

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**

**April 27, 1978**

**EVENING SESSION**

**COMMITTEE OF FINANCE – DEPARTMENT OF AGRICULTURE VOTE 1**

**ITEM 1 (con't)**

**MR. J. WIEBE (Morse):** – Mr. Chairman, don't we have a vote to handle still? Didn't we just handle the amendment only?

**MR. CHAIRMAN:** — We took the motion as amended.

**MR. WIEBE:** – Mr. Minister, this afternoon during question period, there was a question asked concerning Land Bank land and Crown leased land. I don't know whether it was that urgent this afternoon but it's urgent tonight, I understand that up until November, 1977 approximately 13,500 acres of Crown land has been turned over to the Land Bank Commission, which basically, I have no objection to.

However, the comments that were made in question period this afternoon raises a few question in my mind at this point in time, in regard to grassland that's being turned over from the Land Bank to the Lands Branch. I understand you mentioned or made the point this afternoon that some grassland that has been purchased by Land Bank was in exchange, if that's the appropriate term that you want to use, was turned over from Land Bank to Land Branch. Now it's my understanding that there really is not a very serious sales policy in effect in regard to land under the jurisdiction of Lands Branch. And, it's my understanding that a home quarter can be sold or parts of lease land that might form a rancher's home unit could be purchased from Lands Branch but other than that there's no policy by your department to sell land under the control of the Lands Branch. I'm just wondering if you could explain the sales policy of lands presently under control of the Lands Branch? I'm thinking in terms of grassland not cultivated acreage.

**HON. E. KAEDING (Minister of Agriculture):** – The answer that I gave this afternoon would still apply; in a case where it's transferred to Lands Branch for grazing it would then not be subject to purchase.

**MR. WIEBE:** – This is the answer, in effect, that disturbed me a bit because I'm sure everyone is aware of the position that our caucus has taken in regard to the sale of Crown land in the province of Saskatchewan. I don't think there's any point for us to go back into that again. All it would do is take up a bit more time of this Assembly.

In effect what is happening by transferring Land Bank land over to the Lands Branch is that grassland that was previously owned by a private individual, sold to the Land Bank and then transferred over to the Lands Branch, does not come up for sale. Under the Land Bank program, if that land stayed in the Land Bank, after five years the person leasing would have the option to purchase, if it stayed with the Land Bank. But the fact that it is transferred from the Land Bank over to the Lands Branch rules out any possibility of any sale. You know, in my own mind, I think this is unfortunate because what is happening is you are transferring now privately owned land, that is being sold to Lands Branch and is then taken over the main stream of sales in the province of Saskatchewan by being transferred over to the Lands Branch.

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**MR. KAEDING:** – This would be a very limited number of quarters and I think it would have to be land which is not suitable for cultivation purposes. It would have to be grazing land and I think the same rationale would apply as to why it shouldn't be for sale then at that time. It seems to me if we conceded that Lands Branch land is the kind of land which should not normally be sold, then this would fit into that category. It would be according to policy.

**MR. WIEBE:** – Well, in regard to governments owning land you know, I can't understand why in the world any government in its right mind would want to continue on with lease land basically because you make one person happy and about 30 other people madder than blazes at you, when the land does come up for acquisition. Beg your pardon . . . (inaudible interjection) . . . (Laughter) But really, I, it is difficult for me . . . you know, we must accept the policy that the government has set down now that Crown land, grassland, cannot be sold unless under the few stipulations which I mentioned earlier. I don't like to see that figure being enlarged. I am just wondering if the minister could tell me, for the last year for example, how many acres of grassland were transferred from Land Bank into Lands Branch – of grassland only.

**MR. KAEDING:** – We transferred from Land Bank to Lands Branch 4,166 acres.

**MR. WIEBE:** – 4,160?

**MR. KAEDING:** – 4,166 acres. That would not necessarily be land that we purchased from Land Bank. It may be a whole block, it may be quarter sections and so on, part of cultivated block.

**MR. WIEBE:** – What happens in that regard? Is it just a transfer or are there dollar figures exchanged? Does the Lands Branch purchase from the Land Bank or is it just transferred over?

**MR. KAEDING:** – There is a dollar value attached for the purposes that would make the transfer between the two departments.

**MR. WIEBE:** – Would that be a dollar for example? Or . . .

**MR. KAEDING:** – Yes, I think it is a dollar value, yes between the two departments you transfer so many dollars' worth each way.

**MR. WIEBE:** – Well the point that I mean, do you transfer at a cost of a dollar or do you take a realistic land value at the time of transfer?

**MR. KAEDING:** – Yes, we take it on the basis of actual, what is assumed to be the actual land value.

**MR. WIEBE:** – Yeah, you know, according to that possibility some of our arguments may not be as severe because there was 4,100 acres taken out of sale but the eventuality of maybe 13,000 acres being put up for sale because there was 13,000 of Crown land under Lands Branch, I understand transferred over to Land Bank during the year 1977, is this correct?

**MR. KAEDING:** – There was as well as transfers from Lands Branch to Land Bank, 14,165 acres transferred from Lands Branch into Land Bank, so we have an off-setting

figure there which is larger than the other.

**MR. WIEBE:** — Is it too early at this point in time to ask how many acres of grassland that the Land Bank now holds that might be transferred over to the Lands Branch in the current year that we are dealing with 1978-1979?

**AN HON. MEMBER:** — Three and a half acres.

**MR. WIEBE:** — Sounds great, I'll go along with that.

**MR. KAEDING:** — I don't think we could give you a breakdown of that, but we are buying very little land which is grazing land; we are trying to concentrate exclusively on cultivation land. Again, you would have the problem of maybe having an attached quarter, but the amount is veryall.

**MR. WIEBE:** — Mr. Chairman, I have a few more questions under Land Bank, but I think it might be best if we wait until we get to that subvote and as far as Item No. 1 is concerned, we are agreed to Item No. 1.

**MR. R. KATZMAN (Rosthern):** — The other day, the minister gave us a list of organizations receiving grants, could he send me over a copy of that list that received them in the past year and could he inform the House on any of those groups that have applied for grants under the present budget and which ones were approved and the amounts, if he has a list.

**MR. KAEDING:** — We have just submitted orders in council to pay the standard kinds of grants like the Saskatchewan Livestock Association, the Poultry Council, so on. Those which we have identified and we know an actual figure. There are others which may . . . like the Agricultural Society, for instance, we don't know how many grants there will be because we don't know how many will apply. But those that are regular grants are taken care of now.

**MR. KATZMAN:** — Well, that's exactly my question. The other day you indicated there was only \$30,000 in this whole vote. Then what about the annual grants which are more than \$30,000 because, I assume, 4-H gets a pretty sizeable grant each year and so forth. Some of these will continue to get the grant. Yet, you indicated \$30,000 is the total allowed for it.

**MR. KAEDING:** — The total amount for it is \$1,686,000, but the amount of \$30,000 is simply there as a miscellaneous grant area.

**MR. KATZMAN:** — So, what you are saying is the standard grants are covered in a million X then you have \$30,000 for grants that you didn't know anything about at this time.

**MR. KAEDING:** — Agreed.

**MR. KATZMAN:** — O.K.

**MR. L.W. BIRKBECK (Moosomin):** — Mr. Chairman, Mr. Minister, was it \$25,000 that you granted to the National Farmers Union in the year 1976-77.

**MR. KAEDING:** — Yes, I think you are right, \$25,000.

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**MR. BIRKBECK:** — \$25,000, O.K., Mr. Chairman, Mr. Minister, the member for Nipawin suggested that possibly you were bailing the NFU out in terms of your funding of that particular organization and possibly favoring that organization and I, quite personally, I am not just so sure that that is the case, I'm not too concerned right now whom you are supporting as to whom you are not supporting and I think that that is more of importance to me at this point in time because if we can take the other approach that you have been supporting the National Farmers Union and turn that into good. If other organizations can qualify under that criterion for funding then I think that that is good and they should be made aware that such assistance is available to them through some of these newsletters that you are so frequently putting out, or get that information out to the ag reps. I have to refer to a statement of yours that says "Kaeding Says CAM Protest Not Productive." Well, that doesn't sound too bad but when you say that "I simply feel that because this group doesn't have a policy, no one will know what they represent in a year." He said this in Yorkton prior to the start of the picketing at livestock yards by CAM members last week.

Now, obviously you have taken a position against that particular organization . . . (inaudible interjection) . . . Well, I just read what you said. Now I am sure that I would never ever hear you saying that about The National Farmers Union if it only had ten for a membership That is the parallel I am drawing, that you have condemned this organization before even attempting to do anything. I think that that is the most important thing right now in terms of your approach to the various organizations. I would like to think that your approach to organizations in the in the province of Saskatchewan that were acting in the interests of farm producers would be one of support and encouragement for whatever job they might be able to do on behalf of producers. I would like to see you take that approach.

Now, in the same article it goes on to say, "That although Mr. Kaeding supports the concept of the protest, he compared it to a wildcat strike and said he is worried it will not help the movement reach any point of conclusion." How could you be so presumptuous about a thing like that is beyond me. It is absolutely beyond me because I was asked the questions about the strike before it took place as well and I said, "Well I don't know what good it is going to do, how can I predict that? Let's wait and see." And I wished them all the luck because if anybody can help the agricultural industry in this province to achieve its goals and the goals that they were trying to achieve weren't that far out of line, they just wanted the cost of production plus the profit Surely an organization, I don't care what label they come under, shouldn't be condemned in that manner.

You also suggest "that the Egg Marketing Agency didn't get where it is by protesting, the minister pointed out," referring to you. Now then, you turned right around and supported the Egg Marketing Commission. O.K., this is the Egg Marketing Commission. As I have already pointed out, 2.25 cent profit formula per dozen. Well I say that is great profit and great progress by the CEMA.

Now, I would like you, Mr. Minister, if you wouldn't mind, just replying to some of the comments I have made, tell me more specifically what justifies you reactions in condemnation of one organization and support of another as you see fit. Wouldn't you as minister of Agriculture be better off to support these organizations, all of them, National Farmers Union included, as we do?

**MR. KAEDING:** – Well, Mr. Chairman, the member again fails to understand. I

indicated yesterday that we did not propose to the NFU that they should have a grant from the department. They proposed to us a program which looked reasonable and which we said we would provide some funding for. We didn't provide them all the funds they wanted by a long way and we required them to make a logical and reasonable request. They had to substantiate that by the kind of activity they were going to undertake. It was not the kind of activity which you are referring to.

As far as CAM is concerned, I don't think that at any point you can identify that I condemned the CAM movement. I expressed some concern over the fact that they were not able to, at least didn't appear to be able to set down any policy which they could identify as their policy. They were talking strictly about international investment or a profit return on their investment and I indicated to them on a number of occasions when I had a chance to discuss it with them, that this was a great concept but they had to have some organized backing in order to be able to get what they wanted. Simply going around on a protest vote was not going to achieve it for them. I suggested to them that there were organizations within the province, The Stockgrowers Association, the National Farmers Union and others which they could join in order to achieve what they wanted to achieve through an organized mechanism and I suggested to them that I thought that was a better way for them to go. They chose not to do that and, of course, I am not going to quarrel with that but I might say that at no time have they approached our department or myself, for that matter, for any kind of assistance and certainly we are not going to go out and hand them cheques.

**MR. BIRKBECK:** — Mr. Minister, you then felt it was your responsibility to make comment on that organization's work and what its future might be at that particular time. Then I wonder, Mr. Minister, would you make comment now, please to this Assembly what your views are of the present Western Canadian Cow-Calf Association and what you think its future holds for its particular membership?

**MR. KAEDING:** — Well Mr. Chairman, again the Cow-Calf Association is an association of livestock producers which has got together to attempt to get for their membership a better deal in agricultural in terms of the livestock industry. Certainly, I haven't any objection to the group; in fact, I have discussed many times their desires and their policies. They were in to see me only about a week ago and we discussed a brief which they presented to us recommending what they thought we should be doing in the livestock industry and I think that they are a very legitimate organization and one which I would hope would continue.

**MR. BIRKBECK:** — Thank you, Mr. Minister, I am glad to hear you say that because I would sure hate to see you condemning any more organizations in the province of Saskatchewan. This recent article which I quote you from would be the last one that I hear you condemn in any way and that I would see your support for any further organizations. Mr. Chairman, if I might just move into a different subject which I would like to raise at this particular point in time. Going over some of the discussions we have had in the Agricultural Estimates I see the member for Morse has place himself in a position where he believes that possibly one section of land would be a reasonable size for farm size in the province of Saskatchewan. That is on page 1965. With the modification or with the support of an effective diversification program that one section of land should be enough, that that is possibly a maximum that should be placed. That is not our position. I am not sure what your position is because on the preceding page you suggest maybe 500 acres, which is substantially less than a section of land. But I wonder if you have any feelings on that matter; if you feel that farm size should be restricted and if, in fact, that is the direction that you are working towards

in your policies?

**MR. KAEDING:** — Mr. Chairman, we have no policy which is working towards the restriction of farm size. I have raised the issue on a number of occasions with responsible farm organizations such as the Federation of Agriculture and the SARM and it might be of interest for you to know, if you don't, that the SARM have looked at this on a number of occasions and have discussed it and they have talked about it. You may have heard Boyd Anderson at some time or another bring this matter to the attention of his board of directors and his regional people. We have some concerns over escalating farm size as I think most people in Saskatchewan have. However, I have not at any time indicated that we have a level in mind which we thought was an adequate level. The member for Morse may have quoted on a section of land and I am sure that most of us would agree that with a good diversification program, there is no reason why a section of land could not be adequate. That does not mean that we are recommending that, but I do think that there is a problem in trying to have any kind of restriction in farm size until you can, in some way, guarantee an adequate income on a land base. And until there is some further activity in terms of a guaranteed level of income for beef producers and hog producers and poultry producers and so on, unless there is some mechanism set up whereby they can get an adequate income out of a restricted base, then it would be highly unlikely that they could even suggest that kind of a proposal. You will know that in the discussion that was in the recent hearing by the Department of Environment on land use there has been a lot of discussion about land size and whether there should be a limit on land size. That is not something which we are proposing, we are simply . . . the item is out there for discussion so they can get some idea of what people in the country are thinking. I think that's the proper procedure to take. If there should be a very urgent demand on the part of the public that we should have some restrictions, we would have to look at it.

**MR. BIRKBECK:** — Mr. Minister, do you feel that the present land use hearings that are being held throughout the province will result in recommendations that will restrict farm size in the province?

**MR. KAEDING:** — I would be just guessing if I said that because I don't know what they will recommend.

**MR. BIRKBECK:** — Mr. Chairman, Mr. Minister, when you speak of guaranteeing farm income, are you referring to a minimum or a maximum?

**MR. KAEDING:** — Would you repeat that please?

**MR. BIRKBECK:** — Mr. Chairman, what I was asking the minister is when he was replying to me just moments ago, he spoke of a guaranteed farm income. Now, were you referring to guaranteed farm income in terms of a minimum or a maximum standard?

**MR. KAEDING:** — What I was saying is that unless there is some mechanism to provide an adequate income for farmers on a diversified base, which is the only way you could look at a farm operation which was the size we are talking about here, then there would have to be some mechanism whereby — for instance, the Dairy Commission is now guaranteeing an income, at least a reasonable income, to their producers as are the egg producers and so on. They know that with a certain volume of production, they are probably going to be able to support an operation on a fairly limited size of an operation. And, unless you have some kind of mechanism like that in place for most

products, then I would suggest that it would be pretty difficult to limit size.

**MR. KATZMAN:** — Mr. Minister, earlier I was asking about those lists. Would you be able to send me over photostatic copies of those two lists that I requested? And, on another topic if I may, the other day under, I believe it was Bill 6, The Farm Ownership Act, I asked you a question re a specific problem that your department is investigating now. Because of seeding time fast coming upon us, could you give us any indication when a recommendation will be available so that those involved will know who puts the crop in?

**MR. KAEDING:** — Mr. Chairman, I know that this is under review by the Farm Ownership Board and I discussed it with the director. He said that there may be some grounds on which they can deal with this problem but the indication seems to be that it was real estate operation, it wasn't a direct sale to the person in Alberta. The sale was never really made to the person in Alberta, and so it may not be in contravention but the Farm Ownership Board is trying to get the documents together so they can either prove or disprove that.

**MR. KATZMAN:** — I'm being careful not to open this up too far in case there are some legal involvements coming up on it. But say you are considering the first buyer (let's call him that) who may by Bill No. 6 not be legally allowed to buy land in Saskatchewan; you may be considering him as a real estate firm, as an agent I guess, rather than a buyer who bought and resold immediately as a corporation buyer?

**MR. KAEDING:** — Well, Mr. Chairman, I think it is hard to identify that and this is what the Farm Ownership Board is trying to do. They are trying to identify; they are trying to get the documents to either substantiate that it was a legitimate purchase or wasn't. If it was an illegitimate purchase, then the Farm Ownership Board will likely be taking some action.

**MR. KATZMAN:** — Could you give me some ground or some idea, without jeopardizing your case, what might indicate that they were agents and therefore it was not, as has been indicated by some people, an illegal sale and, therefore, should go back to point A, in other words, the original land holders, rather than be able to go for resale again?

**MR. KAEDING:** — It's already done, so I think that although he may have contravened the act and he may incur a penalty for doing that there is nothing that we can do in terms of reversing the actual sale because he can pay a penalty for having made the improper sale. We couldn't, I don't think, reverse the actual document.

**MR. KATZMAN:** — That's the kind of answer that I'm trying to get into the case itself. So basically what you are saying is, a person who is now a Saskatchewan citizen or a group of people and have purchased the land even though the middle man may have been or may not have been proper would end up with the land as your department sees it presently. It would not have to be reverted back to point one. The reason I'm asking is that seeding time is just days away and people are asking the question.

**MR. KAEDING:** — Well, again, I don't want to put myself if judgment of the case because the Farm Ownership Board is examining it and they will have to determine what the situation is and it may take days or weeks, I don't know.

**MR. KATZMAN:** — Could you give the individuals either through the House right now or

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in confidence to them, an idea when one decision will be made one way or the other so they will know how to judge what to do?

**MR. KAEDING:** — No, I'm sorry, I'm sure that I couldn't give them that assurance. It would depend entirely on how long it would take the Farm Ownership Board to get the information they need.

**MR. BIRKBECK:** — Mr. Chairman, Mr. Minister, I wonder if I might on item 1 ask a question regarding the orderly marketing of grain which we seem to have some disruption in with regard to the off board deliveries of feed grain. Members from your side of the House have alluded to many illusions, as it were, and I think now would be a good time to get a better understanding of just what your position is regarding feed grains, deliveries of them. Some from your side of the House have suggested that there should be a quota placed on them, others suggest that it should all be under the Canadian Wheat Board. And in the process, while they are making their argument some for and some against and none of you very consistent, you take some unusual cracks at the Progressive Conservatives which seems unusual since they, themselves, introduced the Canadian Wheat Board, not once but twice. They do that at the initial stages of their speech on the off board grains. Further on down, then they come back and they say, well, the Tories are trying to destroy the Canadian Wheat Board. Now I hear it coming from the Liberal critic and that makes it all the more interesting. . . (interjection) . . . Well, you're not running federal, Jack, so don't get into it.

Mr. Minister, I wonder would you mind just telling me what your position is? Would you like to see the feed grains under the Canadian Wheat Board, are you content with it the way it is on off board deliveries and, if so, do you feel there should be quotas on those deliveries?

**MR. KAEDING:** — Mr. Chairman, I have no difficulty at all in answering that question. My first preference would be to have all the feed grains under the Canadian Wheat Board. I think there are very many good reasons for us taking that position. I think that if you have looked at any of the speeches that were made from this side of the House it would have shown you the loss which farmers have taken because they have marketed outside of the Wheat Board. So that would be our first choice. The second choice if there was obviously no way that we were going to get Mr. Lang to change his policy, then we would certainly wish that all of the off board grain would come under quota. I think, as I indicated in my remarks in the feed grain debate, that a bushel of grain takes as much room whether it's off board grain or whether it's Canadian Wheat Board grain and it should not be possible, in my opinion, it should not be proper for someone who wanted to shove a bunch of grain on the off board market to take up that much room in the elevator system and then penalize someone else who is prepared to operate under an orderly system. An orderly marketing system will never work with that kind of a leakage on the side. It disadvantages people who are not able to deliver or who do not wish to deliver on the off board market and certainly we are very much of a mind that we should have quota, if we have to live with the open market there should be a quota on those deliveries.

I know of a case in a constituency right next to mine where last fall there was an American combine operator who was complaining bitterly because he could not get his grain, in the middle of the night, into an elevator. He said he had 8,000 bushels that he was going to combine that night and he wanted to get that all into the elevator before morning because that was all the room that there was in the elevator. The agent would



not undertake to take his grain and so he was very bitter about that. But if he had taken that grain one farmer would have gotten 8,000 bushels into that elevator and the rest of the farmers, his neighbours, would have sat around wondering where they quota was coming from. And certainly, we do not think that this is the way to run an orderly market.

It was interesting that you should again bring up the position of the Tory Party because I can recall very well when Joe Clark was in Manitoba when he made the statement that if he became the Prime Minister of this country he would be prepared to allow the multinational grain companies to work side by side with the Canadian Wheat Board and in competition with the Canadian Wheat Board in getting deliveries. I know that his counterparts in western Canada said that's a no-no, don't ever say that again and he has been careful not to say it again. But he said it and he meant it when he said it because he repeated it two or three times in that same series of meeting. I know that it was an embarrassment to the Conservative Party because they do not want to be nailed with that accusation. Nevertheless, their leader said it and I am sure that he meant it and he must have gotten advice from his own people.

**MR. BIRKBECK:** — The three prairie wheat pools are united, is that not so and licensed as an agent of the Wheat Board?

**MR. KAEDING:** — Yes.

**MR. BIRKBECK:** — And what is the name of that company which those three prairie wheat pools form?

**MR. KAEDING:** — You are talking about the export group that is set up by the three pools. That is EXCAN.

**MR. BIRKBECK:** — O.K. Thank you, Mr. Chairman, Mr. Minister. Now then, we have the three prairie wheat pools and what used to be the Untied Grain Growers as part of EXCAN and they are no longer? EXCAN is licensed by the Canadian Wheat Board to sell grain and you might be made well aware and I am sure you are aware that there are four major companies and they are you multinationals and they are your big companies, none of which are Canadian, that market Canadian grain. They are Cargill, Dreyfus, Bunge and Continental. Now then, if you want to know what the Conservative position federally is, I am going to tell you what it is. Very simply they have suggested, just suggested to the three prairie wheat pools, farmer owned, that farm company EXCAN be allowed to compete with these four multinational for the export of Canadian grain. Now, Mr. Minister, do you see anything wrong with that?

**MR. KAEDING:** — Well, certainly, I do not see anything wrong with them competing with the multinationals nor did I suggest that should not. I simply said that the purchase and selling of the grain should be through the Canadian Wheat Board and the elevator companies are free to act as agents and that is what they have been doing.

**MR. BIRKBECK:** — yes, Mr. Chairman, Mr. Minister, that is correct. These four major companies operate through the Canadian Wheat Board. They sell on behalf of the Canadian Wheat Board. I think I would take it as read that you agree with me that there would be nothing wrong with EXCAN working on a competitive basis with these four multinationals in the sale of grain on behalf of Canada. They represent the bulk of the grain and I think that that's the way you have expressed yourself to me Now, I would have to accept that as being the case, that you are suggesting that EXCAN should move into competition with these people and sell as much grain as they can on behalf of

western Canadian farmers.

**MR. KAEDING:** – Yes, I would agree with that if they were selling it as agents of the Canadian Wheat Board. What Mr. Clark was proposing was that they would be able to operate outside of the Canadian Wheat Board and sell outside of the Wheat Board without having to necessarily be licensed by the board. But what he was proposing was that they could sell outside of the Wheat Board jurisdiction and that is what we object to.\

**MR. BIRKBECK:** — Well, Mr. Chairman, Mr. Minister, I don't blame you for objecting, not one bit. Not one bit do I blame you for objecting. I unfortunately did not hear the remarks made by Mr. Clark and so I'm not prepared to accept what you say he said or what the member for Morse said he said. All I know is what the Federal Progressive Conservative party position is in that one particular area, at least. That they have never at any time suggested that there should be a break-down of the Canadian Wheat Board or selling outside the Canadian Wheat Board. Surely to goodness not. This is the very point I'm trying to make. That your members from that side of the House get up in this Assembly and condemn the Conservatives for attempting to destroy the Canadian Wheat Board. They do that in the same speech and I can show you if you like, you can look for yourself in the Hansard the same time they have praised the Conservatives for introducing the Wheat Board.

Now, what sense does that make? None. That's understandable because it comes from that side of the House. Now, I'm seeing that the member for Morse, in his usual way, is slipping over to that side of the House and supporting your arguments. That's good. That's fine. The Leader of the Liberal Opposition this afternoon was suggesting that he wouldn't let any of you people steam roll over any of his members. Well, I'm sure he wouldn't. We're not in the position that the Liberal Party is in this province. We're steam rolling over you people. We've long since steam rolled over them. Now, we're getting to position where we're trying to zero in on some very important issues and that is the marketing of grain. We'd like to see that you as Minister of Agriculture, in terms of representing our grain producers (we're the biggest grain producing province) would take a very effective stand with Ottawa. As I've said before, go to battle with them, whether they're a Liberal government or a Conservative government after the next election, and see to it that our own company EXCAN which is licensed by the Canadian Wheat Board can sell and will sell more grain than it has in the past on behalf of western Canadian grain producers.

That's what I'm suggesting and that's what I'm suggesting is the position you should take. Now, Mr. Minister, you don't disagree with that position, do you?

**MR. KAEDING:** – I will repeat that as far as EXCAN is concerned or any of the companies, if they're operating as agents to the Wheat Board, I have no complaint. Again, I want to go back to the statement that the position of the federal Progressive Conservative Party is totally in support of the Canadian Wheat Board. I'm suggesting that either he doesn't know what his leader is saying because I could send him the quote. I don't have it here but I could send it to him right away, first thing in the morning. I could send him the quote when he made that statement. He was quoting to the press on two or three occasions of having made that statement. Now, either the Leader of the Conservative Party doesn't know what he's saying or the member for Moosomin doesn't know.

**MR. G.N. WIPF (Prince Albert-Duck Lake):** – Mr. Chairman, Mr. Minister, I wanted to ask

some questions on the farm testing lab that you have. Is that in item 26? Do I wait for that one or can I ask it now? I've only got a few, Mr. Chairman, on this. Can you tell me what Saskatchewan's share was in 1977 of the testing of machinery in this province? I may be wrong on this but there are three testing stations, I believe, in the three prairie provinces. You test machinery from other provinces. What is the percentage of machinery, what was our share of the machines that were tested in the three prairie provinces?

**MR. KAEDING:** — I don't know if I can give you a complete breakdown on the percentage of machines that were tested. I would expect that a large per cent would have been at Humboldt because the satellite stations at Portage La Prairie and Lethbridge are just coming on stream now. So I don't expect that they would have done a great deal of testing there. And Portage La Prairie came on last year so I would think that at this point in time we're still doing the major part of the testing.

**MR. WIPF:** — What will your predictions be for the coming year? Will you be able to pick up one-third of the testing or more than one-third. What are your predictions?

**MR. KAEDING:** — Our agreement with the provinces is that we provide 45 per cent of the cost of running this station and I would suspect because we have the largest station we would be doing most of the testing.

**MR. WIPF:** — O.K. Mr. Minister, are we on schedule with our testing and experimental work? Or are we running behind? Where do we stand with this now?

**MR. KAEDING:** — Yes. We're on schedule and we expect that there'll be about 60 reports published this year.

**MR. CHAIRMAN:** — I wonder if we could stay as closely as we can to the subvotes which will pertain to some of these questions that are being asked, and in general terms are you agreed to Item No. 1?

**MR. WIPF:** — With the permission of the minister, I was going to finish asking this group of questions, is it O.K. with you? I can wait for subvote 27 or 26 or 25, which one is it?

**MR. CHAIRMAN:** — 27, I think, and 28 and some of these would be the ones that I think your questions would be in order.

**MR. WIPF:** — The Chairman would like to move along and I would like to ask you, which particular subvote does this come under, or does it come under several and then would then continue on Item No. 1?

**MR. KAEDING:** — The test station is under O.K. 28.

**MR. CHAIRMAN:** — 28 did you say? Item 1 agreed.

**MR. BIRKBECK:** — Mr. Chairman, the stated objectives, question here, really not going to be very long, Mr. Chairman. It is a very broad question and it refers to the purposes of FarmStart. Number one, the primary purpose of this program is to alleviate cash flow problems of cow-calf producers and the secondary purpose of this program is to encourage the retention of breeding stock by Saskatchewan producers. Now, that's two things.

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Mr. Minister, do you feel that the FarmStart organization has achieved those two objectives?

**MR. KAEDING:** — I think as nearly as it was possible to achieve an objective in face of the very difficult situation that there was out in the country, I think we have accomplished a fair deal. We still have a lot of the people who went into the FarmStart program and even in the beef industry which was very difficult. A good percentage of those are still with us and are still, I hope be able to cash in on some of the benefits now coming from higher prices.

**MR. CHAIRMAN:** — Order, I'm going to draw to the attention of the hon. member again on item 9, you can ask as broad a question as you like regarding FarmStart there and I would like to proceed with the Item 1.

**MR. BIRKBECK:** — Mr. Minister, then, all right, that's in another item, I'll leave that and come back to it later, O.K.?

Then, Mr. Minister, if I might ask you this question. I didn't know if this is any of the subvotes, I haven't found it yet but would you know, could you tell me, what the increases have been in elevator handling changes from 1974 to 1977?

**MR. KAEDING:** — We don't have the exact figures here but I believe the figure about four years ago was something like four cents a bushel and it's now about eleven cents.

**MR. BIRKBECK:** — Mr. Chairman, Mr. Minister, I just want to know if your figures and mine were somewhere close and they are not too far out. The per cent change since 1974 to 1977 is 360 per cent increase. O.K. in elevator handling charges. Now, I think that's a substantial increase and again, Mr. Minister of Agriculture, I want you to make some strong representation to Ottawa in terms of the Canadian Grain Commission.

**HON. N.E. BYERS (Minister of Environment):** — I wonder if it's in the purview of this committee to be probing for rates that are not set by this government or by this Legislature. Mr. Chairman, I would like a ruling on that please.

**MR. CHAIRMAN:** — Well, I think that your point of order is well taken, I also think that in subvote 1, I'm trying to be as lenient as I can, but I think sometimes that the privilege is being abused to some extent and I would like to draw to the attention of all members that we try to adhere to the rules of the House. I think that is not new to any of you that you'll agree with me that we are trying to cover in general terms under subvote 1 the things that pertain to the provincial organization and the provincial government and I would ask the hon. member for Moosomin to try and adhere to that.

**MR. BIRKBECK:** — Mr. Chairman, I'm just going to say one word on this point of order, I'm not going to say that either but if that's a reasonable point of order, then there will be no more reasonable motions before this Assembly by this government to do this or that or the other thing. As the member of Melville suggested, they should accept the cost that the birds are causing the farmers and all the damage of eating up the crops. That's the federal jurisdiction and you raised it in this Assembly. I am raising the very same issue in Estimates on a general topic, on Item No. 1 and if that is a reasonable point of order, well then we will be standing on points of order and could stand reasonably on points of order on all motions before the Assembly that don't pertain to the provincial politics and in fact, pertain to federal politics. Now, Mr. Chairman, that's my comments on the point of order and since the

government is very much in a hurry to get off of Agriculture, sure I got a number of questions I would like to ask, but I guess there is no need of asking them on Item 1 and I was almost finished. It is unfortunate that the members had to get so upset. I had about two or three little items left on Item 1 and then I was finished. But nonetheless, that's fine. We can leave it, we can go down item by item. The Liberal agriculture critic suggested that he got some question on item by item and that is fine. We will just see how many he has on item by item and that is agreed. Item 1 agreed on my part.

**MR. KATZMAN:** — Just one question. Is horse racing Item 2 or do you want it handled under Item 1?

Item 1 agreed.

## **ITEM 2**

**MR. KATZMAN:** — I would like to thank the minister for sending me over the list. But on Appendix A of the list, you sent over, the first one takes in effect of the amount of money used because of pari-mutuels and so forth. Could you inform me which races it grants . . . I should maybe say it's Saskatoon, Regina and could you explain why no other new race track can be approved in Saskatchewan? I think it is a 1949 law or something, but I have never been able to get the answer.

**MR. KAEDING:** — Yes, Saskatoon, Regina and Moose Jaw and these are the only three pari-mutuels fairs that run.

**MR. KATZMAN:** — But is there some provincial legislation that indicates only tracks that were, had days, prior to a certain time will be allowed to have racing?

**MR. KAEDING:** — The federal government determines how many pari-mutuels will be run in the country, and the regulations under which they operate are outlined by the Canadian Trotters' Association and by the Canadian Thoroughbred Horse Racers' Association.

**MR. KATZMAN:** — If I can, let's forget about the thoroughbreds and standardbreds re racing. Under Saskatchewan, we have a (I am not sure what they call it) an association that says who gets race days, but I understand that there is a Saskatchewan law that says no race track is approved so that they can go to the federal, unless they had racing prior to a certain date. Am I incorrect on that? Or, I understand, it is a 1940 something law.

**MR. KAEDING:** — I really couldn't tell you what federal law it is that determines who or how many pari-mutuels there are. But I know it is a federal issue.

**MR. KATZMAN:** — I thought you were getting some more information. My question is then, let me get down a little close to the point, then, I will use Alberta. Racing there is handled by the Racing Commission and any breed of animal or anything that wants to have races, has to go before that Commission to be approved. Then they go to the federal government for pari-mutuels in X amount of days. In Saskatchewan there is no such body, to my knowledge. Am I correct on that?

**MR. KAEDING:** — Yes you are correct. There is no racing commission here.

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**MR. KATZMAN:** — So the only people in Saskatchewan that can have racing are the thoroughbreds and the standardbreds without the, for example, to change that the race tracks in Saskatoon and Regina who own the racing association and run the tracks in this province, would have to agree to it. There is no government body involved; it is strictly those race tracks that now control all racing in this province.

**MR. KAEDING:** — Yes, I think you are right on that.

**MR. KATZMAN:** — So what you have done is give the monopoly to two race tracks to control it and the government is not involved in it at all?

**MR. KAEDING:** — Well, I wouldn't say that there was a monopoly there. We haven't had any requests from anybody outside of that to interfere with that particular mechanism. It appears to be operating satisfactorily. If there have been protest then they haven't come to me.

**MR. KATZMAN:** — My concern is that several years ago, before I was elected to this House. I was very involved with racing on the tracks and . . . (inaudible interjection) . . .

**MR. KATZMAN:** — No, I'm afraid I was never that small.

What my concern is, I was informed in those days by the Department of Agriculture (and I believe the gentleman isn't with your department any more) that if anybody wanted racing, you had to convince the two race tracks to allow you to run. The government had nothing to do with it because they had an old law on the books that said that any track that wasn't racing couldn't have them, so those two race tracks and only those two, for example, Lloydminster is a town that wanted racing and was all set to go and something went sour because the exhibitions wouldn't give us permission (inaudible) because they didn't want to give up days. We understand that the control was with them and there was nothing we could do about it.

Now, do you not have any information about these types of problems that have come up in the past?

**MR. KAEDING:** — I don't have any background on it myself because no requests or complaints have come to me but I understand that at the present time the Trotters' Association and the Thoroughbred Association are the people who are more or less controlling where racing takes place. If there were to be a protest or anything else like that — if someone else was to argue that these people should not have a monopoly, then I suppose that we would be prepared to listen to that but we haven't had that kind of a complaint come to us.

**MR. KATZMAN:** — Are you suggesting, Mr. Minister, that if those of the other groups that are interested in racing (referring only to horse racing at this moment, I won't get into the dog racing that the member for Shaunavon wants me to ask about, yet) that they would make a presentation to you people suggesting they are interested in tracks like North Battleford, Lloydminster, who are interested in racing (Beechy has a one day race) would make a request to you, then you would go to the exhibitions and try to arrange something or how are you suggesting that they handle it?

**MR. KAEDING:** — Well, at the present time it is handled as I have indicated, and we have

no reason to believe that that hasn't been working satisfactorily. If it hasn't I suppose someone should be advising. I am advised here that the Criminal Code of Canada governs pari mutuel betting and it limits the number of races per day (it says 10 races per day without the consent of the federal Minister of Agriculture,) providing that the pari mutuel of betting operation is carried on under the supervision of, and the officer appointed by the federal Minister of Agriculture, an assessment of up to 1 per cent of the total amount of bets may be levied for costs, and it goes on with a bunch of other regulations. So they would have to meet all of those federal regulations before they could operate a pari mutuel.

**MR. KAEDING:** — I agree with you but what I am indicating here is that these groups in the past have come to the Department of Agriculture and I will put it on record if you want me to, as past president, involved with many of these association, they have come to the government requesting permission, and I refer to Lloydminster as one that that I was very much involved with, and North Battleford, who wanted racing and were told that they had to go to the Saskatchewan Jockey Club because they . . . well, they went to them and said, we're not interested in having more dates of horse racing in this province. They were going to keep them at the two tracks and froze out.

What I am saying to you now, is there a way that the Department of Agriculture will accept requests from other organizations wishing to get racing and race tracks that are wishing to get racing and then they will have to go to the pari mutuel step, the federal government. Would you consider some mechanism to assist them, for example, a racing commission where all associations that are involved in racing would be eligible to partake and have involvement rather than just the two major exhibitions?

**AN HON. MEMBER:** — It is not government.

**MR. KATZMAN:** — Byers, I've got a file about that big on this and it's bigger than you even . . . (interjection) . . . No, they don't, Neil. You are thinking of Texas betting.

**MR. KAEDING:** — The whole issue of racing commissions has been looked at in the province over a number of years and apparently the decision has been that the extra cost of carrying a racing commission was just an extra cost which would not get any benefit and I presume that if you had a racing commission, a good number of people who are now on the existing groups would be part of that commission, so I don't know whether that would get you very much. I'm advised by the staff that there was a lot of effort put in to try to retain the racing date for Lloydminster but because of economics that they weren't just able to continue to operate and they finally fell by the wayside.

**MR. KATZMAN:** — I thank you for that answer. The exact reason is, as you said, they couldn't get horses to go to Lloydminster of the two major breed of thoroughbreds and the standard breds and that's Moose Jaw's problem too. The people that were going there said there wasn't enough purse money and so forth and that it was more lucrative to go to the two major tracks. But they went to the other breeds of horses in the province that were interested in racing and when they tried to expand the first they were frozen out. The newer breeds that are involved in racing, the Arab horses, the appaloosas are running in Alberta. What I am suggesting is maybe a racing commission involving all those that are involved in the horse industry and appaloosa involvement should maybe considered, or the government could assist in getting them altogether and that's the government's input as far as I'm concerned. Let me work it out to see if there is some amicable way to settle this whole thing.

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**MR. KAEDING:** – Well, we do have a staff member who is dealing almost exclusively – well, not exclusively but deals with all of the requests from the racing people, people who are requesting assistance in the racing area and we provide as much input as we can in terms of assistance in getting the grants forward and all of that. Now if there is a feeling that there is a group of disadvantaged people around who are not getting heard, I would suggest that they make an attempt to make an appointment with my office and we'll talk to them. I have no objection to talking to anyone in any sphere and if there is a group who thinks they are being disadvantaged by the present policy I would be glad to sit down and talk to them.

**MR. KATZMAN:** — I thank the minister for that answer.

Item 2 agreed.

Item 3 agreed.

#### **ITEM 4**

**MR. KATZMAN:** — This is the old Sask Trade transfer, am I correct, this vote?

**MR. KAEDING:** – This is the new Agriculture Development Corporation.

**MR. KATZMAN:** — Could you tell me if they have a board of directors?

**MR. KAEDING:** – Yes, they do.

**MR. KATZMAN:** — Could you give me the names of the individuals on the board of directors?

**MR. KAEDING:** – The board of directors is myself, as chairman; Ernie Spencer a member, as vice chairman, Bob Lockwood, a director of Outlook branch, Dr. George Lee of the University of Saskatchewan, Wayne Larch from the Industry and Commerce Branch, John Saddler, Government Finance Office, John Sinclair from the Department of Finance; Harry J. Elder of Fillmore is a farm member and Bruce Chestor of Regina is a farm member.

Item 4 agreed.

#### **ITEM 5**

**MR. KATZMAN:** — Under this item, is this where the book is produced for all the different cattle in the province – or used to be produced, I should say, or is it a different vote? The cattle that were available, it was a marketing sort of book about that thick with all types of Herefords, Holsteins and all the different cattle listed in it. It may be in Industry and Commerce, I may be incorrect here.

**MR. KAEDING:** – We don't have a published of cattle or breeders or anything like that.

Item 5 agreed.

Items 6 and 7 agreed.

#### **ITEM 8**



**MR. KATZMAN:** — The Swine Research Unit, could you tell me the reason for the increase?

**MR. KAEDING:** — Well, because we have committed ourselves to a Swine Research Unit at the university. Last year it was simply a \$50 figure for research in the hog area. This year we are proposing to build a Swine Research Centre and that is the money which is voted for that.

**MR. KATZMAN:** — What percentage of that is provincial money and what percentage of that would be from outside sources, other provinces or federal?

**MR. KAEDING:** — The money required for building the unit is about \$1.7 million. Out of that there have been department grants of \$1 million. The Saskatchewan Hog Commission has got a \$90,000 unit. The Saskatchewan Hog Commission Market Development Fund has \$200,000. The University of Saskatchewan has \$200,000 and the hog industry has committed itself to raise \$210,000 for a total of \$1.7 million.

Item 8 agree.

#### **ITEM 9**

**MR. KATZMAN:** — Was that the . . . (inaudible interjection) . . . Well you know if the minister keeps yelling “let it go”, I think we might find a lot more to it. Tell him to patiently sit . . . (inaudible interjection) . . . there is nothing over on that side worth intimidating to bother intimidating . . . The 1973 Act, is the original Cow Loan Program, the \$6,000?

**MR. KAEDING:** — The which?

**MR. KATZMAN:** — The \$6,000 that you were able to pay back for buying of female stock?

**MR. KAEDING:** — No, that comes, I suppose, under this subvote, that’s the Loan and Grant Program. That is included in this subvote.

**MR. KATZMAN:** — Deferring of loss, would you indicate is this for people not paying back or is it because of the loss of the subsidy to the livestock area one?

**MR. KAEDING:** — Sorry, I misinformed you, that is under subvote 12.

Item 9 agreed.

#### **ITEM 10**

**MR. WIPF:** — What does this cover, Mr. Minister, what is this subvote?

**MR. KAEDING:** — That subvote provinces for the administration costs of the FarmStart program.

**MR. WIPF:** — How may FarmStart loans do you have out, Mr. Minister, under this?

**MR. KAEDING:** — Yes we have approximately 2,534 is what our last statement shows.

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**MR. WIPF:** – Mr. Minister, are we having any trouble with these FarmStart loans. Are any due at this time and are you writing off any of these FarmStart loans?

**MR. KAEDING:** – Well there are the regular problems that you have with collections. Certainly there are some which are in arrears and we presume there will be some write-offs, there are provisions for some write-offs, but at the present time I don't know that we have written any off at all.

**MR. WIPF:** – While you are on your feet, maybe you could tell me how many dollars are we in arrears?

**MR. KAEDING:** – That would be very difficult to calculate, in terms of how many we have got in arrears. We've got the numbers who are in arrears. There are right now 115 out of that group are on demand. That means that they are being foreclosed or have been given their final notice.

**MR. WIPF:** – Mr. Minister, under the FarmStart loans, do you have to have had experience in farming before you can get one of these FarmStart loans if you want to start up a dairy herd, do you need any experience in this at all?

**MR. KAEDING:** – There is now under the existing structure, a kind of grading system whereby they attempt to determine whether the person has the capabilities to undertake a certain kind of an operation. We have on occasion, where people have come and wanted to get into dairy farming for instance, a dairy loan, we have required that they must go and work on a dairy farm for a period of time before we could accept them. And, we suggest to them that at the end of that training period, come back to us and we will talk to you again. That kind of proposition.

**MR. WIPF:** – But you do have some FarmStart loans out in the dairy farming area where the people didn't have any experience in dairy farming. Is that right?

**MR. KAEDING:** – I think that may be fair enough to say. Originally, in the beginning of the program, there were some people taken on who didn't have adequate training and some of these have got into difficulty.

**MR. WIPF:** – How many of those have you given in the last year? Loans to people to start dairy farming without any experience.

**MR. KAEDING:** – I don't know. Without experience, you are asking without experience? I'm not sure that we can identify those here, if any.

**MR. KATZMAN:** — Could you tell me how many dairy farmer you have that part of their milk cheque goes directly to you, rather than normally writing the cheque? How many have you got that are presently operating where an automatic debit on the bank comes to you when they get their milk cheques?

**MR. KAEDING:** – I didn't get that question.

**MR. KATZMAN:** — How many dairy farmers, when a farmer sends in his milk the dairy pool sends a portion of the cheque directly to you people rather than to him and he just makes his payments?

**MR. KAEDING:** — We don't have a policy of taking cheques from individuals on a regular basis from their, you know, as their income comes in. I understand we have one account where he has agreed that he will pay a certain percentage of his cheque to us, but that is a voluntary agreement.

**MR. BIRKBECK:** — Mr. Minister, are you saying that your policy is not to have an automatic debt on any FarmStart loans that you may have out in the province of Saskatchewan?

**MR. KAEDING:** — We have, what you might call, a garnishee on his production and he is required, according to his agreement, to pay us certain payments at certain periods of time. We don't have any arrangement whereby he would have to give so much of every cheque. We don't have that kind of arrangement.

**MR. WIPF:** — Mr. Chairman, Mr. Minister. In the Dairy Producers Loan or whatever you call it, to help the dairy farmer, is there an opportunity if a young fellow who is born and raised on a dairy farm, and his father owns a dairy farm and wants to start up. Can the young fellow start up, a new man start up with a loan or does his father have to back the loan for him?

**MR. KAEDING:** — Well, in any case where a FarmStart loan is given, there has to be some security, and if he does not have the security then of course his father can co-sign it for him.

**MR. WIPF:** — You don't take the equipment and the land and barns and cattle you are going to buy and use that as security. He has got to have other security also?

**MR. KAEDING:** — No, we would take security on this land and equipment. We wouldn't take security, I don't think on any other chattels except those which we are involved in. If we, for instance, provide him with a baler or a silage cutter or something like that, then we would have a claim on that item. But we wouldn't go and claim against his tractor.

**MR. WIPF:** — Is the policy of the department then to reduce FarmStart loans to young farmers starting up? Even if their father has a dairy farm, is it a policy of your department to refuse loans to these people and tell him, you know, to go to their father and get him to back him at a bank or something?

**MR. KAEDING:** — No, I think not. The person asking for the loan would have to identify that he is going to establish himself. He couldn't get a loan and then put it into his father's operation. But if he was legitimately asking for a loan for himself, he would qualify providing he meets the criteria which is in the program.

**MR. WIPF:** — Well, would his criteria be different being a farm boy born and raised on a dairy farm and say working there for 10 years? Would his criteria be different to get a loan than the guy coming out of the city to get a loan to start a dairy farm?

**MR. KAEDING:** — No, I think the criteria would not be different but because he would be able to show a better chance to success, his odds of getting a loan would be much better. But someone coming off the street would have a hard time convincing the FarmStart administration that he should get a loan, because he would want to know that he has a reasonable chance of success.

**MR. BIRKBECK:** — Mr. Chairman, items 10 and 11 if I might just speak on them both simultaneously. In item 10 we see a grant to FarmStart for providing grants under the Agricultural Incentives Act, and No. 11 says a grant to FarmStart for operating a cash advance to the Cattle Producers Program under the Agricultural Incentives Act . . . (inaudible interjection) . . .

**MR. BIRKBECK:** — Well, why would it not be paid under Agricultural Incentives? You seem to have a double provision there in those two items.

**MR. KAEDING:** — They are two different . . .

**MR. BIRKBECK:** — Yes they are two different subvotes because one is the regular cash grant loan and grant program which many people have undertaken, the other one is the program under which we provided cash advances for cow-calf producers, and that is a separate program, under a separate authority . . . (inaudible interjection) . . . Then I take it, Mr. Chairman, Mr. Minister, that the funds were not available under the Agricultural Incentives Act, to provide the funding for the cattle producers program?

**MR. KAEDING:** — Well, they are both under the Agricultural Incentives Act but they are under different subvotes. That is the only difference.

**MR. WIPF:** — Just one question. Mr. Minister, last year's budget is the same as this year's in your money appropriation year. Did they not use the amount of money that was budgeted last year, or why are the two figures the same, for the last year and this year?

**MR. KAEDING:** — Yes, that is the anticipated amount we would have to pay under the grant program, that is, that subvote is strictly for grants under the grant loan program and we anticipate the same level of activity.

**MR. WIPF:** — Last year then on your grant program, did you spend that \$2,223,750 or did you not spend it?

**MR. KAEDING:** — No, I think we did not spend that amount of money. We just budget for the maximum of what we think we should or will be spending. We hardly ever spend as many dollars as we have in that grant program. Last year we didn't have nearly as many approvals as we would have expected because of the downturn in the beef industry. There was a very low demand from the beef industry or the beef area. And, so, we approved something like 300 to 400 loans last year as opposed to an expected 759 to 800. Our grant level would be less.

**MR. WIPF:** — At what dollar value, Mr. Minister?

**MR. KAEDING:** — For last year? It was \$1,200,000.

**MR. WIPF:** — On item 10, Mr. Minister. Does that mean you carried over \$1,000,000 and that this \$2,223,000 that you have showing for this year is actually \$3,000,000 or did you only budget \$1,000,000 in to it this year?

**MR. KAEDING:** — No. Any surplus funds are returned to the Consolidated Fund at the end of the year and we have to budget for a new amount.

Item 10 agreed.

## ITEM 11

**MR. BIRKBECK:** — Mr. Minister, what percentage of the funds allotted for '77-78 have been retained at this point?

**MR. KAEDING:** — On the grant program?

**MR. BIRKBECK:** — Yes.

**MR. KAEDING:** — I just replied to that, \$1.2 million.

**MR. BIRKBECK:** — We are Item 11 and my question was, what percentage has been repaid? It is an advance so you know it has to be repaid.

**MR. KAEDING:** — On the cash advance program there is, out of the maximum amount of \$49,658,000, the amount outstanding at the present time is \$41,000,000 and you will recall that the requirement there was to pay back \$10 out of the \$75. On the basis of that \$10 payout, 74 per cent of the people who were asked to pay back \$10 paid it back. 22 per cent deferred and 5.4 per cent paid the entire \$75.

**MR. KATZMAN:** — Is this amount in 679 — what is the purpose of that? Is it administration costs or is it partly to cover the interest you do not receive?

**MR. KAEDING:** — That item is for administration, loan losses and interest subsidies.

**MR. KATZMAN:** — Do you know what the interest subsidy is presently? If I remember correctly it was 6 . . . what is it costing you?

**MR. KAEDING:** — The interest subsidy is approximately \$3.3 million budgeted.

**MR. WIPF:** — Mr. Chairman, Mr. Minister, one question here. You have cut back a half a million dollars in the agriculture item. What is the reason for the cutback here? Is it that you do not expect to make as many cash advances this year or what is the reason?

**MR. KAEDING:** — No, it is the interest subsidy that would be reduced because there are less funds out as I indicated. There were only \$41 million as compared to \$49 million.

Item 11 agreed.

## ITEM 12

**MR. KATZMAN:** — I think this is the \$6,000 advance area. Am I correct? O.K., how many of these are presently outstanding? If I remember, the program was cancelled in about 1973 or 1974 and they were in 1973, is this the last year or was it 1974 and there is one more year after?

**MR. KAEDING:** — Well, they were seven-year loans and the last loans were made in 1974 so they would not run out until 1981. This budgetary item calls for a certain amount — \$175,000 for interest rebates and \$75,000 for losses. And there are quite a few losses on those loans.

**MR. KATZMAN:** — The interest, you said, is \$175,000 under this. How much money is

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outstanding now at its peak in 1974? What was the amount out?

**MR. KAEDING:** — To 5,679 farmers, the amount outstanding is \$9,356,628.

**MR. KATZMAN:** — You indicated that the loss is starting to get little heavier now than it was earlier. I assume what is happening here is that you are unable to collect under some of these grants because of the tough conditions some livestock producers got into and they have not paid you. You say that \$75,000 is for write-offs this year? Is that correct?

**MR. KAEDING:** — Yes, that is correct. You understand that this is not money out owing to us. This is money owing to the banks.

**MR. KATZMAN:** — Yes, I realize that.

**MR. KAEDING:** — We simply pay losses after the bank has made every effort to collect.

**MR. KATZMAN:** — What is the interest difference that you are paying presently? For example, the farmer pays a certain interest, do you pay everything above it?

**MR. KAEDING:** — Right at the present time there is no longer any interest subsidy. The interest subsidy only was there for three years and after that they went on to the regular rate. So there is no interest subsidy in terms of today's cost but some of this \$175,000, you see, they do not apply for it until after they have earned it. So we still have some who will be applying for the old interest subsidy. Some of them will just be over the three year period.

**MR. KATZMAN:** — So this vote, the only thing we will see next year will be losses you expect to incur. Is that correct?

**MR. KAEDING:** — Well, there could be some people who are late in applying for rebates, as long as they entitled to the rebates, they may have forgotten or may be a year late in applying. As long as they are entitled to rebate maybe when they pay off their final loan they may suddenly realize that they had a rebate coming which they did not apply for and they would then be able to apply for the rebate.

**MR. KATZMAN:** — So you have rebates coming in until 1981, from what you are saying. Is that correct?

**MR. KAEDING:** — It is possible that we could have.

**MR. KATZMAN:** — So you will, therefore, have to budget until then?

**MR. KAEDING:** — Yes, we would have to budget on an anticipated amount.

**MR. BIRKBECK:** — Mr. Chairman, Mr. Minister, what were your reasons for introducing a government guaranteed livestock loan?

**MR. KAEDING:** — We did not introduce that one. That was done by the previous government. The purpose at that time was to try to encourage more livestock production and I think it accomplished that.

**MR. BIRKBECK:** — Mr. Chairman, Mr. Minister, the point I want to make under this

subvote is part of what I have been trying to describe to you, Mr. Minister, and I really don't think that we are that far apart. I really feel that you do agree. The only thing is, you are not doing anything about it. We see a government take a position where it is going to encourage livestock production so it is going to get guaranteed livestock loans and get people buying brood stock. Then what happens is they take advantage of that program, some possibly that really didn't need to but, well, the money was there and the interest was at a good rate and well, we will go into it. Now they have done this in every area in agriculture. This happened in hogs as well as it happened in cattle. Further down the road, all of a sudden now there is surplus of calves, a depressed market resulting. So you've got the taxpayers risking their money to get the agricultural industry going into livestock and then their money was risked again when it created a surplus and you had to assist the farmers in tiding themselves over by coming up with these cash advances for calves. The farmers took the cash advances of course, (they would take anything they could get at the time) then a year down the road you know, they were supposed to pay back the loan but by that time the calves still weren't worth any more than when the grant was made for them and you know that, so that was the reason your government having to say, well, you only have to pay back \$10 or \$15 and we will waive the rest. Those of you who can financially afford to pay back the whole amount, well, fine, we'll take that. As you have already said, that was a very small percentage.

Now, you know that is all taxpayers' dollars and that it is all short-term policies, policies which don't really solve any problems on a long-range basis. They only . . . they are band-aid programs, there is no question about it. You introduce a program and for every good that it may seem to do at the time, it creates further problems down the road.

Do you not agree that this has been the course of action on your programs? Not just your government, but previous government and I'm not naming any one political party. They are all guilty of it. They've got short-term policies and I think we are seeing right here tonight that they are not effective on a long-range basis and that is what we are going to have to have.

**MR. KAEDING:** — I don't think that I would agree with that because I think there is a need on the part of government to give some assistance to young farmers wanting to go into an industry. I don't really agree that we have had over-production in the beef industry in Saskatchewan. I don't think it matters a tinker's dam whether we had a million cows or whether we had 900,000 in terms of the world market and that is really what created our problem. So I don't think that we can really be critical of the fact that people were encouraged to go into livestock; in fact, one of my concerns now is that too many people are going out and I would like to see some way that we could change that.

I don't think that the numbers of dollars that we are looking at here in terms of losses considering the size of the program that it was and considering the size of the program that FarmStart is, I think that the numbers of losses that we have here are very reasonable, in fact are the losses that most financial institutions would be very happy with, if they could stay within that range. So I don't really believe that we should accept any criticism for the fact that there are some losses. There always will be losses when you loan money.

**MR. BIRKBECK:** — Mr. Chairman, you know it is so very difficult, Mr. Minister, to discuss these. I don't care whether we discuss them under item 1 or subvote or whatever. There doesn't seem to be any way to get some way of agreeing with you on anything. I don't know whether that is just because you are stubborn or what it is, but, Mr. Minister, you

know right well that in particular in the hog industry if you like we'll take three days and we'll travel together and I'll show you empty hog barns in the province of Saskatchewan that were funded by the province of Saskatchewan grants or loans or assistance or whatever under one of your multiprograms. Now that's a fact. That's what I'm suggesting is wrong. You get them going into livestock, you say, it's looking good, fellows, let's go, you get them in and then bang, she goes the other way. You are part and parcel of causing some of those problems down the line. By not being able to know what the future is you're only guessing, you're only going to say, well here we are, there's money available and you should thank us for making it available to you. Sure they are going to take it but because of that it is creating problems for themselves indirectly, down the line. I don't know why you can't agree with that. I'm not disagreeing that we should assist them when they need assistance, definitely we should. We are asking you now as we have on this side of the House for assistance in fuel and high fuel costs.

Now there is no argument there but if we could just come to some kind of an agreement, that in some areas, yes, that maybe our advice has been wrong in what the long-term projections are going to be, rather in the markets that are going to be available to the various commodities, whether it is livestock or grain or whatever it is. I think that before we go into any of these programs that we have to look that far down to know what it is going to do the industry and that is all I'm really suggesting. I'm just asking if you can't agree to that, if you can't see that yes, that is happening in some areas, and we should take a closer look at what the long-range market is going to be.

**MR. KAEDING:** — Again you point out a fundamental problem because really the reason this is happening is because of the very erratic markets that we have had, it hasn't been because we have been producing too many hogs or too many cattle, I'm sure right now we could handle another half million hogs and it wouldn't hurt out market a bit; and yet if we were to encourage somebody to go into hogs at today's high prices, somebody would certainly criticize us for putting incentive when already there is a price incentive there. So, I don't know what he is suggesting. I think he is suggesting that we should be helping people now when there is a need to get into the industry. Well, if we help them now, then three or four years from now you would argue that we have too much production, we should have known we were going to get too much production. Well, I don't think you can do that, what we need to do is get a more stabilized market. We need to get a little more stability into the marketing of our products and we have tried to do that with some stabilization programs. There are other industries of course that have gone the orderly marketing route and the management route and have provided themselves some guarantee of level of production and those are the only two mechanism that I know of that give you a stabilized market and it seems to be we are trying both of those at the present time. Some people, of course, are objecting to supply management, so we don't have that in the cattle industry. I am not suggesting that might be a total answer; it might certainly go a long way to help us even out some of our production cycles.

**MR. KATZMAN:** — I would just like to make one comment under No. 12. It seems like I might be taking a shot at the former government, not the present government. Under this particular plan, as one who has sat in the auction marts and watched the buying, I think it had some excellent points and some bad points. One of the bad points was it seems to be that a lot of cull female stock was kept around the province. Therefore, we had calves from maybe two, three years giving us problems. Did the department find that was a problem when they went collecting, that those were some of the reasons for the defaults, some of the poor quality stock that ended up being kept for breeding



because of the payment system?

**MR. KAEDING:** – I just haven't been able to hear what you are saying, you are not talking into the mike.

**MR. KATZMAN:** — What I am asking to put in a nutshell as one who was at the stockyards and livestock mart buying cattle during this period of time when this was around, I think there were some good benefits of the program. One of the bad benefits that continued for the first couple of years following the program was the amount of culls that should have gone to slaughter or put back to reproduce. Is that why some of your losses are occurring?

**MR. KAEDING:** – It would be pretty difficult for us to identify but I am sure that you are right. I have seen that happen myself that a lot of cattle went back onto farms that should have never gone back.

Items 12 agreed.

### ITEM 13

**MR. KATZMAN:** — Are these the Ag Reps?

**MR. KAEDING:** – Yes, they are included in the subvote.

**MR. KATZMAN:** — Is there any consideration, for example, I will give you the problem in a nutshell. Where I live the Saskatoon Ag Rep office is on a direct phone exchange with me but I want to phone my Ag Rep I have to phone long distance. This is the complaint that we have in the area that I live in. Is there any consideration given to allow the Ag Reps to accept collect calls when people are phoning?

**MR. KAEDING:** – I don't think so. It would be pretty difficult to control that. You could run up some awful bills, you allowed them to accept collect calls.

**MR. KATZMAN:** — My question is then, why is it when there is a phone exchange set up, for example, in Saskatoon there is an Ag Rep office at the university, yet everybody north of Saskatoon must go to Rosthern for any assistance they want, yet they are on a direct line to the university. They have to go the long distance route. The university says, sorry, you are not in our area. You have to go to Rosthern, I'm wondering if there is any way we can correct that internally somehow.

**MR. KAEDING:** – It is pretty difficult to be able to set up ag rep districts so everybody is on the line they want to be on, but I do want to point out that there is nothing to save you from phoning an ag rep even if he – if he's in Saskatoon and he wants to have some information, he phones the ag rep in Saskatoon, even if that doesn't happen to be his ag rep. He can do that, there is certainly no restriction on that. If he is looking for program, some program delivered, then he may have to go to his own ag rep, but even there, I think if it were close in that he would be handled by the local ag rep.

**MR. KATZMAN:** — That's the exact point. They are being refused by the local ag rep at times rather than being accepted because it is five miles to the university and it is 40 miles out to Rosthern. They are being told, "sorry, you have to go to Rosthern, I can't help you." Could you give some direction to your staff because of this problem occasionally, that they should bend to assist?

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**MR. KAEDING:** — Well, I think that in a lot of cases that could happen but there are some cases where under certain program deliveries, it has to be done within an ag rep region in order to have some control of financing and some control of program and so on. It is difficult — suppose he was making an application for FarmStart he would want to go to his ag rep. He should be dealing within his own region because the control is done in that fashion.

**MR. KATZMAN:** — Well, we had a 4-H Club, for example, in Saskatoon, south of Saskatoon and we were told that the ag rep that we worked through for 4-H was in Rosthern. Yet, there was an ag rep right in the city that we could go pick thing up from. Fortunately, Paul Saum was excellent for 4-H and would always assist, but what I am saying is that for applications and things, we were needing assistance for farm grazing land or cultivated land that is coming up, the bulletins are in Rosthern they are not in the university area. That is my concern. If there is some way to duplicate it in this one case where the boundaries are so close.

**MR. KAEDING:** — Yes, again I want to stress that. If it is an information type of program, those kinds of things it is quite easy for them to overlap. But when you have the heavier kinds of programs and there is a workload, each office has an estimated workload and if people are going to start flooding into that office from another ag rep district then of course the workload would become too heavy and you would have to change your structure. We try to have it as close to what is satisfactory for the local public as we can but you can't always accomplish that.

**MR. BIRKBECK:** — Mr. Chairman, Mr. Minister, what is the average cost of the long distance telephone calls from the agricultural offices that you have in the province?

**MR. KAEDING:** — From the ag reps' offices? Gosh, I don't think we would have that information here. No, we wouldn't have that broken down here.

**MR. BIRKBECK:** — O.K. then Mr. Chairman, Mr. Minister, would you mind putting that information together, please, and sending it across at a later time in some other estimates, or whatever, at your convenience?

Another question, Mr. Minister, with regard to our agricultural offices. Do they make representation to you, as Minister of Agriculture, what they feel about the programs that they are being required to implement?

**MR. KAEDING:** — Every year, or in fact, whenever it is possible for me, I attempt to meet with the ag reps in the regional offices and in the part of the minister's tours which I conduct, I will spend a morning, probably an hour or two, with the staff to try to discuss with them any difficulties that they may be encountering and so on. There are, of course, always meetings between the ag rep staff and the director in which they can identify any problems they have in the field. These are ongoing kinds of meetings so there is plenty of opportunity for ag reps to express their problems and difficulties to the director.

**MR. BIRKBECK:** — I don't personally feel that there is a great enough opportunity for the ag reps in the province to make representation to you as Minister of Agriculture.

What happens if an ag rep in a particular area does not agree at all with a program which he is having to implement on behalf of the farmers in his area? What happens if

he writes you a letter, as a Minister of Agriculture and says that on the basis of the implementation as his local office that he is finding the program to be totally ineffective and he disagrees with it wholeheartedly? Now what is doing to happen in a case like that? Does he lose his job or what? Does he get transferred to some other department that he can agree with, or what happens?

**MR. KAEDING:** — Well, there are lines of communication in the ag rep services as there are in every other function of government. His normal line of communication would be through his director. If he felt that here was a program which we had in place which was causing a lot of difficulty in his area, he would contact his director and try to resolve the problem. If it was a matter of policy and we had an administrative policy and he simply could not live with that policy, I suppose he has got an alternative to move on to another job. That is always open to anyone and certainly it would not be possible nor reasonable for us to have an ag rep out in the country who would be opposing government programs. His job as a civil servant is to carry out government programs. If he doesn't feel he can do that, then of course he will have to find himself a different position because certainly we are not going to fire him because he does not like a program but if he goes out there and works against it, then we could not accept that. Certainly, you would not allow that in any kind of controlled structure.

**MR. BIRKBECK:** — Mr. Chairman, Mr. Minister, I am not suggesting that the local ag rep would work against you. Surely he would be like a mechanic that was putting on Michelin tires, for example. Maybe he personally did not like the Michelin tires but he is being paid to put them on. He is not going to quit his job because he does not like putting them on, necessarily. He may, if that is his own personal decision. What I am saying to you is that I would like to see that whole process work in reverse and I say this with good basis. My conversations with ag reps throughout the province, in the various regions that I have happened to drop into, have been such that they are not very easy to criticize in any way government policy. They always say, well I guess I should not comment on that because they are employed by the government these are the policies of the government and the programs that they are having to implement.

I would like to see a reversal of that and I would like you to initiate that again. This is provincial; this has not got anything to do with federal politics. I would like to see where you could possibly arrange to have all of your ag reps meet once a year. I don't care where, maybe you could move your meetings around; you could have one in Yorkton, Regina, Saskatoon, some of the major centres. Now I don't know whether this would be an expensive proposition but I think that whatever the cost may be, it would be offset by the reward that could be achieved in terms of representation of the local farmers through their ag rep to you. Now if they felt free to criticize you, as Minister of Agriculture, on your department's program at any point and to work with you on that basis through constructive criticism, to make the programs more effective as they were able to see them from the local level, from the grassroots, rather than as you and the civil servants see it — from the top down. Now that is the way it is working right now and I have been critical in part of that centralized administration. That is what I am suggesting to you. Do you not agree that it might be a working solution for getting a good feedback from the farmers right throughout the province on any topic and subject in agriculture? Furthermore, that could work in part with your tours around the province and I think it would be very effective. Do you not think that would be a good idea, Mr. Minister?

**MR. KAEDING:** — Mr. Chairman, the member for Moosomin, as usual, is way behind the times. We have already been undertaking that kind of activity for a long time. Our ag reps meet on a very regular basis. They have regular communication with the Director of Extension, and they meet on various occasions with him. They also meet in the regional offices; there are six regional offices as you know, and there are regular meetings of the ag reps in that area to discuss government programs. They do have an opportunity there and do dissect government programs and try to feed back to us what problems might be in the field. That is then brought back through the director and it comes from the director through to me. We also have a structure in the country and you should know this; we have agriculture district boards in the county which are set up by the ag reps, and then we have regional boards which are set up. The agricultural district boards meet in regions and they identify problems in regions and I get many, many letters from regional boards recommending this and that. They have different resolutions which are sent in to us and at those regional meetings, the ag reps are always available there. In fact, in my regular ministerial tours across the province, I make an attempt each year to meet with those regional boards. We spend a whole afternoon discussing topics which they may find of interest or something which they want to put forward to us. So they have all kinds of mechanisms to put forward the kinds of complaints or proposals that they want to do, and I would suggest that there isn't any better way than we have now set up. The only problem is that I don't have enough time to get around to visit them all.

**MR. BIRKBECK:** — Mr. Minister, you could have said all that without suggesting that I was far behind the time. I was only trying to be constructive and suggest to you how your ag reps might better communicate with you on a more effective basis. You seem to feel that the basis by which you are communicating with your ag reps is quite satisfactory. If that is what you feel, well then, that is what I will accept. I just want to know what your views were on that. If I am behind the times, well that is fine and dandy but at least I've got your views on it and I thank you for them, Mr. Minister.

**MR. KATZMAN:** — While I have the opportunity, I realize I was making some criticism of the ag reps. Let me, here at this time, say that our local ag rep that is in our area is an excellent gentleman and is very considerate and does a lot of work for people that I know his job doesn't require him and I think he deserves a compliment and this is my place I thought to do it

**MR. J. WIEBE (Morse):** — Over the past number of years, 4-H regional councils throughout the province of Saskatchewan have been having quite a difficult time. I think the value of 4-H in educating and providing leadership for future farmers in the province is an excellent one. I just want to say that over the past number of years, I believe representations made by regional 4-H councils, 4-H members individually, to members within our caucus and to yourself, to understand the needs that they do have and the potential which they do have, and I would just like to say tonight that on behalf of our caucus and the 4-H movement in the province, I think your government should be congratulated for the 50 per cent increase in grants which are going to be made available to 4-H regional councils in the coming year. While I still think that 50 per cent increase is not enough, it is a good step in the right direction, and I am sure the 4-H regional councils throughout the province are going to appreciate your interest in the work which they are doing.

**MR. WIPF:** — Mr. Chairman, Mr. Speaker, one short question. I see an increase of 50 per cent to the 4-H councils in Saskatchewan. Is that an indication of the growth in the

4-H movement in Saskatchewan?

**MR. KAEDING:** – No, that is simply an increase in the regional grants.

Item 13 agreed.

#### **ITEM 14**

**MR. E.A. BERNTSON (Souris-Cannington):** – Mr. Chairman, I understand the Family Farm Improvement Branch provides in reduced costs thing such as water systems, sewer systems, this sort of thing to rural Saskatchewan. How many such outlets are there?

**MR. KAEDING:** – You mean in terms of warehouses? Just one.

**MR. BERNTSON:** – How many people staff it?

**MR. KAEDING:** – Twenty-eight people. That includes all the staff people in the advance account.

**MR. BERNTSON:** – What sort of dollar volume of material goes through the warehouse a year?

**MR. KAEDING:** – Last year, 77-78, \$462,000.

**MR. BERNTSON:** – O.K., it's not enough. A couple of years ago and maybe even last year, Family Farm Improvement Branch administered the livestock relocation program. Is that policy still in existence?

**MR. KAEDING:** – Yes, there are two policies in effect. One is for the Qu'Appelle Valley and one for the rest of Saskatchewan.

**MR. BERNTSON:** – How much was budgeted for the program last year, not the Qu'Appelle Valley but the rest of Saskatchewan? How much is budgeted this year?

**MR. KAEDING:** – That comes in item 16.

**MR. KATZMAN:** — The Family Farm Improvement, does this at all cover – if I understand correctly, a qualified farmer can borrow . . . it used to be \$15,000 and now I believe the maximum is \$50,000 under Family Farm Improvement? Is it a different vote?

**MR. KAEDING:** – That's a federal program you are talking about. This is simply a sewer and water program.

**MR. KATZMAN:** — They are not related in other words?

**MR. KAEDING:** – No.

**MR. KATZMAN:** — Is this the group that does the planning for the feedlot and all the in stuff we see Mexibition.

**MR. KAEDING:** – Yes, that's the proper department.

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Item 14 agreed.

## **ITEM 15**

**MR. KATZMAN:** — How many years has an individual got to claim on this from the time you do the work until the time you can claim the rebate that comes back?

**MR. KAEDING:** — There is no limit to the amount of time that can lag in between but the maximum grant he can get is \$300.

Item 15 agreed.

## **ITEM 16**

**MR. BERNTSON:** — How many dollars were budgeted for, other than the Qu'Appelle Valley, last year and this year?

**MR. KAEDING:** — I am advised it is not budgeted separately.

**MR. BERNTSON:** — Can you tell me how much was spent last year in other than the Qu'Appelle Valley?

**MR. KAEDING:** — There is only a figure of 9.300 and some dollars paid out on that subvote last year.

**MR. BERNTSON:** — Did you say \$9,000.

**MR. KAEDING:** — Right.

**MR. BERNTSON:** — Out of a total of \$195,000 you only spent \$9,000? That's terrific. Have we no more polluters?

**MR. KAEDING:** — We don't have any claims.

**MR. BERNTSON:** — If that be the case why are we budgeting \$95,000 this year? Are you anticipating more polluters this year?

**MR. KAEDING:** — No, we had \$195,000 in the year before and we didn't use that so we went down to \$95,000 and we think there should be some claims but nobody is putting them in.

Item 16 agreed.

## **ITEM 17**

**MR. KATZMAN:** — How many, and where?

**MR. KAEDING:** — Two which have indicated interest. One is at Foam Lake and the other one is at Ituna but neither one of these are certain at the present time.

**MR. KATZMAN:** — Last year I understand you had two of them also. Is that correct? How many funds do you expect this \$420,000 will cover, just two again or do you expect it

will cover three?

**MR. KAEDING:** – No, the maximum grant is \$210,000 and we budgeted here for two. The policy states that anyone wishing to come under this program has to identify themselves the year before at the end of July so that we would be able to budget for them.

**MR. KATZMAN:** — Is there any consideration on assisting with a grant to privately owned seed cleaning plants that re servicing an area? When this program was first announced you said it was only for co-ops that served a certain sized area. I asked at that time, would you be considering at a later date maybe allowing for, where three or four individuals build a plant, a small grant and you said you would take that under consideration down the road. So I am asking the question again.

**MR. KAEDING:** – No, we have looked at the prospect of having private people come under the program but the difficulty you have with that is that there is no guarantee of continuity to a private operator. He may take a grant this year and then next year he will pull out of the business, or he may sell his business. Under municipally operated, most of these are operated municipally, this kind of a program, there is a guarantee that they are going to be there for 10, 20, or 30 years and your grant will not be eaten up and simply lost.

**MR. KATZMAN:** — Would there be any consideration because of that, which you just suggested for a small grant for each year as it goes on? In other words, if they are there 10 years they would get a small grant each year, which may after 20 years equal the same type of grant system, because they are serving the need of the community and where you have one put up commercially, there is no room for a co-operative one. Let me go one step further, because a private one came up because they couldn't qualify for a co-operative one at the time, because all the money was allocated so some gentlemen got together and built their own, not as a co-operative, but as shareholders.

**MR. KAEDING:** – Well, we have some real difficulty there again, because as I say they can be shareholders and they can decide they want to go into an operation and then three or four years later they could decide to disband. It becomes rather difficult to put in large sums of money in terms of grants to that kind of a proposal.

There is also some real problem with the smaller plants because you can't really guarantee an kind of quality of job. Some guy may go along and get a grant to operate a small plant and may do a very inefficient job and yet we will have given him a grant. There is really no way that we can police that unless you are going to follow these plants around the country.

**MR. KATZMAN:** — On the same point then, how do you police a co-op grant? How do you police them if you couldn't police an individual? You have the same problem.

**MR. KAEDING:** – I was really talking about mobile plants in this case.

**MR. KATZMAN:** — I am talking about a built plant which has cost the same type of money as indicated for a co-operative, serving the same type of area, you are suggesting they will only last five years and pull out where the others will last 10 or 20. I am suggesting, fine, then give them a small bit for each year they last. If they are there for 10 or 15 years they will get the same kind of assistance.

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What has happened is that people are refused because the co-operatives only have so much money the first year that you announced the program, I believe, the Budget of 1976, that this was first announced, and so if they needed one they built. My concern is, they should get some kind of recognition. I don't know how you can do it and that is what I am asking.

**MR. KAEDING:** – Well, our staff has looked at this and we have determined that in terms of the kinds of dollars that we want to spend, and there are a lot of dollars here, there is close to \$500,000 in terms of its program, in order to serve the maximum number of people this is the best way to go. Our staff has worked around small programs they have looked at smaller operations and they don't seem to be viable in terms of the throughput you can get through them and the cost of the program.

We have looked at numbers of different sizes of plants which could be used. This one keeps coming back as the most reasonable sized to build and get us the maximum amount of cleaning of the dollars that we put into the program.

**MR. KATZMAN:** — Let me suggest, and I referring to one within my constituency, which I understand meets and surpasses some of the qualifications required for a co-op, the ones that you are assisting.

What is annoying me, to no end here is, you are saying to these individuals who put their own money to give a service to their community and the people because there was none available, that they are to be penalized. I am saying that it is only fair and just that you should give some assistance and give it in retrospect, because you are saying a co-operative we know will be there, and so forth and so on. Fine, I will buy that argument. You are saying the private person won't be there. Well, I disagree, I say, fine, then pay him in retrospect after he has been given some assistance, therefore, he knows he can lower his prices to the individuals in the community, which will also help everybody.

**MR. BERNTSON:** – Mr. Chairman, there have been several studies made particularly in Alberta as it relates to seed cleaning plants and I think the general consensus is that there is a requirement in the grain belt for a plant in about every 50-mile radius. The 200 bushel per hour plant costs about \$600,000 to set up. If there is any processing in the plant at all such as a roller mill to get rid of the screenings to the local feed lots, etc., the federal government will forgive the federal sales tax on the capital costs of the plant. Would you take a request to your cabinet that it would be a considerable saving to the co-ops and other groups setting up feed cleaning plants to forgive the provincial sales tax on similar capital expenditures?

**MR. KAEDING:** – We are not aware of any program which the federal government has where they discount any sales tax on any of those kinds of equipment but we would be interested in looking into that proposition and if it is possible we certainly want to take advantage of it.

**MR. WIEBE:** – Mr. Chairman, just a couple of questions. It is my understanding that the authority to set up a seed cleaning plant qualified for the grant that it was strictly to be formed under The Co-ops Act. You mentioned a bit earlier that there should be some municipal involvement in it. Are you saying that, besides being set up as a co-op, local government must be involved as well in part ownership of it or is it just strictly a co-operative by farmers?



**MR. KAEDING:** – Usually the way it works is that the municipalities start the ball rolling. The municipalities do not have any shares as such in the plan. It is private shareholders. In some cases we have, through the Department of Co-ops, in order to get them rolling, taken some shares in it just to get the financing underway. As they get more members they buy back those shares.

**MR. WIEBE:** – O.K., that answers that portion of my question.

I have been approached by some of my constituents for information in regard to such a plant. I am just wondering, does your department have designs, plans, cost estimates or feasibility studies on such a thing; how many bushels are required to make the thing economical, and this sort of thing? If so, I am just wondering if you could provide me with a feasibility study on that so that I could go back to them with something that was fairly concrete.

**MR. KAEDING:** – We can give you that information very quickly. We can give you a copy of the policy, if you do not have one. The policy outlines a lot of that and as far as costs are concerned our department in the Family Farm Improvement Branch could give you all the cost estimates and everything like that – how you set it up and all of that. In fact, if you could get a meeting, we would be quite happy to send someone out there to explain the whole thing to them.

**MR. WIEBE:** – Well what they are after is some kind of rough idea of what they are looking at. If you could provide me with some of that information I could take it to them and if they then feel from that information that they would like to pursue it further I think a meeting would be the best way to approach it. There is no rush for it but any time that you can make it available I would appreciate receiving it.

Item 17 agreed.

Items 18, 19, 20 agreed.

## **ITEM 21**

**MR. WIPF:** – Just one simple question here, Mr. Chairman, Mr. Minister. There is equal money for this again from last year What is the reason and what is The Saskatchewan Agriculture Return Stabilization Act?

**MR. KAEDING:** – Well, this money is there to provide for payments of the government payment into the SHARP Fund. When the price goes above the cost production level, then there is the levy made to the producer and the department also pays a share of that and that goes into a fund which is then available for losses at times when we get below the cost of production.

Item 21 agreed.

Item 22 agreed.

## **ITEM 23**

**MR. KATZMAN:** — Is this the vote that covers the veterinarians that work in meat plants which are not federal standard but provincial standard?

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**MR. KAEDING:** — Yes, the inspectors in those plants are federal inspectors but we pay them out of this subvote.

**MR. KATZMAN:** — How many plants?

**MR. KAEDING:** — I think it's eight plants.

**MR. KATZMAN:** — I realize you have increased the charges to these people in the last year again. Is there any movement in this area to try and convince them all to go on federal standards or on to the standard where they are just inspected by the health region and I mean once in awhile, not every day when they are killing?

**MR. KAEDING:** — We have an arrangement with the Federal Health for Animals for a standard in the small plants which is not quite as rigid as those in the big federal inspected plants but quite adequate and we have that agreement with the federal government.

**MR. KATZMAN:** — Well, my concern is that in some areas in the province we are seeing meat sold over the counter that is not inspected by a veterinarian at all but is inspected by a health officer who may come down once or twice a month, not always when they are killing the animal and the liver and everything isn't inspected. That's my concern.

**MR. KAEDING:** — Yes, in the case of a small area and not in the city where they have local by-laws which deal with this, they are able to sell to the trade without having it inspected but of course then they can't show it as inspected meat. It has to go out as uninspected meat.

**MR. KATZMAN:** — Is there any concern in your department that that type of meat should be identified when it is being sold retail, rather than when you go into a butcher market, you don't know once it's cut whether it's red, blue or so forth. There was a motion passed in the House earlier re the packaging of beef and the indications. Is your department showing any concern where beef is being sold and it's not inspected? Really, that what we are talking about, the retail sale of meat that has never been inspected.

**MR. KAEDING:** — Again, it becomes a question of cost and inconvenience to a small local operator and if you were to force him to go to a meat inspection program it could become fairly costly to him and it could also become very inconvenient to him because he may have meat to deliver and he can't do it until an inspector comes around. You couldn't expect an inspector to stand around waiting for him to kill three or four or five head. So it's a little difficult to enforce a real inspect program in those cases but if a town identified that they wish to have inspection then they could say so in a by-law and they could require that.

**MR. KATZMAN:** — Well, my question is, and I'll put it simpler to you, does your department have no concern over meat being sold presently that is not inspected, or do you have a concern that maybe the store would indicate that they are not selling inspected meat? It's a simple question.

**MR. KAEDING:** — Well, I suppose we have a concern all right but the question is, how do you correct that problem without a lot of inconvenience and expense to the people

involved? If people at the other end are prepared to pay five cents a pound more because they have to get an inspector in to do the inspections and so on, then I suppose that could be done but we haven't had any bad experiences up to this point in time and we feel that there are adequate safeguards being taken and it looks as though the program is going fairly well.

**MR. KATZMAN:** — Well, let's just backtrack in history and look at Montreal's problem, and all I'm saying is that we should indicate it. A \$5 sign on a meat cooler or something would indicate that this is not veterinary inspected. That is only my suggestion.

**MR. WIPF:** — Mr. Chairman, Mr. Minister, your other expenses are up here about 80 per cent and I understand that just in the last month or month and one half, your meat inspectors now, when they go to the small places are . . . whoever is having them out to do the inspection, do they have to pay the hourly rate of the inspector rather than the inspection rate that was set before? I believe it was just so much for the visit and now they must pay the hourly rate, is this right?

**MR. KAEDING:** — Yes, the federal government has decided that in their drive for more efficiency that they want to apply the full cost of the inspection service. We used to pay \$2.37 an hour for the serve and now are paying \$9.25. That cost has been passed on to us and we have to absorb that in some way.

**MR. WIPF:** — You say that you have to absorb it. Are you saying that the government under this raise and other expense is going to absorb this or is the meat processing plant itself going to absorb it?

**MR. KAEDING:** — There is cost sharing on that cost.

**MR. WIPF:** — I didn't get your answer, Mr. Minister.

**MR. KAEDING:** — It is partly cost shared with the plant.

Items 23, 24 agreed.

## ITEMS 25

(inaudible interjection.

**MR. KATZMAN:** — I understand they are looking for a funny man. You would fit the boat . . . (inaudible interjection) . . . That's right, you would fit it perfectly.

On the 325 are there any projects that this is earmarked for? For example, I understand that you work on a three year promotion. Are there any program that are basically . . .

**MR. KAEDING:** — There is a whole series of programs which are now earmarked under the Market Development Fund. In 1977-78 our payments were \$115,000 and there is probably an equal amount coming in this year.

Items 25, 26, 27 and 28 agreed.

**ITEM 29**

**MR. KATZMAN:** — How many investigations did you do last year?

**MR. KAEDING:** — There were 206 files opened last year under this program.

**MR. KATZMAN:** — How many did you have to rule on, that were problems or that ended up in a court?

**MR. KAEDING:** — There are none in the courts. There are 75 which are under investigation. Ten corporations were granted exemptions and a number of individuals were granted exemptions because they were coming in under the three year provision. All of these things are being checked out.

Item 29 agreed.

**ITEM 30**

**MR. WIEBE:** — I don't want to take up very much time in regard to this particular subvote, mainly because last year during estimates the minister and I were spending a considerable amount of time in regard to it. Basically the discussion was on policy. There is not much point in me going over again our policy and our position regarding the need for an adequate land drainage policy in the province of Saskatchewan.

I was rather disappointed that we did not see legislation introduced during this session of the Legislature to deal with that very question. I understand that your department is still looking at it. I would urge them to speed up the studies or whatever they are doing or whatever it is that is holding up legislation that would, you know, adequately deal with the problem because there is no doubt millions of acres of land, that is good arable land, now under water because we do not have an adequate land drainage policy in the province of Saskatchewan. I would hope that legislation is introduced to deal with that problem prior to the government coming up with a land use policy. I think time should be taken in regard to that particular policy. But I don't think we can afford the luxury of waiting that long for a policy from the government in regard to land drainage.

I was a bit concerned with a statement that the minister made a short while ago in regard to the fact that we do not have a land drainage policy, and he urged farmers throughout the province not to undertake private drainage between now and the time we do eventually see a policy brought forth to deal with the problem. It has always been my understanding that before anyone can drain sloughs or drain water off of his private land he must receive authority first through the Water Rights Board and so on. He went on in that statement to state that if private land is drained and legislation is introduced, the proposed water shed commission, which is what I understand they are looking at, may have the right to issue back orders to close ditches or have other work undertaken on those ditches. I was under the impression that once authority was received under water rights that that individual farmer had permanent access to that drainage ditch as long as he abided within the guidelines under which those water rights were issued. Now is that the policy or is there a possible threat of farmers having to close those ditches who have gone through the normal channels and been granted the proper authority to go ahead and construct those ditches?

**MR. KAEDING:** — No, anybody that has a permit under the Water Rights Act would not

be in any danger. What we are referring to here is people who are doing illegal drainage, people who are draining without any permission.

**MR. WIEBE:** – When is necessary legislation going to be brought down to deal with it? Can we expect it this session, which I think is unlikely? How about the fall session?

**MR. KAEDING:** – Well, we were very close to have some legislation ready but we have gone back to some of the organizations and they have some concern about some of the requirements under the legislation. We were talking about water shed commissions and they are not sure, they don't like the way we had proposed to set up the water shed commissions. There is some concern about appeal procedures. It is a very complicated process so we decided that rather than rush through the legislation we would give it another year to simmer with the groups and let them come up with a more concrete and more agreeable proposal and that's where it sits. It is a slow process but I think it is important that we do it right.

Items 30, 31, 32 and 33 agreed.

#### **ITEM 34**

**MR. KATZMAN:** — Is the demand for space in community pastures again going to have them all full this year, or are there space allotments left?

**MR. KAEDING:** – Yes, they are still full. There is still demand for more space than we have.

**MR. KATZMAN:** — Are there any proposals of possible new community pastures being studied or built?

**MR. KAEDING:** – Yes we are trying to in places where they want to organize into a community pasture we are trying to encourage them to go into a crop pasture rather than do it on a provincial basis.

Item 34 agreed.

Item 35 agreed.

### **VOTE 2 (Capital Expenditure)**

#### **ITEM 1**

**MR. KATZMAN:** — Are those the ones where private individuals who develop will get a grant from, or is that strictly for government ones? If a private individual develops an irrigation project, is this a grant towards them in this program or is this strictly for your irrigations projects?

**MR. KAEDING:** – Well these are small individual drainage projects which have been developed. Individual drainage projects, irrigation

**MR. KATZMAN:** — Does this include the type that has a pump in the river and then the big wheels running? Is there a cover under those? Is it a different area?

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**MR. KAEDING:** — No, this would be a small project, Spiral Creek project and Vidora, some of those small projects which are set up for hay productions.

Item 1 agreed.

Items 2 to 7 agreed.

### **SUPPLEMENTARY**

Item 1 agreed.

### **VOTE 46 (Loans, Advances and Investments)**

Items 1 and 2 agreed.

### **VOTE 47 (FarmStart)**

Item 1 agreed.

### **VOTE 50 (The Saskatchewan Land Bank Commission)**

Item 1 agreed.

**HON. R. ROMANOW (Attorney General):** — Mr. Chairman, I'm tempted to make some remarks about the length of the Agriculture Estimates this year and the length of all of the other departmental estimates up to Agriculture but I think I ought not to in the hopes that maybe we will see a little turn around in attitude here by the opposition. Hope springs eternal, Mr. Chairman. Perhaps I'll just make one comment but when Health Estimates were before the committee they surpassed any other previous length of time for consideration of Health Estimates even during the deterrent fee argument by over six hours. The same thing with respect to Agriculture, this is by far the longest of times. I suppose the opposition will say that's only an opposition doing its job and I say I would be awfully surprised if this opposition was able to carry out any tougher questioning of the department than any previous opposition. I just think this is a foot dragging primarily on the part of the PC Party for political purposes and political purposes only. That's really a bad taxpayers' thing.

The Committee reported progress.

### **COMMITTEE OF THE WHOLE**

### **BILL NO. 6 – An Act to amend The Saskatchewan Farm Ownership Act, 1974**

#### **Section 12: 14**

**MR. KAEDING:** — It simply adds, section 24 amended and subsection (d) (ii) it says: "The manner in which the size of the land holding shall be calculated for the purposes of the subsection 1 of section 8(A)" and it should also include "and section 11". That was left out of the original draft. It makes it similar to the previous act.

**MR. CHAIRMAN:** — An amendment presented by the hon. member to amend clause (d) of section 24 of the Act, is being enacted by section 14 of the printed bill, by adding after section 8(A) in the second line and third line, the sub-clause (ii) and section 11. Is

the amendment agreed?

Amendment agreed.

**MR. CHAIRMAN:** — There is an amendment to clause 12 and this is by the Hon. Mr. Kaeding. Section 12 of the printed bill. There is really no change in the total section except for section 1 and 2. The concern last day was with section 2, which said that:

The board may authorize any person to carry out investigations, generally, and it shall not be necessary for the Board to authorize each investigation.

And the concern was expressed from the opposition that that was too wide a power and that we should find some way to soften that and the proposal here is that we would strike out section 2 entirely, and section 1, which is not in the printed bill here but in the original bill, would say:

Where the board has reason to believe that a person has a landholding in contravention of this act, the board or a person authorized by the board, may conduct an investigation into the matter.

And that really requires that the investigator would have to go to the board in each case before an investigation could be made, and I think that answers the concern which the opposition had last day.

**MR. WIEBE:** — Then what this amendment does is what we had suggested is that the board grant authorizations first and then the individual goes out to conduct the investigation. We're in full agreement.

Section 12 as amended, agreed.

Section 16 agreed.

Motion agreed to and bill read a third time.

#### **BILL NO. 43 – An Act to amend the District Court Act**

Sections 1 to 7 agreed.

Motion agreed to and bill read a third time.

#### **BILL NO. 44 – An Act to amend the Married Women's Property Act**

##### **Section 1**

**MR. CAMERON:** — Well, Mr. Chairman, if you remember, we wanted to suggest that the name of the act be changed. It is currently known as The Married Women's Property Act and applies to both spouses equally. It is largely a matter of appearance although there is one small aspect of substance to it and that is that it is confusing to people to be named The Married Women's Property Act when it applies equally to both spouses; that is to say a husband is as equally entitled to apply under the act as what a woman is. That is the first point.

The second point is that women's organizations have been anxious to have the name

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changed to reflect what is actually the fact rather than to have it continue to be called The Married Women's Property Act Having said we want to do that, I want to move, seconded by Mr. Wiebe:

That Section 1 of the act be amended by deleting the words 'The Married Women's Property Act', and substituting therefore the words 'The Married Person's Property Act':

**MR. CHAIRMAN:** — Order! We have a motion moved by the member for Regina South (Mr. Cameron) that section 1 of the act be amended.

My thinking on this is that this would only amend the present bill. It would not amend the act. Therefore, I would have to ruled the motion out of order. It would just change the bill and it wouldn't amend the act, which this relates to. So my ruling is that it is out of order for that reason.

**MR. ROMANOW:** — Mr. Chairman, I will just tell the hon. member that I think he raises a fair point, a good point. I don't think we can do it on this particular bill, but ask the committee to approve the bill and I will undertake that at some appropriate convenient time; we will make some appropriate changes as suggested by the member opposite.

**MR. LANE (Qu'Ap):** – Do you agree to do it this session, Mr. Attorney General?

**MR. ROMANOW:** — Well, I can't say for sure. I will try and do it this session but I think we have about 17 more bills to come. I suppose another one wouldn't 'really hurt, so I will be prepared to look at it with a view to considering another bill.

Item 1 agreed.

Item 2 deleted.

Motion agreed to and bill read a third time.

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