANE: — That's one.

MR. JOHNSON: — Well, I'll get to a few others as I go on.

With that in mind I should like to comment on the Canadian Wheat Board a little more directly. The Canadian Wheat Board is one more of these ideas that originated in the prairie region. It is the product of some hard years during prairie development where the demand among the grain farmers was for a marketing system which would protect them from the instability of the international wheat market and one that would improve their selling opportunities, and in general make it easier for each of them as an individual. The mandate was given to the Canadian Wheat Board when it was set up as a Crown agency by an Act of Parliament in 1935. With some later changes the Wheat Board became the sole marketing agency for prairie grown grain, namely wheat, oats and barley.

The Wheat Board Act states that the Board was to market in an orderly manner in interprovincial and export trade of grain grown in Canada. This has given the Canadian farmers a marketing strength that they would not have had otherwise in the world grain trade.

Mr. Speaker, I suggest it is a marketing strength envied by others as I previously indicated. I should like to add a few things which came out in a report just recently by the Wheat Pool where they were interviewing Garry Mundhenke of the United States in his comments regarding Promart, an American system to incorporate the techniques of marketing agreements, pooling and direct co-operative exporting of wheat through a farmer-owned and controlled co-operative system.

When asked this particular question; how will you handle the grain deliveries and payments, he answered, the farmer will receive an initial payment at the time he delivers the grain to the local elevator. Then as the pool is liquidated he will receive a progress payment which will be relative to the percentage of grain that has been liquidated out of the pool. He will receive a final payment which will be basically the average price that the pool got for the grain with some quality adjustments and so forth, but basically an average price.

I should like to point out that that is a very similar situation under which the Canadian Wheat Board presently functions.

When asked what he thought of the system and how it was going to work regarding the speculative market, he said, we think that we are talking about a system that is not going to depend upon the speculative market or private grain trade to be successful. We intend not to have to use either one of these parties.

Mr. Speaker, there were three objectives that the Canadian Wheat Board was to achieve. They are the following:

1. To market as much grain as possible at the best price that can be obtained.
2. To provide prairie grain producers with a stable price.
3. To ensure that each grain producer gets his fair share of the available market.

Mr. Speaker, I believe that the Canadian Wheat Board has met these objectives.

When one turns to look at the domestic feed grain market, this market for prairie grain has a volume of about one hundred million bushels of wheat, oats and barley. This grain is sold in eastern Canada and British Columbia, with additional small quantities of feed grain sold in the prairie basin from primary elevators to feed mills and livestock producers. The Federal Feed Grains Policy for domestic feed grain has been in operation since August 1974, at which time exclusive jurisdiction for domestic feed grain was removed from the Canadian Wheat Board. This move was supposedly made in order to give the producers two alternative markets.

The feed grain may be either sold to the Canadian Wheat Board under the normal pooling pattern of an initial price and a final payment at year end based on the best sale opportunities or to the second market which is a cash sale to the non-board domestic feed grain market established by the Federal Feed Grains Policy.

Mr. Speaker, the stated objectives of the Federal Feed Grains Policy as set out by the Federal Government in regard to the implementation of their policy was the following:

1. To provide an equitable pricing system for all grain growers and livestock feeders.
2. Expansion of the grain and livestock production according to natural potential.
3. To provide order and stability throughout the grain and livestock sector of the economy.

Mr. Speaker, I believe that non-board domestic market operated under the new Federal Feed Grains Policy has not met these objectives, it will not meet them in the future.

Mr. Speaker, I should like to direct a few remarks in general on what one should expect in the non-board market if the objectives of the Federal Government are to be met.

Number one, the livestock industry should grow in those regions where it has a natural advantage. In other words, one

should expect to see livestock producers purchase grain in a surplus producing region cheaper than in a region of feed shortage, considering handling, storage and transportation costs as part of that difference.

Mr. Speaker, this has not happened, and I don't believe that it will under the present Federal Feed Grains Policy. I believe that if this policy is maintained, one will see that the feed lot industry of western Canada will continue to decline. This decline is very destructive to our farm economy as well as to secondary industries based upon the agricultural sector.

Mr. Speaker, the second thing that one should expect under the Federal Feed Grains Policy if stated objectives are to be met, that grain producers would receive the greatest net return possible for his product. This was not the case, as barley was undervalued as compared to corn during the period of highest sales last year. There appears as well to have been excessive margins charged for handling of grain on the non-board market.

The third thing that one would expect to see, Mr. Speaker, if the system was to meet the stated objectives, is that order and stability throughout the grain and livestock sector would appear. I contend, Mr. Speaker, that the opposite is true. Disorder is what has happened. The reason for this, is that the system does not work under all conditions. One of the factors contributing to this is the size of the market related to the supply.

As well, Mr. Speaker, it is my belief that there was one objective not stated by the Federal Government, and that it is a more important objective than the stated ones. At least it appears to being satisfied, and that is, that the Federal Feed Grains Policy was to allow the entry into the Canadian grain trade of American firms, which operate in a somewhat different manner. A manner that is today under question south of the border.

Let's take a look at the grain trade south of the border and some of the things that have been happening there. At a time when definite attempts are being made to undermine the role of the Canadian Wheat Board in Canada, the United States is increasingly looking towards a Wheat Board concept as a possible alternative to their present system.

May 20, 1975, the New York Times reported from New Orleans, that:

Federal agents (and that's the modern day Elliott Ness) were conducting sweeping investigations here and in other parts, are piecing together a picture of corruption in the handling and weighing of grain that raises questions about the integrity of the United States standards and quality of grain shipped to foreign buyers. The investigation is being carried on by a U.S. assistant Attorney, the FBI, the Department of Internal Revenue and the United States Department of Agriculture. The investigation arises from charges against seven grain inspectors. They were accused of accepting bribes to certify export shipments.

One could carry on and read through the entire thing, it carries on, but I'll just hit a few of the highlights through the rest of this particular report.

The first five agents brought for trial pleaded guilty. Following that one can see that the political system of the United States became involved somewhere around the middle of 1975. Neil Smith, the Congressman from Idaho said that the inspectors or samplers actually add dirt and that's what the purchaser sees at the other end. Smith said that certain levels of foreign material is allowed in grain and sometimes foreign material is added to bring the grain to that level. A North Dakota Congressman, Mark Andrew found American wheat in Italy in terrible condition. The company that had supplied the grain was Continental.

On June 30, Time reported that 18 indictments had been handed down. In July, the Federal Grand Jury in New Orleans indicted Bunge Corporation and 13 of the former corporate executives on charges of conspiring to commit systematic theft of grain, or export grain. And this is an indication of some of the things that have been happening in the United States.

I should like to take a look at what is happening in the prairie region. One grain company sold out to another one and it's stated in the Calgary Herald that the prairie region now only has eight companies handling grain. These are the three Pools, the United Grain Growers Limited, Cargill, P & H, Paterson and Son and Pioneer Grain. As well in a report dated August 9, 1975, it states the Bunge Corporation Limited, a US based grain firm plans to construct a high throughput terminal in Alberta. This super elevator will be the first Canadian grain facility owned by Bunge. It also said that this structure would be similar to those being constructed by Cargill Limited in Manitoba and Saskatchewan.

There is another report of October 9, indicating that the United States Government has filed suit against the Cargill Company regarding false invoice statements and declarations.

Mr. Speaker, I should like to leave that and turn to a few things that have place closer to home since the Federal Feed Grains Policy was introduced.

With regard to the delivery of grain to this market, an analysis of the volume of feed grain delivered to the non-board market shows that a large proportion of the total deliveries were lumped into a four or five month period. A very inefficient way to handle a commodity. The meaning of this is very simply, if the market is going to work at all it will require an increased amount of off farm storage as compared to the Wheat Board approach of controlled utilization of facilities. Without this controlled use the costs will increase to the farmer.

This is recognized by those in the business as the marketing margin on non-board feed when compared to the Canadian Wheat Board marketing costs.

Mr. Speaker, a recent study conducted by the Canadian livestock feed board comparing the open marketing margins for feed grain in 1974-75 with the Canadian Wheat Board charges for the same grain in 1973-74, brought the following figures to light. If you look at the non-board average marketing margins in 1974-75 for the grain wheat, it was 53 cents. The Canadian Wheat Board marketing cost for 1973-74 was 42 and three-quarter cents.

Now, I agree that there is a difference in this comparison regarding years. The difference is 10 and three-quarters cents or an increase over one year if you switch systems of some 25 per cent. So in taking this into consideration, if we increase the cost to the Canadian Wheat Board by three cents per bushel, which is what is expected to happen for the year 1974-75, we increase the marketing costs to the Canadian Wheat Board to 45 plus cents. Which brings the difference down to 17 and three-quarters cents, but is still an increase in one year of over 17 per cent.

We take the grain oats and work in through under the same adjustment, we find that the non-board marketing margin for 1974-75 was 36 cents, the marketing costs for the Canadian Wheat Board was 26 and a half cents or a nine and a half cent per bushel difference. This represents a 35 per cent increase in the costs of handling grain between the non-board market and the Canadian Wheat Board.

If we go down the list a little farther and look at barley we find that the non-board feed marketing margin was 41 cents. Taking an adjusted figure, the cost to the Canadian Wheat Board was 31, almost 32 cents, for a difference of nine and five-eighths cents, which comes out to being 30 per cent increase or difference between the non-board market and the Canadian Wheat Board.

Now these figures in themselves indicate that there is an increased cost in utilizing a non-board feed marketing system but there is one other interesting point and I'll note it.

It is interesting to note that the percentage increase in cost is greater in the marketing of oats. That grain where the non-board market moved the largest percentage of the total and the increase is the least in wheat and that is the grain where the non-board market moved the least percentage of the total grain and barley fits in between.

Mr. Speaker, as well under the new Feed Grains Policy the Canadian Wheat Board is obliged to be the supplier of last resort to the domestic market. If there is insufficient stock of non-board feed grain in terminal position the open market is supplied with grain from the Canadian Wheat Board. This pampering of the non-board market is not what I'd expect of a system operated by rugged individuals geared to a free enterprise system.

Mr. Speaker, to be more direct on the plebiscite itself, I'll comment on a few of the items that appeared in papers in the last year. The plebiscite was promised by the Minister in charge of the Canadian Wheat Board. The Minister in charge of the Wheat Board promised at a news conference Friday, May 10, 1974 to hold a plebiscite among prairie farmers on the Federal Feed Grains Policy after it had operated for one year. May I remind this particular group that it has operated for one year, for it started August 1, 1974.

Mr. Speaker, I don't really feel that it should be necessary to remind the Federal Government of a year old promise made by one of its Ministers, but considering the present state of mind, it's probably a good idea.

Mr. Speaker, Ralph Goodale, the Liberal Member for Assiniboia indicated on February 5, 1975 when questioned on the proposed federal plebiscite by the Minister in charge of the Wheat Board, Otto Lang, stated that as far as he knew that particular viewpoint had not changed. Mr. Speaker, what was that particular viewpoint? Let's ask the man responsible for the Board and we need only refer again to the news conference held in Regina, May 10, 1974. Mr. Lang said that it would follow the same procedure as the recent rapeseed plebiscite. But, Mr. Speaker, the memory of the federal Cabinet Minister, as indicated by his statement of August 29, 1974 is somewhat lax. He stated while discussing the plebiscite that there were still two questions. The question of who should vote and what the specific question should be, that he would have to answer before deciding on a date. It would appear from this statement that the Minister is attempting to set himself up as an independent person to conduct the plebiscite for Mr. Lang had said that it would follow the same procedure as the recent rapeseed plebiscite which was operated by an independent person in consultation with all farm organizations involved in the issue.

Mr. Speaker, it appears to me that the Cabinet Minister responsible for the Canadian Wheat Board is attempting to stall the plebiscite until such time when the results of the vote could be arranged to be more favorable towards his policy.

With that, Mr. Speaker, I should like to move, seconded by the Member for Yorkton (Mr. Nelson) Resolution No. 5.

SOME HON. MEMBERS: — Hear, hear!

MR. J. WIEBE (Morse): — Mr. Speaker, I beg leave to adjourn debate.

Debate adjourned.

The Assembly adjourned at 3:26 o'clock p.m. on motion of the Hon. Mr. Blakeney.