

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fifth Session - Eighteenth Legislature
April 24, 1978.

EVENING SESSION

The Assembly resumed the adjourned debate on the proposed motion by the Hon. R. Romanow (Attorney General) that Bill No. 24 — An Act to amend The Court of Appeal Act be now read a second time.

Motion agreed to and bill read a second time.

COMMITTEE OF THE WHOLE

BILL NO. 7 — AN ACT RESPECTING THE PRODUCTION, MANUFACTURE, SALE, PURCHASE, TRANSPORT AND INSPECTION OF ANIMALS AND ANIMAL PRODUCTS.

Section 1

HON. E. E. KAEDING (Minister of Agriculture): — I would like to introduce the Assistant Deputy Minister, Jim Webster and Bob May, Director of Animal Industry, and Harvey Fjeld, Livestock Administrator.

Items 1 to 14 agreed.

Section 15 as amended agreed.

Sections 16 to 20 agreed.

Motion as amended agreed to and bill read a third time.

BILL NO. 5 — AN ACT TO AMEND THE AGRICULTURAL INCENTIVES ACT

Section 1

HON. E. E. KAEDING (Minister of Agriculture): — Mr. Chairman, in the second reading speech, you are asking what is the purpose of the additional money. In second reading speech I indicated that there was a need to provide additional money in the FarmStart program, in order for us to have continuing money to operate the program.

MR. G.N. WIPF (Prince Albert-Duck Lake): — Did you say FarmStart?

MR. KAEDING: — Yes, FarmStart.

MR. R. KATZMAN (Rosthern): — Mr. Chairman, during second reading I asked you if, with this additional funding, you would be considering raising from \$15,000 to \$20,000 the figure required, or if you would be considering allowing those individuals who are making \$10,000 to \$15,000 now who must quit their jobs before they can qualify. Will you allow them to be considered?

MR. KAEDING: — Mr. Chairman, at the present time the limits are \$15,000 of income. There is no intention to remove that at present. We are looking at a provision whereby if a person had an income last year and who wanted to go into farming this year, we would accept him if he was not going to get that income next year.

MR. KATZMAN: — Well, the problem is, there is a figure (and I am not sure off the top of my head what it is) where you will qualify, but you must quit your job first before they would look at your application to see if you qualify or not. I think that is around the \$15,000 mark.

MR. KAEDING: — Yes, the new regulations will say that he will not have to quit his job until the loan is approved. But he must stop his job when the loan is approved. The reasons for that of course is, that if you are taking a large loan (as most of those FarmStart loans), you are really setting yourself up in a full-time farming operation, and there is no way you can have a full-time off the farm job and a full-time on the farm job.

MR. KATZMAN: — Well, my concern is exactly that. I think we are on the same wave length now. People are applying, they qualify because they have enough land but you will not look at their loan because they are making that \$15,000. But you say, quit and we will consider your loan. And they say, no, consider my loan, and if it is approved then I'm quitting and staying full time with the farm, and we sort of had that confusion.

MR. KAEDING: — If he makes the commitment that he is going to go to full-time farming and quit his job after he gets the loan, then it could be approved.

MR. KATZMAN: — Now one of your people in the, I believe it is in Rosetown — have you got an office in Rosetown or Kindersley? As well as North Battleford? Where are your offices? I now there is one in Battleford, it is either Rosetown or Kindersley and there is another one . . .

MR. KAEDING: — There is one in Kindersley.

MR. KATZMAN: — I believe they informed me that you are looking at moving to \$20,000. Is that not true?

MR. KAEDING: — No, I think that is not a fact.

Motion agreed to and bill read a third time.

**BILL NO. 6 — AN ACT TO AMEND
THE SASKATCHEWAN FARM OWNERSHIP ACT, 1974**

Section 1

MR. J. WIEBE (Morse): — Mr. Chairman, before we go any further in regard to this particular bill, we have suggested some amendments in regard to Bill No. 6. I noted that the government had decided to make some amendments to Bill No. 7. I'm just wondering. I have received no amendments as yet. Is it the intention of the government to move any amendments in regard to this particular bill?

HON. E. KAEDING: — No, there are no amendments.

Section 1 agreed.

Section 2 agreed.

Section 3

MR. R. KATZMAN (Rosthern): — On this particular one, how long, anybody that has land now, have they got to dispose of it.? Secondly, can somebody come into Saskatchewan, buy a large tract of land, then resell it within 60 days and this is considered legal under this bill?

MR. KAEDING: — I think not. If he didn't qualify under the act originally he wouldn't be eligible to . . . there would be some legal complication.

MR. KATZMAN: — Can a non-incorporated company in the province of Saskatchewan, come in since November 15, and buy land worth more than 160 acres?

MR. KAEDING: — I didn't hear the question Ralph.

MR. KATZMAN: — Can a non-registered company in the province of Saskatchewan come in and buy more than . . . a large tract of land and then resell it within 60 days? Are they covered by this act, or does this act stop it?

MR. KAEDING: — It's possible that could happen but if they did that, they would be in violation of the act and they could be subject to prosecution.

MR. KATZMAN: — There was piece of land that has changed hands in the last two months, approximately 60,000 acres, which is a large tract, which was sold to an Alberta firm and sold within three days to somebody else. Is that legal under this act? It has happened, I understand, in the last 60 to 90 days.

MR. KAEDING: — That particular item is under investigation by the department and we are aware of the fact that there was a real estate company which we think intervened in that and bought and sold but that is under investigation at the present time.

MR. KATZMAN: — Well, now that we both know the case we are talking about, are you suggesting that what was done under the act in that case may not have been legitimate? I know that the people (the original seller) would like to cancel part of that to the speculator because of that, but they are not sure if they can or not. Now where do we stand?

MR. KAEDING: — Yes, sir. This is the part of the thing under investigation but if it were a real estate firm working on behalf of a client, then the real estate agent did not actually purchase and he was just acting on behalf of the client. If he bought on his own behalf and then made a sale back, then of course he would be in violation.

MR. KATZMAN: — No, I am not a lawyer so maybe one of the lawyers, the hon. member for Riversdale or somebody, will chip in and help us out here. An open transfer, is that not a signed sale to that land company in question?

MR. KAEDING: — Mr. Chairman, we have asked the Attorney General's department to give us a ruling on that. It is a new proposition to us and we have asked the Attorney Generals' department to give us a ruling on that particular issue.

Would you reconsider standing this bill until you get a ruling because, in this particular case, it can affect a lot of different dealers in this province?

MR. KAEDING: — Well of course, Mr. Chairman, it will not do any good to stand the bill

because the situation will still be the same.

MR. KATZMAN: — Then you are suggesting to cover that loophole you will be bringing in amendments later.

MR. KAEDING: — I think that he is looking at a hypothetical situation and I think the act does give the board the power to deal with that situation but we have not got the ruling from the Attorney General's department on that.

MR. KATZMAN: — Would it be proper to ask the Attorney General when he expects a ruling on this particular case we are referring to?

MR. KAEDING: — I would suggest the Attorney General personally does not even know it is his department which is dealing with it.

MR. WIEBE: — Just a bit of clarification with regard to this particular section. It is my understanding that the section of the act which we are amending, which deals with the assessment of \$15,000, has not been repealed, but that section 8A which will be added, which limits after September 15, 1977, the new restriction of 160 acres on non-residents will apply. Does the figure of \$15,000, as I understand, still apply for any land which was obtained prior to September 15, 1977? If that is the case, my next question is, in regard to clarification, does that \$15,000 of assessed value apply only at the time of purchase or does that apply from year to year. Now the point that I am trying to get at is that say, for example, that reassessment takes place. An individual or a non-resident purchased land in 1976, for example, met the requirements of the act, 1979, 1980 rolls around and that assessment is not longer worth \$15,000 but may now be worth \$20,000, is he required under the act to bring his total land holdings down to \$15,000 or, as I said earlier, does that apply only at the time of acquisition of that land?

MR. KAEDING: — Yes, Mr. Chairman, that only applies as at the time he acquired the property, that would be the basis under which it is calculated. Any change would not affect it.

Section 3 agreed.

Section 4 as amended agreed.

Section 5

MR. J. WIEBE (Morse): — Mr. Chairman, I just want to make some comment here and I was going to introduce a motion to have the acreage in section 4 and section 8(a) and section 3 reduced down to 20 acres instead of the 160. It is quite apparent that because there was no House amendment brought in to that effect that the government has no intention whatsoever of looking at our particular recommendation in this regard. I think it would be a waste of time of this House and this Legislature and of the taxpayers, money if we went through that procedure today and just have it voted down in the long run. I just want to say that I feel it's unfortunate that our suggestion was not taken in this regard and the 20 acres limit was not imposed as against the 160 acre limit which is now in the bill. Other than that, that is the only comment which I wish to make in this regard.

MR. KAEDING: — Mr. Chairman, I might note that in my discussion with farm organizations the question of levels was discussed and the general feeling was that

160 acres was an adequate level and only this morning in dealing with the Federation of Agriculture I asked them again what their opinion was of that and they thought that the level was sufficient for the time being.

Section 5 agreed.

Sections 6 to 9 as amended agreed.

Section 10

MR. L.W. BIRKBECK (Moosomin): — I was up on section 10.

MR. CHAIRMAN: — Can you talk into your mike please?

MR. BIRKBECK: — I don't know but what the mike isn't working but anyway no problem. I did want to make a comment with regard to section 10. Section 10, this is where we are concerning ourselves in the area of transfer of land in the family, members of the family, and it is going to be subject to the approval of the board. Is that correct, Mr. Minister?

MR. KAEDING: — No, that is not true. I don't think that has anything to do with section 10 here.

Section 10 agreed.

Section 11 (16)

MR. WIEBE: — I have a bit of difficulty supporting subsection 3 of the new section 16 which has been introduced. That section in effect says that an officer, director or agent of a corporation could be liable to a fine of not more than \$10,000 and six months imprisonment whether or not the corporations has been prosecuted or convicted. So in effect, even if the corporation may be found free of any convictions of any wrong doings, somewhere along the line a director or an office or an agent of the corporation could be found liable. It seems rather strange to me that an officer or director of a corporation should accept the liability of a company if that company in itself had not done anything wrong under the terms of this particular act. I would be in agreement with that particular section if the office or director were fined as a result of the corporation itself contravening certain sections of the act. But don't you feel that this is rather a stringent penalty for a director or officer of the company?

MR. KAEDING: — Mr. Chairman, if you read the section it says, 'Where a corporation has committed an offence against this act,' so a corporation has then already committed the offence. Every officer, director or agent of the corporation who direct authorized, assented to or acquiesced or participated in the commission of the offence is guilty' and that means that only if he has been part of the action part of the decision making, would he be liable for penalty. I might say that this is the same provision which is in many of the acts today, many of the consumer acts and so on. it is not a new provision.

MR. LANE (Qu'Ap): — Name one other act.

MR. KAEDING: — O.K., you've got The Producers Consumer Products Warranties Act, The Community Cablecasters Act, The Labour Standards Act, The Business Corporations

Act all of those acts.

MR. LANE (Qu'Ap): — This provision, in every case, was opposed by the opposition. We think that you've set up a situation whether or not the corporations has been prosecuted or convicted. Once a charge has been laid then you can start going after the officers and everything else. You couldn't care less whether somebody was ever convicted; you can still go after the individual officers or agents of the company, and it's highly improper.

MR. KAEDING: — Well, Mr. Chairman, it seems to me that those people in charge of a corporation are the people responsible for the acts of the corporation. The corporation itself can't do anything. It is the people who are in charge of the corporation who are at fault because they had agreed to commit the offence.

MR. LANE (Qu'Ap): — If you are going to have a criminal liability or a quasi criminal liability against the officers, directors or agents plus the company . . . why don't you at least leave the liability of the individual until the company is definitely convicted?

MR. KAEDING: — Well, I would assume again when you read the act, that 'Where a corporation has committed an offence against this Act.' You cannot say that a company committed an offence under the act until they are convicted.

MR. LANE (Qu'Ap): — Oh, then let's strike out the last line because that's precisely what you're not saying. You are saying that an offence in your opinion has been committed although the corporation hasn't been convicted. It's your opinion that an offence has been committed, so therefore you can go ahead and charge the director, agents or officers. It's just contrary to what you have said. I suggest to put it in line with what you have just said that you strike out the last clause, whether or not the corporation has been prosecuted or convicted. That will clarify exactly what you are trying to say.

MR. KAEDING: — Mr. Chairman, I'm not a lawyer but I presume that this wording is identical to other wording and other acts which intend to deal with the same situation and I assume that that being the case, that this is the proper wording.

MR. LANE (Qu'Ap): — Well you know if you're looking for justification in other acts, you can go through any anti or sedition acts or anything else that have been held to be contrary to any standard of a Bill of Rights. Now that's not justification and I think you know it. The fact is if you want to bring this act in line that you said that you don't expect the prosecution against an agent, director or an officer unless the company has already been in fact, convicted before the courts. I think that's a decision you have to make at that time whether you want to then pursue the ones responsible for the operation of the company. This act as it now stands allows you to go after the individuals whether or not the company has even been prosecuted, if in your opinion an offense has been made and that's not what you said earlier. I suggest that it can be brought in line with what you said by striking out the last part of that clause.

MR. KAEDING: — Well, Mr. Chairman, I'm not prepared to entertain that kind of an amendment and I would think that under the circumstances where a company is in violation and the principals of that company know that they're in violation that there is good reason to apply a penalty to those people who are in violation and who have committed the offence in actual fact.

MR. LANE (Qu'Ap): — Whether or not the company is convicted?

MR. KAEDING: — Well I suppose if they're in violation and if they have committed the crime against the act, then they could be subject to prosecution.

MR. LANE (Qu'Ap): — Well I suggest to you. . .

MR. E.C. MALONE (Leader of the Liberal Opposition): — I just sort of woke up a bit on this argument, but Mr. Minister, are you suggesting by this particular subsection that a director can be fined, even if a corporation has been prosecuted and found not guilty? Because that's the way it reads.

MR. KAEDING: — Yes, there could be in this particular kind of situation, an individual who has set up a number of false front corporations and that individual is the individual who is responsible for that kind of activity and yet if we didn't have this kind of a penalty for him he (his corporation) could be penalized but he could never be penalized for undertaking that kind of activity.

MR. MALONE: — That's patent nonsense, Mr. Minister. I'm not sure who is advising you on that, but surely the offence here is a corporate offence and what you are trying to do is lift the corporate veil after the corporation has been prosecuted and then go after directors if that should be the way you choose to proceed. It may not be necessary to proceed in that manner. But surely the offence personally rests with the corporation and I suggest to you that for you to have a provision here whereby a corporation can be, in theory, prosecuted and found not guilty under the act and then allows you to then proceed against the director is odious to say the least.

I think I know what you intend on doing and I'm not sure that we are not sort of arguing at odds with each other and both agreeing on the fundamental principle. But I don't think we can give any approval to an act that provides, 'whether or not the corporation has been prosecuted or convicted.' I'm going to move an amendment to strike those last few words.

I just ask you to stand this or reconsider it. what you are doing is something that I have never heard of before in law. Perhaps the member for Qu'Appelle has some examples or the Attorney General, but I have never heard of it anywhere in this Legislature and it is something that strike me as patently unfair and against the best traditions of British justice.

So I would move, Mr. Chairman, that all the words after "imprisonment" in line 7 of section 16(3) be deleted, seconded by the member for Assiniboia-Gravelbourg (Mr. Nelson).

MR. CHAIRMAN: — We have an amendment before the committee. It is moved by the member for Lakeview, seconded by the member for Assiniboia-Gravelbourg. This amendment takes place on clause 11: 16(3) and is as follows:

That all the words after 'imprisonment' in line 7 of new section 16, subsection (3) be deleted.

Amendment negated.

Section 11 agreed.

Section 12

MR. LANE (Qu'Ap): — Mr. Chairman, some of the provisions of this section are completely unacceptable to anybody with a sense of justice and fair play, quite frankly. When we start having an agricultural gestapo like you are trying to set up on this particular bill, I find it shocking that you would appear before this Assembly for a government that hides and covers up SEDCO loans and refused to interfere and then has the right for a government investigator to go out and inquire into, investigate and examine negotiations.

Into the lawyers office's if someone wants — are you trying to breach solicitor/client privilege with that particular provisions, transactions, loans or borrowings? Have you got the right to go into banks now and credit unions and take a look at someone's borrowing transactions, financial transactions? That's what you have given yourself the right to do and I say that that is totally unacceptable to anybody with any sense of decency; you wouldn't come before this house with that type of power. You are establishing, as I have said, an agricultural gestapo here to go around and check any transactions you want so that anybody's transactions before their lawyers, their credit unions, are subject night or day, and that's another area that wouldn't be tolerated in the criminal law, night or day to go in and seize records and take any individual's records, financial records. I say that that should be withdrawn totally and I think that you should redraft that whole section.

MR. KAEDING: — Mr. Chairman, the act, if you go farther down, indicates that this can only happen if a judge issues a warrant authorizing the person conducting the investigation to enter and search the building, dwelling house, receptacle or place described in the order, by force if necessary, for such books, documents, papers, correspondence, records or things and to examine. That's only if an issue is authorized by a judge.

MR. LANE (Qu'Ap): — No, that's not right. If you read that section, in fact, the investigation can be made and then you can go to the judge, you've got that in reverse order.

MR. KAEDING: — Section 3 says for the purpose of this investigation under this section, the board or the person conducting the investigation may upon proof of his authorization under subsection 1 and it goes on.

MR. LANE (Qu'Ap): — What you have got if you have not read the particular, is that you can go out and authorize and have some proof of the authorization from the Farm Ownership Board, or whatever board you are going to use, to go ahead and make this investigation, then after you can go to the court to seize the records. You can go ahead and make the investigation in the first place.

MR. KAEDING: — Mr. Chairman, an investigator may investigate but if he is resisted his investigation, then he may go to the court, he may go to the judge to get that authorization.

MR. LANE (Qu'Ap): — Well except that here you have got an investigator who is going to have some proof of identification. He is going to go up and he has got the power under that, as you have just admitted, to basically intimidate or browbeat someone to give them and someone, the innocent person may be sitting there, if I have to, I have to and give up all his records when in fact, at a law, you know the investigator, if there was a

refusal would have to go to the courts. Now what you have done is a highly odious piece of legislation and I can't believe for the life of me that this bill was drafted by the Attorney General's department, you must have got it somewhere else.

MR. KAEDING: — Well, Mr. Chairman, this is identical, the same kind of section as is under the Securities Act, Section 27 and I think again, I think you have to think about the kind of activity you are going to deal with here. You are dealing with a situation here where if you are not able to get a hold of documents, if you are not able to get a hold of evidence, then how are you going to prove a case?

MR. LANE (Qu'Ap): — Well you can approve it, first of all find out whether there is a basic problem. If you get some indication that one person has bought up all the land, you seemed to know it in the past when you announced some of the ones you have been critical of. You happen to know there without an investigation; you don't need that power. You don't need that provision because what you are saying if you are comparing it to the securities in my recollection that's not quite the same thing as in the Securities Act. The Securities Act is done when there is a basis, an indication of fraud and this could be an innocent transaction. An innocent transaction, and you have your happy little investigator throwing his weight around under your guys and your auspices and then he can go in as I say to anybody's financial records, any credit union, local co-op, anywhere and just take over that person's records. He can go into any law office of any lawyer in the province and seize records and breach a solicitor/client privilege and that's precisely the power that you have given.

MR. KAEDING: — Yes, I think that this kind of activity would never be undertaken unless the investigator had good reason to believe there were documents there which he required.

AN HON. MEMBER: — What does he need it for?

MR. KAEDING: — Well, so you will have some power if you need it

MR. MALONE: — What it says, 'the investigator has to have reasonable and probable grounds to believe there is an offense.' It's not in there. It just says the board may authorize any person to carry out an investigation.

MR. KAEDING: — Well the act says he has to be authorized by the board to make the investigation.

MR. MALONE: — Right, and that is exactly the point we are trying to get across to you ministers. We don't want the board snooping around in people's affairs without some indication that there is something wrong! That is the point the member for Qu'Appelle is trying to make, that is the point the member for Morse is trying to make, and it is the point I'm trying to make. Any statute where you put teeth into it, you have to have some logical reason to believe an offense has been committed. Even under the more odious statutes that your government has passed — there has to be some genuine belief that something has gone wrong. In this particular subsection, all it says is that the board may authorize any person to investigate — any person. It doesn't have to be an employee of the board — doesn't have to be an employee of the Department of Agriculture — any person they want — to snoop around into the affairs of farmers! Now, I realize the problems this act gives you — you have to have teeth in it to make sure it works. The last act did not have teeth in it. We warned you about it at that time, we

warned you about the possible abuses and all our warnings came to pass. But this is certainly not the way to enforce the act. It is not going to uncover illegal land holdings pursuant to this act, or whether deemed illegal in pursuant to this act. All it does is give the board powers that are far too wide, powers that I don't believe any board in the province, any board in Canada has, unless they are involved with narcotics prosecutions or criminal prosecutions of some kind. So I ask the minister to stand the section and have another look at it to see if he can come up with a better wording, to give you the powers that you need to enforce the act but not make it so wide that every farmer in the province is liable to investigation by your board, if some lunatic on the board decides he is going to investigate a particular farmer that is involved.

MR. KAEDING: — Mr. Chairman, I think one has to be a little rational when discussing these things, and I would assume the board has got more to do than simply want to investigate everybody in the country.

MR. MALONE: — Well why do you . . . (inaudible interjection) . . . the act?

MR. KAEDING: — Well, simply the board has to have some authority to investigate contravention of the act, and if they don't have the power to do that I don't see how you intend to deal with the problems.

MR. MALONE: — In any criminal act or quasi-criminal act, there is always a provision that says a police officer, a board, an agency, a tribunal where it has reasonable and probable grounds to believe an offense has been committed, or, it receives information that an offense has been committed or likely to be committed, can do certain things. But that is not in here. It simply says, the board on its own hook, without having any reasons to believe an offense has been committed, can start snooping around and finding out about the affairs of farmers in the province of Saskatchewan. And that is far too wide to enforce the provisions of this act. Now I ask you to show me in section 12, which amends section 19, where there is any obligation on the board to have this pre-information or reason to believe an offense has been committed. It is simply not there.

MR. KAEDING: — Mr. Chairman, if you would examine the existing act, the existing act has that power now . . . (inaudible interjection) . . . Yes.

MR. G.N. WIPF (Prince Albert-Duck Lake): — Mr. Chairman, Mr. Minister. We talked about the board may authorize any person to carry out an investigation and that is fair under this agriculture Gestapo that is being set up here. It goes on to say that it is not even necessary for the board to authorize each investigation. You said the board may do it. Would you take that out of there — that your investigator or your inspector whoever it may be, can go out and he can go and investigate any farmer he wants or anybody he wants or any transaction at any lawyers office if he wants to, without the board even knowing about it. Is that right?

AN HON. MEMBER: — Sure, it is right in there.

MR. KAEDING: — No, the board would authorize the activity of the inspector, but he does not have to get an individual authorization for each time that he is going to inspect.

MR. WIPF: — Mr. Minister, it says 'the board may authorize any person to carry out an

investigation generally — and it shall not be necessary for the board to authorize each investigation.’ This is as I have said — your inspector or whoever is doing you investigation, can go out and get two or three farmers that the board recommends, get a hard time going down the road from another farmer and drop in and do a little investigation on him. Your investigator can go out and just hand pick whoever he wants to go after without you or your board knowing anything about it.

MR. KAEDING: — Well, again it says, for the purposes of investigation under this section they must show poof of his authorization — under that section.

MR. MALONE: — Just read all of that. It has to show that there is proof he has been authorized generally by the board to conduct investigations. So, if he goes to farmer Wiebe, all he has to show farmer Wiebe is that the board has said, ‘you can investigate no suggestion that Mr. Wiebe has committed an offence there’s something that he wants to inquire of leave on. Mr. Minister, I suggest to you that this is an indefensible section. I think that if you took the time to look at it in more detail you would agree with the points that we’re making. Now once gain, I ask you to consider standing the section, bringing it in at a later time and if you’re still convinced that justice is to be done by this section, well, let it go, we’ll vote on it and you’ll vote us out of the ball park. I suggest to you, Mr. Minister, that if you have a look at the section, if you talk to somebody in the Attorney General’s Department, Mr. Kujawa or some of the criminal investigators, they’ll advise you that these powers are far too wide.

MR. KAEDING: — Well, Mr. Chairman, I’m not sure that they are. As you go on in the powers of inspector and the inspection proceeding you’ll find out that the person conducting the investigation must submit a report to the board, so he can’t . . . well, sure afterwards. You don’t submit it before.

MR. LANE (Qu’Ap): — After you come into my office and steal all the documents then you make a happy little report.

MR. WIPF: — Mr. Minister, isn’t this just a little contradictory here where it says, ‘the board may authorize any person to carry out an investigation generally and it shall not be necessary for the board to authorize each investigation.’ Then you went on and said, ‘For the purposes of an investigation under this section, the board or the person conducting the investigation may: (a) upon proof of this authorization under subsection (1).’ Does this not contradict the other statement where it says he can go out and he can make his investigation without you knowing it? And it says a little further ‘upon proof of his authorization’; when he hasn’t even been authorized to do that investigation.

MR. C.P. MacDONALD (Indian Head-Wolseley): — Mr. Chairman, I only want to make a little comment. I think the minister has received some very bad advice.

MR. KAEDING: — Section 19(1) which is not in the amendments says:

The board or any person authorized by the board may conduct an investigation for the purpose of determining whether a person has land holding in contravention of this act.

That’s what section 1 says. And these are ancillary thereto.

MR. MacDONALD: — All I want to say to the minister is I think he’s had some very bad

advice. He's not a lawyer, he's not a member of the Attorney General's Department. And when the Leader of the Opposition and all the opposition members make a suggestion, it's not the first time that any minister has stood a section until he's gone back and checked it and got some legal advice on it. Maybe you'll come back with the legal arguments which will justify the position. But you have certainly, by the looks of it, got some very bad advice from your department. Now, for goodness sake, sit it or stand it, go back and check with your legal advisors, check with your Attorney General's Department and we can pass the rest of this act except that one section. You can come in here and then we'll find out what the legal justification from the advisors that you had, and from the legal people in the Attorney General's office. But don't try and ramrod this through when you don't even understand it yourself. You've had very bad advice.

MR. KAEDING: — Mr. Chairman, again, I think the misunderstanding stems from the fact that people haven't related to subsection 1 of section 19. I think, if you relate back to that section it hangs the thing together.

MR. LANE (Qu'Ap): — I'm just going to make one comment because you're rather intractable in your approach. I hope you pass this because I'll tell you that that's going to every farmer in my riding. I'll tell you what they're going to do with your party when they see that. They've got enough concern. They've got enough concern with some of the powers that you've taken on already. And when you start flagging this around the province of Saskatchewan that you've taken upon yourself the right to appoint people to run out and, as I say, go to the lawyer's offices and the credit unions and co-ops to take over the farmer's records and the rural banks . . . I'll tell you they'll run you out of town very quickly.

MR. KAEDING: — Well I might suggest to the hon. member that the farmers out in the country are quite concerned about the fact that there are people trying to evade the provisions of this act. And they are asking us to take the act up so that we can deal with some of these problems. These are some of the powers that are required. Again, I point you back to section 19(1), 'the board or any person authorized by the board may conduct an investigation. That doesn't say that anybody can go out and do an investigation. It must b somebody appointed by the board.

MR. LANE (Qu'Ap): — You expressed this great need and desire for this piece of legislation. Are you going to use that investigator to investigate non-resident corporations wherever their headquarters may be to get their records?

MR. KAEDING: — Well, certainly we can't do that outside of the province.

MR. LANE (Qu'Ap): — It's not agreed.

MR. MALONE: — Mr. Chairman, I believe we've presented some very logical arguments to you as to why this particular section should be reconsidered. I don't think anybody has gotten political, except for maybe the last gibe from the member for Qu'Appelle which, in my view, is entirely appropriate. You can persist in the attitude of ramming this down our throats but I suggest to you that you are just showing an arrogance that is unjustified for this particular section.

Now you ask us to stand up and vote on this or to give our consent to this particular section. I can say to you and I am going to, I can say to you as well, Mr. Chairman, and, Mr. Minister, that we are going to ask for a standing vote on it. because I want it clearly on record that the members of my part, the Liberal caucus, are not in any way in favor of

this type of police powers that you are authorizing under this particular section. It is far too broad. The member said Gestapo tactics. I am not sure whether that is not too strong but it really indicates, in some respect, the power you are giving to these investigators. They can walk into any house, any home, any bank, any law office, any place in the province of Saskatchewan and say, we want to see these records. We do not know whether farmer Wiebe or farmer Nelson or farmer Berntson has committed an offence but we are going to do just a little snooping around to see if they have or not. In particular, these members are members of the Legislature and it would sure be good for NDP friends to find out whether Wiebe maybe just has a little too much land or farmer Berntson has a little too much land.

We say that these powers are inappropriate, Mr. Minister, and unless you are prepared to give us some indication you are going to stand the particular section, I am going to ask for a standing vote on it so everybody can see where the members of this party stand on this particular issue.

MR. KAEDING: — Mr. Chairman, I am not particularly worried about whether he has a standing vote or not but I do agree that there may be some merit in looking at this section and reassuring ourselves that this is accurate and that we can substantiate the actions we are taking here; I think we can but I am prepared to stand this section.

Revert to Section 13

MR. LANE (Qu'Ap): — Well now you have stood the section, giving yourself pretty well unlimited powers to take any records or documents that you need from practically any source within the province; notwithstanding all that power you have, you now say to the individual that the onus of proof of his being innocent — He has to prove himself innocent! Now surely that is unfair. You know, if you take all the powers you want and you cannot prove a case to be of criminal standard, standard of guilt, surely you do not deserve to win the case. To take all the powers you have of investigation and to gather all this evidence, and still require the party that is being charged to prove that he is innocent, is not right. Surely you cannot have it both ways if you want to have the reverse onus, then you can pull all your investigation powers out because you do not need them. It is then upon that person who is charged to prove that he is innocent. You do not need the investigating powers then. You cannot have it both ways.

MR. KAEDING: — Mr. Chairman, this particular section is in here to guarantee that if any non-resident who is outside the province does not wish to provide the evidence which we require, the onus of proof is on him to show that he is not in contravention of the act. We cannot go outside of the province and demand his books and accounts. It simply give us the power to require any resident or corporation outside of the province — it gives us that power then to say that you are guilty of the offence until you can prove that you are innocent.

This is not new in our legislation. We have the same thing in the province of Alberta. In their Land Act they also require the same thing. It is required because if someone in Toronto is in contravention of the act and you cannot get the proof there is no other way except to put the reverse on a summons.

MR. LANE (Qu'Ap): — Well why not restrict it then to those situation where the non-resident has no evidence whatsoever or there is no record. Let me phrase it that there is no office in the province of Saskatchewan, no individuals in the province of

Saskatchewan. I think you should keep in mind about the corporations for example that if they want to carry on the business of Saskatchewan they have to have one director here anyway. So they always have an office under the Companies Act that we passed last session. I don't see any circumstances where you are going to need that because if you have done your investigations, you will have brought some records at least to the point of Land Titles and what's available in the province if you use those awesome powers that you have earlier, then to turn around and say, we've got all your evidence, we've got all your documents, we've got all your records, we've got all your memorandums, briefs and everything else, now you prove to us that you are innocent, and that's precisely what that section does.

MR. KAEDING: — Well again, it says subject to subsection 4 of section 17 which says that where a non-resident or non-agricultural corporation fails to comply, you may take this kind of action, and again I point out to you that a non-resident may have all of his books and all of his records outside of the province and then how are we going to make him prove, how are we going to get proof that he is not in contravention of the act.

MR. CHAIRMAN: — The member has asked for a standing vote on section 13.

Section 13 agreed to on the following recorded division:

YEAS — 25

Blakeney	Mostoway	Rolfes
Thibault	Banda	Shillington
Bowerman	Whelan	Vickar
Romanow	Kaeding	Nelson (Yktn)
Snyder	Kwasnica	Allen
Byers	Dyck	Johnson
Kowalchuk	MacAuley	Thompson
Matsalla	Faris	Lusney
Robbins		

NAYS — 15

Malone	Nelson (As-Gr)	Birkbeck
Wiebe	Collver	Ham
MacDonald	Larter	Berntson
Stodalka	Bailey	Wipf
McMillan	Lane (Qu'Ap)	Katzman

Section 14 agreed.

The committee reported progress on Bill No. 6

**BILL NO. 16 — AN ACT OF CONSENT RESPECTING THE ADOPTION OF THE
MANITOBA-SASKATCHEWAN BOUNDARY SOUTH OF THE TWENTY-SECOND BASE
LINE AS SURVEYED BY THE MANITOBA-SASKATCHEWAN BOUNDARY COMMISSION
DURING THE YEARS 1965 TO 1972.**

HON. A.S. MATSALLA (Minister of Tourism and Renewable Resources): — I would like to introduce my officials — to my right is the Deputy Minister, Mr. Art Hartwell, and behind him is Mr. B. Schwartz, controller of surveys in Saskatchewan.

Section 1 to 5 agreed.

Motion agreed to and bill read a third time.

BILL NO. 26 — AN ACT TO AMEND THE RESEARCH COUNCIL ACT

Section 1 is revised statute chapter 406, agreed.

Sections 2 to 6 agreed.

Section 14 repealed, agreed.

Section 19 amended, agreed.

Motion agreed to and bill read a third time.

BILL NO. 31 — AN ACT TO AMEND THE SUPERANNUATION (SUPPLEMENTARY PROVISIONS) ACT, 1977

MR. ROBBINS: — Mr. Chairman, could I introduce the officials — George Todd, Chairman of the Public Service Superannuation Board immediately to my left and behind me is Ralph Gilbert who is the Chairman of the Public Employees Pension Fund.

MR. MALONE: — I'm perhaps rising to permit some others, but the minister on numerous occasion has expressed a concern about pensions, superannuation, indexing of pensions and so on and I know we have had many private conversations about your concern and about what you think some of the solutions should be to the problems that I think all members will agree are facing us down the road unless something happens to the existing pensions set up in Canada, not just in Saskatchewan. I know those aren't entirely related to the bill but I am giving the minister an opportunity perhaps to editorialize for a minute to indicate to us if anything has been done within your government to come to grips with this problem and whether you plan on announcing any legislation at this particular session?

MR. ROBBINS: — Well I think, Mr. Chairman, we are on the road of making some changes in respect to pensions but this has to be done on an evolutionary basis. What we are attempting to do is to move towards locked invested pensions. If you have matching locked in vested pensions then you know that individual will get pensions for each of their employed periods when they are pensionable. If we can't get to that situation, we are in the peculiar situation where about 80 per cent of the people who participate in pension plans end up with either no pensions at all or totally inadequate pensions simply because they participate in pensions during their working lifetime, over periods when they leave the employ of that particular employer, they withdraw their own contributions to that fund and any unfunded liability on the part of the employer disappears. So, although we talk a great deal about having pensions moveable from one employer to another, it becomes meaningless, unless you have the implementation of non-forfeiture within the pension itself. So if Joe Blow, if he works and accumulates \$500 a year and his employer was accumulating the same amount of money in his pension and he worked three years and then left, that \$3,000 (that fellow

might only be 24 or 25 years of age) will accumulate sufficient money even on relatively modest compound interest returns, until 65, sufficient to give that person a pension in the neighborhood of \$400 to \$500 a month.

We lose all of those things simply because people when they leave their employment, withdraw their equity and the liabilities of the employers disappear. In my view it would be much more sensible if we could get to the state where we could hire a person the person would be paid a salary, a certain deduction would be made from that person's income with respect to pensions, it would be matched by the employer. That's not a one-sided coin. The employer could argue quite logically that his cost was not \$10,000 for that employee but may be \$10,500 if he is contributing 5 per cent of this salary. But that only has validity if in fact that money becomes the property of that employee.

Now the key is not just that bit of money. It's what it may earn from then until that person is retired and that's crucial.

MR. MALONE: — I realize that that's the minister's position. You have given it in this House and I think you have given it publicly, but my questions ask you to go beyond that. Is this the direction you are moving with government pensions, wherever the government is involved in a pension and secondly, would the minister not admit that it is very difficult to get this type of plan across unless it works both in the private sector within the province and indeed with the private and public sectors across the country?

I'm asking you whether you anticipate any legislation at this session or the next session to bring this about within Saskatchewan within the private sector and secondly, what representations, if any, your government has made to Ottawa to have a national plan along the lines you have suggested?

MR. ROBBINS: — I don't think we have progressed that far, but I can say (and I am sure the member is aware) that we are in the process, again on an evolutionary basis in relation to the public service, the employees of Saskatchewan Power, Sask Tel, the Workers' Compensation Board and the Liquor Board. We currently have, or had at the end of February, 983 employees in the new pension plan and we had an accumulation of \$706,667 and that has not occurred since last October. There is a very rapid turnover of staff, not only in public service employees, but in the general private sector as well. In fact, if you look at statistics, you will find 16,129 persons resigned from the public service of Saskatchewan in the last ten years and that's more than a complete turnover of the total public service in terms of number. It occurs much faster out there in the private sector.

It's an educational process. We must continue to alert people to the problem because of the demographic situation with respect to declining birth rates and increasing longevity of age. We are going to run into (and I think the member would agree) into horrendous problems down the road in relation to pensions. This is a move to attempt to get people to think seriously about that problem. We think we will prove to people over a period of time that this is the logical route to go and more and more people will follow that route as years go by.

MR. MALONE: — Let me say in conclusion, Mr. Chairman, that I give the minister credit for recognizing the problem. I don't give the minister credit for being able to persuade his government to move along these lines in the private sector other than with the

particular pension that they administer.

I think that governments all across this country are going to have to face up to the problem whether it is in Ottawa with indexed pensions. whether it is here with pensions that become meaningless after a while because of the funds just being depleted. But let me say to the minister if he is genuinely sincere in his approach (and I know he is) I ask him to start putting some pressure on his colleagues in the government to face up to the problem and believe me, we can yell and scream on this side of the House all we want. Unless somebody on that side is willing to take it up and talk to Cabinet, talk to caucus, talk to your party colleagues about it, we are not going to get anywhere. I hope that the minister will undertake to do that. I know that he has in the past, privately, and I hope he will come out publicly and start doing it in the months ahead.

MR. ROBBINS: — Well frankly I think I have been doing it to some degree down through the years and I solicit the assistance of the hon. member in relation to changes in the MLA Pension Fund.

MR. KATZMAN: — Is the hon. member suggestion that the 1045 clause, which is in some pensions, be now passed through to, say from Day 1 and first year of service, that your pension will be held until pensionable age? Is that the suggestion you are making?

MR. ROBBINS: — I am not sure that I have heard really what the member was getting at. If I am off the track he can refresh my memory or he can repeat the question. What I am saying is that I believe, and I believe most sincerely, that it is the proper approach in pensions to say to a person when he is hired, a certain percentage is going to be taken from your pay which will be matched by a certain percentage from the employer and that will be used for the purpose intended — pensions.

The key is what that money will earn and I can give you some fantastic figures to prove that if you have any reasonable period of time in relation to the accumulation of those pension you will get some very substantial results.

MR. KATZMAN: — I realize we are not talking about the bill. We are talking about the principle of pension money being tied up from the first time you start contributing so that it gather until you are 65, or retirement age. In that way these people will not work say, nine years, pull out their portion — the company's portion will fall back to the employer into the fund itself to make it lack so to have an unfunded liability, if it is a percentage pension. But are you suggesting now that we should go back to the first job, so you are locked in from Day 1. And if you are suggesting that, how do you suggest we handle the mechanism for companies that fall by the wayside, go out of business, change. Are you suggesting now that a government monitoring agent will have to come about? I realize it is not the bill but come about so that these funds will be held somewhere in trust for you at a later date?

MR. ROBBINS: — I think it is fair to say, Mr. Chairman, that the pressure s that will come on pension plans down through the years will bring this about in time. I think we should be intelligent enough to plan ahead and accomplish it without being pressured by events.

MR. KATZMAN: — I apologize for not having read this bill — the amendments. But are you suggesting, you are suggesting then that that will come by pressure, not by legislation?

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MR. ROBBINS: — I think essentially it will come through public education.

Section 1:13 agreed.

Section 2:18 as amended agreed.

MR. WIPF: — Can I just ask one question on section 1, I'm sorry, Mr. Chairman, with your permission to go back. It says for the purpose of this section where the superannuate has no spouse at the time of death he shall be deemed to have been predeceased by his spouse. If a man or a woman is legally separated or are not living together, say a legal separation you would take it as he had been predeceased by his wife?

MR. ROBBINS: — No, the payment will be made only to a divorced person or a single parent.

MR. WIPF: — Just run that by me again. The payment will be only made to a — say it's my case and I was divorced and I passed away, you mean my ex-wife would get it or would not get it?

MR. ROBBINS: — No, she would not.

MR. WIPF: — Well then, what about legal separation?

MR. ROBBINS: — But your children would. If you had children under 18 they would get the payment that would normally have gone to the spouse.

MR. WIPF: — And it does not apply in legal separation. What about legal separation? It would be the same as a divorce?

MR. ROBBINS: — No.

MR. WIPF: — So, the wife then would get paid.

MR. ROBBINS: — In a legal separation, yes.

Section 2 agreed.

Sections 3 and 4 as amended agreed.

Section 5

MR. ROBBINS: — Mr. Chairman, maybe I should just say one brief word on this one. I don't know whether the members have read this section through but this is where we add the supplementary allowance. Admittedly it's an ad hoc addition. I use again the examples I have used previously in the House. If you had three people pensioned one on a \$3,000 a year pension, one a \$6,000 and one on a \$12,000 a year ago because of the depreciating value of those dollars, because of inflation, we pay each of those persons \$420 additional if they had 35 years of service with the government before they retire. The person who was on the \$3,000 per year income or the \$420 increase got a 14 per cent increase in his pension. The person on \$6,000 got a \$420 increase or 7 per cent increase in his pension. The person on a \$12,000 pension got \$420 or 3.5 per cent. The theory is that obviously, the people at the bottom are suffering the most in

terms of inflation. This year we've upped those figures slightly. We're now paying \$490 on top of that \$420 that was paid previously and on top of previous ad hoc payments that were made to those people. So that the person who, two years ago, was getting \$3,000 in the form of a pension will in the current year around to the following year get \$3,910. The total cost involved for the public service is about \$618,000 and there is some \$227,000 additional costs to power, telephones workers' compensation and the Liquor Board.

The key is that we use the flat rate approach. I did mention previously that some people do object to this, people on the higher pensions. Some claim that they would like to see a split on it and, perhaps, sometime in the future we will have to give a flat rate plus some percentage increase, because eventually the ones at the lower levels are getting considerably, in terms of pension, paid on those of the upper levels.

Section 5 agreed.

Section 6:43 amended agreed.

Section 7:47

MR. WIPF: — Mr. Minister, in the budget that came down from the federal budget there were some problems in there with annuities. Does this affect this part of the bill at all? You may know more about it. I phoned on it and I couldn't get the understanding. There is some change in annuities that have come up under the federal government.

MR. ROBBINS: — I think, Mr. Chairman, what the hon. member is referring to is in the federal regulations in the last budget, which hasn't been passed as yet, they made a change whereby if you had built up equity in a registered retirement savings plan up until now you were at least required to put that money into a life annuity and you had to buy that life annuity from the insured or one of the insurance companies in Canada.

The proposal is that that be changed. You are not required to buy a life annuity and you are permitted to take the payment of that sum of money, plus its accrued interest, over relatively prolonged period of time. You could start as low at age 60 and go to age 90, but presumably it is basically from 71, when you would have been required to take the registered retirement savings plan money and put it into annuities. That is the change that I think you are referring to.

Section 7:47 agreed.

Section 8:53 amended agreed to.

Section 9 deleted.

Bill No. 31 agreed to and read a third time.

COMMITTEE OF FINANCE

MOTIONS FOR INTERIM SUPPLY

HON. R. ROMANOW (Attorney General): — Mr. Chairman, I move:

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That a sum not exceeding \$275,792,860 being approximately two-twelfths of the amount of each of the several sums to be voted as set forth in the Estimates for the fiscal year ending March 31, 1979, laid before the Assembly at the present session be granted to Her Majesty on account for the twelve months ending March 31, 1979.

Motion agreed to.

MR. ROMANOW: — Mr. Chairman, I move:

That towards making good the supply granted to her Majesty on account of certain expenses of the Public Service for the fiscal year ending March 31, 1979, the sum of \$275,792,860 be granted out of the Consolidated Fund.

Motion agreed to.

The Committee reported progress.

HON. R. ROMANOW (Attorney General) moved first reading of Bill No. 57—An Act for granting to Her Majesty certain sums of Money for the Public Service for the Fiscal Year ending the Thirty-first day of March, 1979. (Appropriation Bill No. 2)

Motion agreed to and bill read a first, second and third time.

COMMITTEE OF FINANCE — AGRICULTURE VOTE 1

HON. E. KAEDING (Minister of Agriculture): — Beside me is Jim Webster the Assistant Deputy Minister; Ken Johns, Executive Director of Extension and Rural Development; Ernie Spencer behind me is the Executive Director of Planning and Special Projects; Phil Polishchuk, Executive Director of C and LI (Conservation and Land Improvement) and Doug Grant, the Executive Director of Production and Marketing and Rick Knoll, Director of Administration.

MR. CHAIRMAN: — Thank you, Mr. Minister.

Item 1

MR. J. WIEBE (Morse): — It's with a great deal of disappointment that we once again tackle what has become over the last seven years a rather disappointing performance in regard to the priority which this government holds towards its major resource, it's major industry in the province, that being agriculture.

It is disappointing, Mr. Chairman, because once again we are dealing with a budget that says to the people of Saskatchewan, we hold agriculture in such high esteem that we are only again going to allocate 3 per cent of our provincial Budget towards agriculture.

There are many areas in which the government should be addressing itself to, to put agriculture back in the position which it so rightly deserves in a province which is basically considered the agricultural province in the Dominion of Canada.

Again, let me say, it's very unfortunate that this government's priority towards agriculture only allows it to spend 3 per cent of its total revenue. In order for

Saskatchewan to catch up to the losses which we have encountered over the past seven years in regard to agriculture, one should have been looking at a budget of close to 12 per cent of our total provincial revenue for this year.

There are many areas which this government should be tackling. We need a government, Mr. Chairman, that is prepared to realize the potential that agriculture does have in Saskatchewan and once they have realized that potential to find the resources that are necessary to implement that potential.

I say that there is no doubt in the minds of everyone in this province, except possibly this government, that this budget does not adequately reflect the needs of agriculture in the province of Saskatchewan.

I would like to deal, Mr. Chairman, with four or five specific areas. Let us deal first with how agriculture is attacking the energy situation in regard to our farm economy. Let's look at how they are tackling our education and research capabilities of agriculture within the province of Saskatchewan. Let's look at well at how they are tackling irrigation, flood control as well a very serious problem which we will be facing in the years that follow and that is coming up with an adequate land use policy.

There is basically nothing within this budget that addresses itself to these five areas of concern. Certainly they have made some token representation of providing small funds for a swine research station at the university, which I don't think anyone will argue with. But, Mr. Chairman, does that go far enough?

They are making some token recognition to irrigation in the province of Saskatchewan by announcing a grant of \$35 per acre to a maximum of only 50 acres.

I say, Mr. Chairman, this is a step in the right direction. At least they are beginning to realize that we do have some potential in this area, but why, Mr. Chairman, must they pay only lip service to something as vital as this and allocate in our budget a total of \$50,000. Mr. Chairman, \$50,000 is going to be providing for irrigation in Saskatchewan. All one has to look at to see the potential is to cross our borders towards the West. We will realize that irrigation in Alberta has done wonders in providing not only jobs, in not only providing more farm units (and this is a task that can be accomplished quite easily through irrigation) but also proves the industry the jobs for people not related directly to agriculture to take advantage of the irrigation development within the province of Alberta. We have that potential here in Saskatchewan and yet for the last seven years we have allowed that potential to lie extremely idle.

What should have been done by the government is they should have said, look, we have set guidelines for irrigation at Outlook in terms of grass and maximum capabilities for that development but this government has refused to pass the benefits which farmers receive in the Outlook irrigation area to the rest of the farmers throughout the province of Saskatchewan.

Energy as well is a problem which this government is going to have to tackle in terms of agriculture. I think that we have to realize that farm fuel operating costs and costs that are related to a petrol based farm commodity as a result of government action, not only the government of Saskatchewan but the government of Alberta, the federal government in Ottawa, is causing the most single dramatic increase in farm input costs of any other farm input cost that farmers now realize throughout Saskatchewan.

Combine that with the drop of close to 5 per cent in realized income, combine that with an increase of 15.5 per cent of realized expenditures and that leaves a difference of close to 18 per cent and the farmers in the province of Saskatchewan are suffering that, that cost-price squeeze at this point in time. It's important to realize as well that the government at present in terms of energy is subsidizing our heavy industry in Saskatchewan. It is quite easy for them and they seem to appear quite justified to subsidize our larger industries in the province by lower gas rates.

Let's take a look at those industries. Those industries have got the benefit of that subsidy. On top of that they also have the benefit of being able to call the shot in terms of the price of the produce which they sell. They can pass their input cost on to the consumer and yet we in the provincial government, are saying to them, look, we want you in this province because of that we'll subsidize your input costs, your energy input costs, why don't they say the same thing to the agriculture sector, we want you to remain in this province so we are going to help you along with a cost reduction in regard to energy?

I would have liked to have seen in this Budget instead the re-introduction of the farm fuel reduction program which this government had a number of years ago. The minister, when questioned in the House why the program was not being re-implemented, stated that the province would react in case an emergency arose. Well, where was the emergency when the government first introduced the farm fuel cost reduction program? If we go back we'll find that that program was introduced in 1974 at the time when the government made its first dramatic increase in our farm fuel costs and the government of Saskatchewan is not the only one that should accept that responsibility but also the province of Alberta and our federal government as well. But let's look at the year. What was the emergency? In 1974 we were approaching very rapidly a provincial election in 1975. Was that the only justification they had to implement the farm fuel cost reduction program at that time? Was that the emergency? Was the emergency completely over with in 1975 and 1976 after they had won the election and they felt it was no longer required to place that priority on agriculture and might be looking at a re-introduction of the farm fuel costs reduction program next spring because another emergency will arise and that emergency will be the 1979 general election in the province of Saskatchewan.

Mr. Chairman, there is a slipshod way of treating agriculture in Saskatchewan and there is no doubt that the need is there. Again let's look to our neighboring provinces, the province of Alberta, they have decided even though there is not an emergency of a provincial election coming up shortly they have introduced a farm fuel cost reduction program. It's been in place for a number of year and it is one that will continue to be in place I am sure. They are saying to their farming sector in the province of Alberta and, I believe, in the province of Manitoba, look, we want you people to run as efficiently as you possibly can, we're going to help you out I think that the agricultural sector in Saskatchewan has taken a long hard look at energy conservation. The farmers throughout the province of Saskatchewan have, indeed, said, look, we've got to cut down, we've got to cut down on our fuel costs per acre and they have done so. They have done so through the purchasing of more efficient machinery, larger cultivating equipment in order to cut that cost down and they have also changed many of their cultivation practices in order to enable some reduction in their total energy costs. And yet even with that participation by farmers and that reduction on their own it has still made only a very small dent in their total cost picture as related to energy fuel costs.

As I said earlier, what I would like to see this government re-introduce or place in the Budget for this year is the farm fuel cost reduction program. They will remember by briefs which were presented to them by the National Farmers' Union which they say is one of the major farm organizations in the province that they listen to. They, themselves in regard to their particular brief called for a 15 cent reduction, called for the re-introduction of the farm fuel reduction program. This morning as well Cabinet met with the Saskatchewan Federation of Agriculture and they too in turn gave a large portion of their brief to the area of energy and farm fuel cost reduction. They in turn, I am sure, would support this government's action to re-introduce the farm fuel cost reduction program. Even though there is not an emergency at this time which might be in the minds of members opposite, I would like to move, seconded by the member for Assiniboia-Gravelbourg (Mr. Nelson):

That this Committee recommends that the government of Saskatchewan re-introduce the farm fuel cost reduction program immediately.

For the benefit of the minister for the Department of Northern Saskatchewan, I'll just read my amendment again, 'That this Committee recommends that the government of Saskatchewan re-introduce the farm fuel cost reduction program immediately.'

MR. CHAIRMAN: — We have a motion by the hon. member for Morse. I find the motion in order.

MR. KAEDING: — Mr. Chairman, I was interested as always in the comments of the member for Morse. He finds it very easy at the present time to suggest that we should go to a farm cost reduction program. I recall some criticisms of that program in the past. I think it is a little difficult, Mr. Chairman, to suggest that we should justify subsidizing input costs on one item of farm expense. I know you can argue that farm costs have gone up substantially and income has gone down. I agree with that. It is not really rational to suggest that we should have a subsidy on one input of farming as opposed to a whole host of others which may very well qualify for the same kind of subsidy then. Why then would one not subsidize fertilizer or chemicals or many of the other major inputs in agriculture. It seems to me that the better way to handle the issue of farm income is to develop farm programs and farm marketing programs which provide some security to farmers in terms of market control whereby they can maintain for themselves a level of income which will allow them to pay the ongoing input costs which are continuing to rise through better stabilization program. I have to say in this particular instance that there are a number of stabilization programs now in effect, many of which we have worked with the federal government to achieve. We are glad that they are there. There are some pretty major inputs now in terms of stabilization programs which do provide for a farmer some security in providing a capacity to pay these higher input costs. Certainly we haven't arrived at the ultimate in those kinds of programs but certainly we are getting closer to a proposition whereby farmers will have more adequate income to be able to compensate for higher input costs. For instance, if you will look at the marketing program which we have in the dairy industry and the egg and poultry at the present time they are able to put the input costs or part of their costs of production. Those input costs are recognized when they set their level of payments to their producers. It seems to me that that is a better way to deal with the income problem of farmers than to subsidize input costs. Because where do you stop subsidizing input costs? I would suggest therefore, that we would not support this motion and continue the debate.

MR. BIRKBECK: — Mr. Chairman, the amendment which the hon. member for Morse

has introduced is in line with some of the questioning that we have placed on this side of the House in the question period. Will you re-introduce a farm cost reduction program? What you are saying in essence, Mr. Minister, is that you are not prepared to subsidize farm input costs at this particular level, and this is energy requirements. You must agree that you do in many other areas, in many programs which you have which you are in essence subsidizing the agricultural industry in areas where it may or may not require subsidization. Now if you are going to subsidize the agricultural industry in any area, surely you can't be comparing energy requirements by farmers in this province with fertilizer requirements. Surely that is not a proper comparison. It is also in keeping with a question that I have been wanting to put to you, Mr. Minister, and that is, what kind of long range program do you have in mind for assuring farmers in Saskatchewan that their long-term energy requirements are going to be met? Now, when we look at . . .

MR. BOWERMAN: — They are independent.

MR. BIRKBECK: — Yes, they are independent and they would like to be independent and quite frankly, they don't want subsidization. They want the opportunity to make the profits that they have to have — enough profit to offset their input costs.

You, in many areas do subsidize it. You are saying you are not about to subsidize them in this are. You did at one time. The member for Morse says it's the only reason he can come up with and it's the only reason I can come up with, why you introduced it and then withdrew it is because of an election. You can give us your justification, Mr. Minister, as, 'well, we've got to draw the line somewhere, but to draw it on energy requirements is absolutely ridiculous.

Now, Mr. Minister, when you see a headline like, 'Gas rationing Plan Ready if Need Arises' — the federal government has contingency plans for gas rationing for Canadians. Now if we were to be hypothetical and I am being hypothetical, surely then we are not going to treat anybody differently — we are all going to be treated the same. Is that to say that production in Saskatchewan will be limited to the amount of energy that they can get, or are you going to assure in consultation with the federal government that the farmers requirements are going to be met? Now that is surely something that you have to put some thought to. What measures is your government going to take? Surely the rebate on gas, a farm cost reduction program in the province, is at least a temporary measure by which to offset some of those high costs — input costs related to energy. I am more concerned with the long-term policy.

Now I don't have your quotes here but when this was under discussion and I recall a conference I attended in Saskatchewan where we were talking about energy conservation in the field of agriculture.

MR. ROBBINS: — I was there too.

MR. BIRKBECK: — Yes, you were and you would recall that we were talking about using chemicals and not tilling the soil which could be a good idea — in many areas it is. We have been tilling our land and we should be taking some of the advice that Dr. Rennie has been projecting and has put before us for many years — I think about 12 or 13 years — that there are ways to conserve energy and definitely, we should look at those. But to come out right now when farm costs or farm net profits, rather, are declining, when the farmer is in a desperate need, is not asking for subsidization in every area, and you know right well that the farmers out there in rural Saskatchewan

would like to have a farm cost reduction program reinstated. You know that! What I'm saying to you is that your justification for withdrawing it is not strong enough — simply not strong enough. It is your responsibility as well to take a look at a long-range policy. What are you going to do if the federal government lays on a program like this? I as a farmer can only get so much fuel — the same amount as some person who is going out to the lake — 50 miles with his boat and whatever to rip around on the lake. What is more important than the production of food energy? It is the most important energy that we have. Surely, Mr. Chairman, the Minister of Agriculture has a responsibility in this area.

We can look at some other things — 'Energy Rationing said, possibility.' This was in January 4, 1978. I don't have the date on this but it was in the neighborhood of a week or two ago and we are getting very much closer as you can see, to that reality that we are going to be looking at gas rationing. Now surely the amendment, the proposal that the member for Morse puts forth is valid; it is worthy of consideration and worthy of more discussion on your part than to simply stand and say, well we don't feel that we want to subsidize the farmer in this area. That surely isn't enough reason. When we look at statements by the Deputy Minister of Mineral Resources who said, 'I do not wish to alarm you as to the likelihood of petroleum allocation in Canada but since agriculture is almost completely dependent on petroleum energy the industry should be aware of possible shortages.' That's agreed. 'Agriculture should assume a leadership role in demonstrating a public willingness to reduce energy consumption,' he said — a suggestion that received an enthusiastic response from the SFA delegates.

Now then, agriculture, the number 1 industry of the province is being called upon to set the good example in this province. They are being asked to some way get the message to all the cars that are ripping up and down Albert Street or Victoria Avenue and producing nothing but pollution. They are left with that responsibility and I say that shouldn't be their responsibility.

The Deputy Minister of Mineral Resources goes on to say, 'Given agriculture's large dependence on crude oil, it would seem to me that the time has come for agriculture in Saskatchewan to bite the bullet on energy conservation.' I say to heck with that. Why should our agricultural industry, our number 1 industry bite the bullet on energy conservation? If we are going to provide energy for people in this province let's provide it for our agricultural industry. How many times do we have to tell the people of this province, tell you of the government, that it's number 1 and it deserves number 1 support from your offices and you are not giving it.

In the last five year, Mr. Minister of Agriculture, you have had the golden opportunity to stand up tall and strong on behalf of agriculture in this province. You have not taken that opportunity that was before you at a time when agriculture needed a strong minister of Agriculture who was going to take action. Now you know, Mr. Minister, you can sit there and laugh if you like but you know that you haven't stood out as others have. If you want an example look at the Minister of Agriculture in Alberta. He takes a proposal to the federal government for a domestic wheat price which will mean \$32 million to Alberta farmers. No, but he is trying. He is trying. He is taking leadership. If you apply that same proposal to Saskatchewan farmers, it would mean in the neighborhood of \$72 million to \$76 million net income to the farmers of this province at a time that the Minister of Agriculture, Mr. Moore, did in Alberta. Obviously you can't take the leadership now as is being suggested from the opposition benches in terms of energy. We are asking you to. We don't care who gets the credit.

Our concern is with the farmers of this province. If you stand up and put solid proposals through on behalf of agriculture you can be guaranteed you are going to get my support, you are going to get the support of the member for Morse.

This is a good sound proposal and I would like to hear you reply, reply to what I have had to say and give us some more reply to what the member for Morse has had to say on a very important subject to the agricultural industry, that being energy. Give us what you are saying in terms of temporary policy and also give us some of your ideas, if you have any, as to what your long-term policy is going to be if such proposals as energy rationing are to be introduced, something that our Saskatchewan farmers may have to face. Or are we just going to tell them that, well when they go to the edge of the field to get a couple extra bags of fertilizer or a cold drink on a hot day they are going to have to shut their diesel tractors off. That isn't enough in terms of energy. And as was suggested to Mr. Minister at that conference in Saskatoon, possibly we could use chemicals and we could even take a bunch of cattle and graze them out there; they would be fertilizing it and keeping the weeds down at the same time. Who wants to go back in the industry? We are not going ahead very fast in terms of your budget; you have increased it by some \$4 million. Considering the inflationary rate and the costs of money it is actually a decrease. So, Mr. Minister, very simply, I am going to support the amendment; our party is going to support this amendment. I would suggest, Mr. Minister, that you for once in this area take some leadership and support it.

MR. R.E. NELSON (Assiniboia-Gravelbourg): — Mr. Chairman, I would like to say just a few words on this motion. It's a farm fuel rebate and it is certainly not a subsidy as the minister claims. Certainly all it would be doing would be returning to the farmer some of the rip-off that the Saskatchewan government has been putting into the Energy Fund to spend hundreds of millions of dollars on potash mines. It is time they started thinking about the agriculture industry in this province and not waste these millions of dollars like they have been doing.

He mentions fertilizer should be, could be subsidized. It has nothing whatsoever to do with fertilizer. There is a definite tax being taken on this fuel and it has been put in the coffers of the provincial government and it should be returned to the farmers. The farmers are in the tightest possible cost-price squeeze they have ever been in and the minister should realize it by now. All he needs to do is probably look at his own income tax form and he will know it. Fuel is certainly one of the largest expenditures a farmer has and he has little or no control over the gallons he uses if he wants to farm efficiently.

Now the Premier made some foolish statement some time ago that the reason this was taken off was to encourage conservation. That's absolute nonsense. I think the minister wants to take a serious look at this resolution and he should also be thinking about home heating fuel and other fixed costs that should have a rebate on it.

MR. KAEDING: — Mr. Chairman, I suppose you could make all of those arguments, you could make that same argument I suppose for many other industries in the province of Saskatchewan. Agriculture, although an important industry, is not the only one. There are other industries who could well claim that they are also important to the province of Saskatchewan and they should also get a subsidy.

MR. NELSON: — This is not a rebate.

MR. KAEDING: — Yes, you argue that this is not a subsidy. Now I don't know what else

you could call it. You are saying a rebate. I don't know what difference there is in that name. Certainly there is no tax now, so if you are going to reduce the price it has to be a subsidy on petroleum.

It's interesting to note that when we had the rebate program on many of the farmers were indicating that it was a very inadequate program. It was, at that time, \$11 million and that was a lot of money. At that time farmers were saying it was inadequate. In most cases \$11 million only brought \$100 or \$200 per farm unit and in terms of today's costs that's not a very major involvement in farm costs.

I know that on my farm \$100 would barely ripple my pen at all when I am putting in the costs.

We talk about energy conservation and the fact that there was a meeting in Saskatoon where someone, the Deputy Minister of Mineral Resources, talked about conservation of fuel on the farms. I don't think that that's something to ridicule. I know I have been a farmer for many years and I know that I have wasted a lot of fuel on the farm and I suppose farmers, as everyone else, have an obligation, if there is going to be shortage, to look at any way that we can to reduce that overconsumption. I know of many times when we sit by a tractor for an hour or two and let it run and didn't shut it off. Those aren't the major contributors. The major contributors are situations where we overtill, as you indicated. I know that there are many times when we go over a piece of land two or three times without any good reasons because we like to see it black, when we really can't justify it, and those kinds of things are what the Deputy Minister was talking about. I think we are looking in terms of energy savings in farm buildings, much closer than we ever did before and these are important.

However, in terms of overall energy responsibility, I think we have to look to the federal government for that. I think there is a great need for the federal government to be looking at ways of curbing excessive waste and excessive use of petroleum products in and around the entire country. I agree with you that cars running around this country. I agree with you that cars running around this country don't seem to indicate any shortage of petroleum. When I see hundreds of cars passing an empty bus, it doesn't warm my heart when I think that there might be time when we are short of fuel. But I think these are the important areas that the federal government has to provide some direction in. I think the National Energy Board will have to take some firm steps in that regard.

I think that we can be assured that if we do run into an energy short situation that we will be there making very sure that agriculture has the top priority in getting whatever petroleum supplies would be available. I know there are many other alternatives to energy sources in place of petroleum products which are already being looked at. You have probably heard the proposition now that 'gasohol' could become a fuel of the future and that's certainly something which we could produce here in huge volume if we were to do that. The cost right now, it's not cost effective, but certainly it's an alternative which we would have.

I simply repeat again that in my opinion and in the opinion of the government, that it is not the best way to handle a cost price squeeze, is not by subsidizing input costs, but by providing for better mechanisms to improve marketing development and marketing capacity stabilization programs which will provide farmers with the dollars they need to maintain the input costs. I think that is the direction that we should be going.

MR. BERNTSON: — Mr. Chairman, on the motion, I think if my memory serves me

correctly, the stated purpose of the farm fuel rebate program was to reduce the cost of input to farmers during a time when farm inputs were crushing. Maybe Alberta is wrong, I don't know. Maybe Alberta has decided that we still have these crushing costs of farming inputs. Alberta has said they would deduct 12 cents at source, on farm fuels. Maybe they are wrong, I don't know if you can show me, Mr. Minister, that the cost of farm inputs have gone down in Saskatchewan since the introduction of your farm fuel rebate program and its subsequent cancellation, as a matter of fact, it was kind of phased out. It was limited to \$200 and then dropped. If you can show me where farm costs have, in fact, gone down, the input of farm costs have gone down, I will be more than pleased to join you and vote against the motion.

MR. KAEDING: — Mr. Chairman, the member across the way talks about the fact that Alberta has reduced their fuel prices and provided a subsidy for farm costs. I would suggest that he look to Alberta and ask them why, instead, they didn't use those same dollars to provide some assistance to a medicare program, which would have provided for these same farmers the same number of dollars of improvement as well as many other people. We look, for instance, at our Budget and we found that we had an increase in grants to farmers of \$45 per farm with regard to the homeowners' grant, which Alberta hasn't got. We know have \$375 in homeowners' grants for farmers. That makes up, I am sure, for the subsidy you would get on a 12 cent reduction program. That government over there decided that rather than do that, they would reduce the gas tax. Now, they made their decision and we made ours. But I think if you balance them off, farmers in Saskatchewan are better off with free medicare and with a good Property Improvement Grant than the Alberta government is with their reduction in the gas tax.

MR. BERNTSON: — Thank you very much, Mr. Minister, I am not quite sure what you said. Are you telling me, then, that in Saskatchewan farm input costs have gone down?

MR. KAEDING: — No, I am not making that argument at all.

MR. BIRKBECK: — Mr. Chairman, Mr. Minister, I don't know what you were saying when you replied to the member for Souris-Cannington at all. You didn't seem to answer his question. You were talking about Hospital Services Plan and homeowners' grants and I don't know what that had to do with his question.

He was asking you, very simply, to show him that farm input costs have gone down, a simple question, a simple proposal. We want to support you, that is right. The member said that he would be more than glad to support you in this case, if you can show him that.

Now, the fact is that you can't. We are trying to lay on some of the reasons why you can't and we don't need to get into the argument about Alberta, because I believe your sole NDP member in Alberta got into the argument once in the Legislature in Alberta and one of the Conservative members got up and said, well, you want to compare Saskatchewan and Alberta, do you? He went down the list, and just to name a couple: farm fuel costs are 15 per cent higher in Saskatchewan than they are in Alberta; property taxes are 15 per cent higher in Saskatchewan than they are in Alberta; property taxes are 15 per cent higher here than they are in Alberta. So, we don't want to be derailed and sidetracked on that insane argument, which this government of yours uses at every turn to compare this province with Alberta and Ontario.

I wasn't comparing statistics, I was telling you about the leadership, the leadership that the Minister of Agriculture in Alberta was exhibiting. I was asking you to take that kind of leadership in this area. That is very simple. I don't want to get into the comparisons. This

is Saskatchewan. Let's look at the resources of Saskatchewan, what our problems are and what we have to do to meet those problems. That is what this motion is all about. We see a problem and we need an immediate solution to it or an assistance to that problem, as well as a long-term, long-range program. What you say in terms of the long-range policy that you may or may not have, is that, well, that is a federal issue and they will be saying what it is going to be and we will make strong representation to see that farmer energy requirements are met. I don't have any confidence in you, Mr. Minister, that you would do that on behalf of the farmers of Saskatchewan. None whatsoever. When you can't get an increase — since 1975 we have been asking you to talk to some of your government members, talk to the Premier, talk to somebody and get some more expenditures, in particular in the area of research and the whole spectrum of agriculture. A small amount of \$48 million . . .

MR. SNYDER: — Whom do you think you are impressing?

MR. BIRKBECK: — Mr. Chairman, the Minister of Labour is making his snide remarks about, whom do you think you are impressing? I'll tell you what I am doing. For many years, since 1904, when my grandfather came to this country, he made it on his own without government assistance. My father farmed and made it on his own without government assistance. I made it on my own without government assistance but boy it was coming mighty tough. Today we are in a situation where the farmers can't make it without government assistance and there is something wrong. We are talking about one area as the member for Morse has proposed where you could assist in that area. That is what it amounts to; that there have been problems and we have got the same problems today that we had 20 years ago. Some of them are just getting worse, that is all.

You can go into any number of areas, your own leader of your party, the Premier of this province, say he politicked 17 or 18 years and so doesn't see anything different in the west coast. Well, he can't see very far and he hasn't been very effective in 17 or 18 years in making any changes. What I am seeing now is the Minister of Agriculture who isn't very effective in making any changes. It is a good motion and I want to see some support for it in this House. All the farmers of this province want to see this farm cost reduction program reinstated; it is as simple as that. I would really like to see you, Mr. Minister, reply. Let's have a little bit more discussion about the problem instead of passing it off and well, what Alberta is doing or Ontario's health care plan or something, let's talk about the problem which the motion very simply lays out. O.K.?

MR. KAEDING: — Mr. Chairman, I don't know what answers I can give that will satisfy the member opposite. Obviously, he says he doesn't want any subsidy but he wants a subsidy. He just said that. He just said that my father lived without a subsidy and I lived without a subsidy and I intend to live without a subsidy. Then he asks for a subsidy. I really don't know what he is asking. I might point out to the member across the way that he is so very critical of what this government is doing and I have in front of me a little clipping: it is rather amusing; it is entitled Manitoba Restraint in Spending; it says: 'Agriculture cut \$4 million.' That is that tremendous leadership we have over there in the Manitoba government. I see another bulletin I have here: 'Farmers' Portion of Alberta Budget is Best Described as Meager.' It seems to me that government in Manitoba which is cutting \$4 million on agriculture and a government in Saskatchewan that is adding almost \$5 million is a little bit of difference. It shows a little bit more support for agriculture than that Tory government that you have over there in Manitoba.

Again, I want to say that we feel that the onus should be on providing a better mechanism for maintaining incomes and increasing incomes of farmers as opposed . . .

AN HON. MEMBER: — Do you . . .

MR. KAEDING: — Well, we improved the Property Improvement Grant which has enable farmers to carry another year without having an increase in taxes and I am sure that that is more than a lot of other governments have done in Canada right now.

MR. WIEBE: — Mr. Chairman, I must take strong exception to some of the remarks made by the Minister of Agriculture in dealing with the specific motion which we now have before us. Let me say initially before I begin my remarks, that this motion that is before you today, is not asking for a subsidy. What this motion is asking for is a tax rebate. We are asking for a tax rebate and later on in my remarks I will explain what I mean by a tax rebate and not a subsidy. The Minister of Agriculture states that if we give this rebate or this subsidy to the farmers, industry will want the same treatment. And the minister, I must say wasn't listening to my opening remarks tonight in which I said the priorities of this government are such that they are not looking at agriculture which is our major industry. Your government presently does subsidize heavy industry in this province. They are subsidizing heavy industry by a gross reduction in the gas rate to fuel the furnaces and to run that industry and to heat their buildings. They presently receive a subsidy. All that we are asking is that the same preferential treatment which you have given to some of our minor industry in this province be given as well to our major industry in this province which still happens to be agriculture.

The Minister of Agriculture also states that what we should do — our priorities should be toward maintaining farm income. Certainly there isn't a member in this House who doesn't agree with that. Let's ask ourselves, what kind of a job have we done in this province to maintain our farm income? We've done a pretty poor job. We must have done a pretty poor job because our income dropped, our gross receipts dropped by 3 per cent last year. Is that maintaining farm income? Our net farm inputs — our expenses increased by 15.5 per cent. I say that's a pretty poor job of striving to maintain farm income. Eventually that may happen, eventually we may develop a system in Canada, in Saskatchewan where we can maintain farm income. We haven't demonstrated our capabilities of doing that for the last 50 years and I'm afraid it is going to take us another 25 years before we are able to come up with some kind of a program that is going to adequately maintain farmers' income in this province. But what do we do in the interim? We sit back and say, look we're working on that program — eventually we're going to maintain farm incomes but because of the high cost of income or inputs, we're going to allow our smaller farmers to drop by the wayside. We're not going to do anything help alleviate their cost.

Now why is this particular resolution so important? It is important because the cost which farmers now bear in regard to energy is a direct result of the actions of this government — actions of the Alberta government and actions of our federal government. It is not the results that have taken place because of the increase in the cost of living or the increases in labour or the increases in other farm commodities. It is a direct result of what your government, Alberta and Ottawa have done. They have increased the taxation on farm fuel and all fuels.

Let's look at what that increase is. On page 112 in your Estimates, your government is expecting to collect from the oil industry in this province, \$349 million — that is a direct

result of the actions of your government, of Alberta government, combined with Ottawa. What you have done at the wellhead price is to say we're trying to make the consumers of this country pay exactly the same thing that the Arab countries are saying to the rest of the people in the world. What did the United States do in this regard? Farm fuel costs in the USA are drastically lower than ours are here in Saskatchewan or in Canada. They are net importer of oil. They have to bear the cost of what the Arab countries charge them but they also take a look at what their domestic cost is and they have averaged that cost out. They have taken what it costs to produce a barrel of oil in the USA — they have taken what it cost them to buy a barrel of oil from the Arab countries and average that out, and they have said to the consumers in the USA, we will average that price out and give you the benefit of the doubt.

What have you done? What has your government and Alberta and Ottawa done? They've said, look here's a nest egg for us — the world price is something like \$11 a barrel but it only costs us \$3.50 to produce it in this country but we're going to charge everybody in this country \$11 a barrel, so we can get the advantage of that \$349 million — \$349 million which is going to go into the Saskatchewan Heritage Fund, a new program this year and who is paying for it? The farmers, who every time they put a gallon of diesel fuel or purple gas into their piece of machinery are paying that cost. What has that meant in increased dollars? It has meant close to 45 to 50 per cent increase in their cost. That, Mr. Minister, is why we are asking for a tax rebate, not of subsidy or a handout or a gift.

You are taking it from us on one hand and what we say to you is, give part of it back. The federal government because of their actions in regard to the excise tax has decided to give farmers 10 cents back which is what they are collecting. What has your government done? Of that \$349 million, how much are you giving back to the farmers to protect their industry? You are prepared to subsidize heavy industry in this province with reductions in natural gas rates but not to our farm producers in the province of Saskatchewan.

You said earlier as well, what's \$100 to the average farmer in the province of Saskatchewan? That's because of your priorities. What you have said is that you are going to refund four cents a gallon to a maximum of so many gallons. What the National Farmers' Union has asked for is a 15 cent per gallon reduction and I hope there is no limit on that.

You take me for example. I think I am an average farmer, farming a little over two sections of land. I use approximately 5000 gallon of diesel fuel and purple gas each year. What does a 15 cent reduction mean to me and what does a 15 cent reduction mean to every farmer in this province, to every average size farmer? Not \$100, Mr. Minister, but \$750 and that is a lot higher than the \$185 which Alberta charges for their medicare premiums in that particular province and you can't compare that savings to the fact that we receiving free medicare in the province of Saskatchewan.

Again, here it is priorities, just talking about the idea that we have free medicare in Saskatchewan as compared to Alberta. Whom does our free medicare help you compare that to our farm fuel costs — to our inputs in farm fuel costs? It helps the guy who lives in the city who may drive 2,000 or 3,000 or 4,000 miles a year — his increased cost in gasoline, his savings, by not having to pay that \$185 is certainly going to benefit him, but it is not going to benefit the farmer of this province, because as I said, the average farmer by a 15 per cent reduction could mean a savings of up to \$750 each.

Let's look, again, at that 5000 gallons of fuel which a farmer uses. As a direct result of the actions of the Alberta/Saskatchewan and federal government, farm fuel costs in the last four years have just about doubled, just about doubled. We are looking at close to 70 cents a gallon now, on the average, for diesel and purple gas. So that is \$3,500. So, in effect, as a result of your actions, as a result of the actions of the other two governments, farmers in this province, today, are paying \$1,750 more for their farm fuel than they paid prior to your government and the Alberta government and the Ottawa government starting to meddle in the farm fuel cost program — \$1,750.

What the National Farmers' Union is asking, what we are asking, what the Saskatchewan Federation of Agriculture is asking, is of that \$1,750 give us \$750 back. Give us \$750 back! It is not too much to ask for, Mr. Minister, when you are looking at a total revenue from oil of \$349 million that this province is going to receive as a direct result. It is for that reason, Mr. Chairman, that I must emphasize, we are not asking for a subsidy; we are not asking for a handout, we are asking for a tax rebate.

If you felt it was urgent enough back in 1974-75, before a provincial election, certainly it is more than urgent at this point in time and I would urge all members to support the farmers of this province. Don't support me in my resolution, but support the farmers in this province, support our major industry in this province and vote for favor of this resolution.

MR. KAEDING: — Mr. Chairman, you know it is interesting when he talks about the fact that the federal government and the Alberta government and the Saskatchewan government somehow got together and did this dastardly plot to the farmers of Saskatchewan.

We are getting, as you indicated, \$345 million in revenues for the province of Saskatchewan and you know full well that a lot of that revenue is being used to provide services for the province of Saskatchewan, for the people of Saskatchewan, in terms of highways, health costs, social services costs, municipal grants, all of these things which are coming about because we are able to get that kind of revenue from oil. I think you would not suggest that farmers are not getting a good share, a fair share of that particular grant money or income.

I would suggest that a lot of the benefits of \$349 million are coming down to farmers, not in a direct way, but are certainly coming down to farmers. I say, again, that I simply feel that it isn't the proper place for the government of Saskatchewan to be putting in subsidy money and, again, he talks about tax rebates and there is no such thing as tax rebates because there is not a tax. I simply feel that the better way to deal with that problem is to provide income for farmers as opposed to subsidies for farmers.

Again, back to the 1974 situation. In 1974 there wasn't very many government support programs. There wasn't a Grain Stabilization Program ;there wasn't any program at all, there wasn't any program at all for beef stabilization; there wasn't a SHARP program for hogs. I know that the members opposite will say that these are federal government programs, and I appreciate that they are federal government programs, put in in many cases with prompting and severe pressure from the provincial governments but they are there and we appreciate them. They do provide a level of income and level of security for farmers which they did not have in 1974.

MR. WIEBE: — Mr. Chairman, let's just look briefly at how that money is spent. You said that that \$349 million was going to help build roads and all those various grand and glorious things. Let's just look at how it is being spent.

First of all, \$293 million of that money is not being spent at all. It is being paid as a dividend to the Consolidated Fund. The reason why they are putting it in there is so that they don't run the risks of this province losing its equalization grant from Ottawa. By putting this \$293 million in that special little fund we can still wave our hat to Ottawa and say, look we are a have-not province so give us some of that equalization grant. That is where \$293 million of that is going.

Now we look at grants and rebates for petroleum and natural gas exploration, conservation and development — \$40 million. That is where some of that is going. Research grants — a whole \$35,000 is going into research grants. That makes a total expenditure of \$333 million. Where is the rest of that money going? How much of that is going to agriculture? Let's look at where the rest of this money is going, see how much is going to agriculture.

First of all, University of Saskatchewan, Veterinarian College building expansion — \$400,000; good that is one point for agriculture. University of Saskatchewan, Engineering Building — \$5.6 million. That is certainly going to help the engineering industry; it is certainly going to help our minor industries in this province but it is not going to help our major industry which is agriculture. Restoration of Saskatchewan House — \$30,000. Restoration of the Northwest Territorial Government Administration building — \$170,000. Grant to the University Hospital — \$4.9 million. No argument there. Buffalo Narrows Northern Development airport facilities — \$378,000. Buffalo Narrows Causeway — \$1.7 million. Buffalo Narrows Northern Development airport — \$1.2 million. La Ronge Aircraft maintenance facilities — \$225,000. Moose Jaw Wild Animal Park — \$200,000 for total budgetary expenditures of \$347 million.

Now, this is the interesting part, excess of budgetary revenues over budgetary expenditures — \$116 million that this government has got left and they don't know what to do with it. They don't know what to do with it. They are just going to leave it there. Let me suggest what you can do with it. You can adopt this particular resolution and provide some of that \$293 million towards agriculture. That, Mr. Chairman, is where the development and the direction that this province should go. You can figure out as well, of that \$349 million with some quick cash calculations, one-one thousandths of that \$349 million is going to agriculture — one-one thousandths. That is a pretty sad commentary on the priority which this government places on its major industry in the province of Saskatchewan.

MR. R.L. COLLVER (Leader of the Conservative Opposition: — I'll make a comment or two in order to wait for my seatmate to return to his chair. He did have some comments that he wished to make on this and in order to hold the item I am going to await the Attorney General's urgent remarks to the member for Rosetown-Elrose and hopefully the member will be able to get back to his chair in time to make the remarks that he wished to make . . . (inaudible) . . . No, not at all, I'm just holding it open for him. Thank you very much. Mr. Chairman.

MR. R.H. BAILEY (Rosetown-Elrose): — Well, Mr. Chairman, I have been listening with some interest to the discussion going on this evening and it seemed to me that the argument that has come forth from the minister at this particular time is that there are better ways to look after the income of the farmer and there are some things that have to

be put in place. I guess what I am saying to you, Mr. Minister, is simply this, that at the present time I would like you to state a better way of helping the agricultural industry at the present time, given the impression, you know, that we've got this and that and we could possibly have this. I can't think of any one single thing, Mr. Minister, that could take place by your department and by your government to lend assistance to an industry, particularly in this given year, then the rebate. I don't know of any other thing and certainly if you know of any other measure, Mr. Minister, I think it's incumbent upon you to say so. It's one thing to talk about, you know the old story about they get free, free. I get quite a kick out of it, they get free hospitalisation and they have to pay this much but they don't pay the 5 per cent, they do the apple and oranges bit.

I want to suggest something to you, Mr. Minister, you know how much money, if you took the cost of direct government advertising in the province of Saskatchewan today Take the cost of bringing the Hollywood producer up to make your ads for televisions, take the cost of rolling them around two or three times a night on televisions, take the cost of your weekly advertising in all the newspapers of Saskatchewan. Now would it not be better advertising just to drop some of that which is really disgusting people anyway, and come forth with real advertising that really counts and give a form of a rebate. You know, let's be honest about it. We've seen these ads costing a half million dollars or more rolling around now and apparently they are going to keep rolling around. I pick up the small weekly paper and government ads, government ads, just by the thousands and thousands of dollars, Mr. Minister. It just seems to me that it is incumbent. I am not talking about information ads even; I think they are quite in order. I think it is now incumbent upon the government opposite and certainly has been mentioned our number one industry. This is a way in which we can make a direct input, right now .and if you can think of anything else that you can do immediately I am perfectly willing to suggest what you have I don't know of anything else, at the present time and I don't think the minister does, that will cause a direct input as a stimulus into the agricultural industry, than the rebate. Now if you have something else that is more effective, that can be acted immediately, then I think we should hear about it.

I would suggest to you that all you would have to do is take your advertising campaign from all the various departments, which is just pure political propaganda, and you could well put it into real advertising which is a way in which you could subsidize, if you want to use that word, or to alleviate some of the high cost in agriculture today. But if you have a better and quicker way of getting help to the agricultural industry that that which is suggested in this motion, then I would certainly like to hear it.

MR. KAEDING: — Mr. Chairman, the member opposite talks about the advertising budgets of this government and I don't know whether he is referring to the advertising budget of this department, but the advertising budget of this department is under \$300,000. I think when you are talking about a subsidy program, the kind of which you are talking about, you are not talking about thousands of dollars you are talking about \$30 million, \$40 million or \$50 million. I suggest that we don't have the capacity in our budget to handle that kind of a program.

I simply suggest that the arguments have all been made that we get around and take the vote on the issue.

MR. NELSON (As-Gr): — Mr. Chairman, before the vote I think the Minister of Agriculture should be taken up a little bit on one remark he made. He said the homeowners' grant was supposed to cover the farm fuel deal. I get awfully sick, in this Legislature, to hear each one of the minister stand up and take credit for that

homeowners' grant and what it is supposed to cover.

We heard the Minister of Education claim that he has covered it all and that is why you are getting 25 mills or something on our mill rate. The Minister of Municipal Affairs he claims it all. Now the Minister of Agriculture claims it all. It should be about \$2,000 not \$200, to cover just what you guys claim. How many more ministers are going to get into this circus and claim that? Let's start being honest, Mr. Minister of Agriculture, and not talking it off the top of your head and foolish statements like you have been.

MR. COLLVER: — I have just one question that I would like to ask the minister. You didn't seriously say a little while ago that the homeowners' grant was designed to cover the cost of farm fuel, did you? Is that the comment you made? Or to help recoup the cost of farm fuel?

MR. KAEDING: — Mr. Chairman, I said that there is a homeowners' grant something which the farmers are getting which is \$375 which no other governments are giving to farmers.

MR. COLLVER: — Mr. Chairman, are you suggesting that the tax on farmers that is being paid under incomes and washed through the government, giving them back through homeowners' grants, but at the same time about 35 per cent of that homeowners' grant is for the people in Saskatoon and Regina that that somehow is helping the farmers with their input cost? That 35 per cent of the homeowners' grant go to the two cities of Saskatoon and Regina and you are trying to tell us that that is for the farmers. Is that true?

MR. KAEDING: — Mr. Chairman, I don't know what percentage goes to the homeowners in the cities of Regina and Saskatoon. I know that a farmer with an averaged size unit can get \$375 in a Property Improvement Grant. That is a direct payment to a farmer. I don't think you can quarrel with that.

MR. COLLVER: — Mr. Chairman, is the Minister of Agriculture suggesting by this that \$375 goes to every farmer in Saskatchewan? That is what I thought he said, that \$375 was the rebate. Isn't that what he said to the farmers of Saskatchewan? That is the maximum rebate to the biggest farmer in Saskatchewan, Mr. Minister. The average sized farmer certainly does not get any \$375 a year and the Minister of Agriculture knows that as well as anybody else in this Legislative Assembly. The fact is that the increase in power bills alone to the farmers last year was triple the average cost — triple the average cost or the average increase in the home improvement grant. Would the minister deny that?

MR. KAEDING: — Mr. Chairman, the \$375 will go to every farmer with an average sized farm. The average sized farm in Saskatchewan has got something like 900 acres. If you have 900 you will get \$375.

MR. COLLVER: — That's not the average farmer, is it Mr. Minister? That is the average sized farm, isn't it, Mr. Minister? The fact is that for everybody that is over the average, half are under the average, aren't they, Mr. Minister? Therefore, Mr. Chairman, the fact is that a great number of Saskatchewan farmers are getting far less than \$375, which is the maximum amount that they are allowed to get and they only get that, Mr. Chairman, if they own the land. Don't they, Mr. Minister? If they are working the land or if they are crop sharing the land or if they are running it from the Land Bank Commission, they don't even get that, do they, Mr. Minister? Do they? Do the Land Bank tenants get a

home improvement grant?

MR. KAEDING: — Yes, they do, because they are paying tax.

MR. COLLVER: — Sorry, Mr. Minister, the Land Bank people pay a tax, but the leased land people don't pay taxes, do they?

MR. KAEDING: — I suppose that is taken off when a person is leasing land but, of course, the owner is paying the tax and so he gets the benefit.

MR. BIRKBECK: — Mr. Chairman, very briefly. I want to conclude my remarks on this motion. I don't think I am too far out in suggesting that the Minister of Agriculture has got himself in trouble in trying to defend this program. Your government introduced the Farm Cost Reduction Program. Now you have taken it away and you should well know that it is a lot easier to introduce a program than it is to take it away. You thought you had good reason for introducing it and maybe you did but you haven't given us good reason for withdrawing it. What I have seen here is irresponsibility on your part in answering these questions that we are putting to you. Your reply to the member for Rosetown-Elrose when he says that all of the government advertising in so many areas has been wasteful — we're talking about conservative in energy — we could be talking about conservation in government spending as well. He was suggesting that some of those moneys could be cut and better advertising on your part could have been done by the re-introducing of this program. You turn around and stand up and say, well a paltry amount of \$300,000 has been spent by your department. You knew full right well that the member for Rosetown-Elrose was not referring to government advertising just within your department and I say that is irresponsible because you are making a political argument.

You have made political arguments with the member for Nipawin in his comments on this motion. Now you are talking about the Property Improvement Grant. On the one hand you say you are not going to subsidize — you call it a subsidy and we don't from this side. We see it as giving back what you have already taken and that in essence is the same thing as the Property Improvement Grant. You have taken from the people on the one hand and given them back their own money and made a big foofaraw in the process. Now you think it is all right in that area — the Property Improvement Grant but you don't think it is all right in the Farm Cost Reduction Program. There is no consistency there whatsoever and again, that is irresponsibility on your part. I see two reason that seem very clear to me that you have given. This is the last thing I want to say on this.

You have suggested that because there are more programs, and I will agree — there are more programs — you've got a whole book — it's just like volume on government programs, and because of this the farmers don't need this reduction on their farm input costs. That's one argument. The second argument is that because they seem efficient in conservative of fuel and possibly reduce their energy use that they don't need the Farm Cost Reduction Program. Those are the basic two reason that you have given and to penalize farmers for doing a good job surely to goodness cannot be responsible.

Again, just very simply, can't you see the light in this matter and be responsible — show that leadership which I am asking you to do because I think that you can be capable of doing it?

MR. ROBBINS: — Mr. Chairman, the hon. member mentioned that the tax rebate was

given and taken away and no reason was given for it. The gasoline tax in Saskatchewan was 19 cents a gallon and was reduced down to 12 cents gallon, a 7 cent reduction at the pumps. At the same time the 7 cent rebate was given to farm fuel simply because there was no tax on farm fuel. There hasn't been at any time except when a Liberal administration sat on the Treasury Benches in Saskatchewan. And that 7 cent tax which was taken off in the 1974 budget came back later and we're back to 19 cents, exactly where we were back in 1970 and that was the rationale for cutting out the rebate in terms of the farm fuel reduction. And that is logical if you think about it.

MR. BIRKBECK: — I would like to thank the Minister of Revenue for giving me a responsible reply.

Motion negatived on the following recorded division.

YEAS — 12

Wiebe
Cameron
Stodalka
Nelson (Ag-Gr)

Collver
Larter
Bailey
Birkbeck

Ham
Berntson
Wipf
Katzman

NAYS — 23

Thibault
Bowerman
Romanow
Snyder
Byers
Kowalchuk
Matsalla
Robbins

Mostoway
Banda
Whelan
Kaeding
Kwasnica
Dyck
MacAuley
Rolfes

Shillington
Vickar
Nelson (Yktn)
Koskie
Johnson
Thompson
Lusney

HON. R. ROMANOW (Attorney General): — Mr. Chairman, I will move that the Committee rise and report progress in just a moment.

Perhaps this is a backward procedure, but the motion called for an expenditure of government funds, the motion that was before us, Mr. Chairman, or at least called for a recommending that the government recommend this. Well, it is no use raising it, because the vote has taken place.

Committee reported progress.

The Assembly adjourned at 10:03 o'clock p.m.