

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**First Session — Nineteenth Legislature**

**April 30, 1979.**

**EVENING SESSION**

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

**HON. E.E. KAEDING (Minister of Agriculture):** — Mr. Chairman, I would like to introduce my staff who are with me. The acting deputy minister here is Jim Webster. Behind me is acting assistant deputy minister, Doug Grant. I'd like to introduce also, Mr. Phil Polischuk, farm resources division; Ken Johns, extension and rural affairs; Jon Jonsson, the new director of research and special projects. Jim Campbell is from the Crop Insurance Board and Gib Wesson from Land Bank Commission. Vic Beck is from the Land Industries Branch and Rick Knoll is the administrative officer.

**ITEM 1**

**MR. R. KATZMAN (Rosthern):** — Mr. Minister, the Department of Agriculture made one terrible error this year, in my opinion, above all of the numerous errors they made and that was the intervention into the 4-H program . . . (inaudible interjection) . . . We won't start all over again. Mr. Minister, your people, and I guess it is improper to name the two assistants of yours who were involved, have met with 4-H people numerous times. The end result, I understand (and I would ask for a copy of the written agreement) is a written agreement which states something along the lines that 4-H will continue to operate out of the University of Saskatchewan, Saskatoon campus, extension division. The extension division will continue to provide services in areas that are agreed upon.

Secondly, the 4-H people will still hire the people they wish and who are on the program. That is the final result, from my understanding of the situation.

Prior to that, on a Thursday I understand, there was a meeting and two of your officials, Mr. Ken Johns and Mr. Frank Miller were involved in that meeting. At that time it was suggested that you weren't going to back up at all from the position which you had which meant that 4-H had to move from Saskatoon to Regina, and that the Department of Agriculture would be responsible for the whole thing.

First of all I suggest to you, Mr. Minister, could you not just have granted them the funds that were required and which you had negotiated and leave the autonomy of the organization as you do granting to many other third parties.

I give you that first one on the 4-H. I suggest all three are budget and the bill that you have in the House.

You are indicating grants to third parties and I would like to know, first of all — and I will try to go through your estimates bit by bit rather than going along with long-winded and long rhetoric answers — could you give me a copy, or will you give me a copy of the new agreement between yourself, the Government of Saskatchewan and the 4-H? Will you consider the possibility of allowing the 4-H a straight grant third party in the future and therefore allow them to look independent as well as be independent from the Government of Saskatchewan? When I end that statement I also understand that the ag reps (agriculture representatives) continue to work with the 4-H council.

**MR. KAEDING:** — Mr. Chairman, first of all, I would like to indicate we are prepared to

give you a copy of the document. We don't have a copy here with us but we will provide you with a copy.

I am rather interested in the comments made by the hon. member because we had some lengthy discussions with regard to 4-H. We met with the 4-H council. The fact that we have the 4-H council in agriculture now is not of our own choosing. The fact the 4-H movement is now within our purview is because the University of Saskatchewan decided they were no longer going to continue the administration of 4-H funds. We, in discussion with the university and with the 4-H council, decided it was going to get moved into the Department of Agriculture because there had to be a source of funding.

In the discussions, of course, the 4-H council felt they would like to have had the entire money given to them and simply operate their own program. I don't know how well the member opposite knows the 4-H council. I know them fairly well. I also know many other people in the 4-H movement across the province of Saskatchewan and I know there are people in the province of Saskatchewan and in the regional offices who haven't even had contact with the Saskatchewan 4-H Council. They are not recognized across the province of Saskatchewan as the organization which they have confidence in.

Basically, the 4-H program has been run through the ag rep service and through the voluntary assistance of people in the community. We think that's going to continue. In fact we know it's going to continue as long as people opposite don't create a bunch of distrust amongst the people out there in the country. The 4-H movement is prepared to accept the operation as it now is with the administration coming from the Department of Agriculture. Except for those few dissidents who have been stirred up by someone, they are quite prepared to live with that program. Certainly the autonomy of the 4-H program has not been hurt. Certainly we are not intending in any way to interfere with the programming of 4-H. We are still putting the ag rep service at their disposal. We have in fact allocated a certain amount of time which we expect ag reps will put to the 4-H movement. We have agreed with the Saskatchewan 4-H Council that the office will be in Saskatoon. That was one of their requests and it was granted. They asked that we allow them to name their own supervisor. We agreed to that. We did, however, require that the administrative funding be done through our department. So we have some control of where the department dollars go. I think that's appropriate. I think it would be most inappropriate for us to suggest that we should simply give them one-third of a million dollars and that's the amount of money that's involved. One-third of a million dollars is roughly what they were asking to run their own program without us having any way of accounting for those funds.

I, as the Minister of Agriculture, would then stand here in front of you saying I gave one-third of a million dollars to the 4-H movement but I can't account for it because I don't have any way of accounting for it. I think that would not have been a very rational decision.

We have discussed with the 4-H movement at some length about how we can turn more of the administrative work over to them and provide them with more autonomy. They already have more autonomy than almost any other 4-H movement in Canada. We think that the agreement we have reached is the most economically good arrangement because we are using our staff out of our department to run the administration of the program. The cost is approximately \$90,000 less than if we had to fund them to run their own program outside of the department. We can do it with staff people who we had in the department. We find this to be, we think, a very satisfactory arrangement. Not

at all unlike what they were doing out at the university. We think it's a good program and a good proposition.

Incidentally, I might indicate that the chairman of the Saskatchewan 4-H Council, when we proposed this to her, she was very satisfied with it; in fact, she gave us a letter indicating that she was pleased with the program.

**MR. KATZMAN:** — Mr. Minister, I suggest that she would have been very much more pleased if the department had done as it originally seemed to have promised prior to the week when the crunch developed and I refer to that meeting. About two weeks prior to that, the understanding was the funds would be turned over to them as third party grant to run their organization and to continue to co-operate with the ag reps and so forth. I use the minister's comment about how important the ag reps are in the servicing of 4-H. I agree with him. For an example, the ag rep at Lloydminster and I use the man because he is going to get a compliment. You will see that he promotes 4-H constantly. He talks to a Chamber of Commerce meeting and he promotes 4-H. He talks to a Lions meeting; he was promoting 4-H among the other agriculture programs that are available. If you check the Lloydminster paper you will discover the comments that I am referring to.

But, in other areas of the province where the ag rep is not that keen on 4-H, you see 4-H suffer. That's always the way it's been. Where there is an ag rep that is very interested in 4-H, you will see 4-H prosper and he will promote it. In other regions the interest may be in some other area and therefore, 4-H will not be as big in that area. I suggest, Mr. Minister, that is one of the concerns the lady you referred to would have had when she talked to you. By being the total department responsibility, when it become as cut-back or a problem of interference, what will go? And with them being economists not being tied to your office totally, they know in their own minds that their program is theirs and you won't cut them because of the crunch coming down upon your department. You need funds for something else. Basically, Mr. Minister, both you and I have been involved with 4-H, my understanding, and both of us have been involved with the council a little bit from what I understand. My concern coming with the 4-H thing first is that, Mr. Minister, I think first of all to try to see if there are more ways you can assure them that down the road a year, two, three, they will be still in charge of their program.

Mr. Minister, I would like to switch, unless you have any comments to make, to another topic, and I will switch to a pet topic of mine which I understand you are prepared to make some announcements on before the evening is over. The Denver show, the Toronto royal show and so forth, so I will allow you to say what you are going to say on those and save me asking all the questions.

**MR. KAEDING:** — Mr. Chairman, I am rather astounded that he has an announcement for me to make, because at this time I don't have any announcement to make nor did I intend to make an announcement this evening.

**MR. KATZMAN:** — O.K. then I know we're into it. Well, it has been interesting to watch the minister's department checking with people that I talk to about agriculture, so I figured it would save an hour and let him spout it from the top and take credit for it.

Let's first start with the Denver show then. The Denver show is one of the top shows in North America for agriculture. Your Department of Agriculture and Economic Development and your new Crown corporation, I guess, for lack of a better name, is involved in the promotion of livestock. You indicate you people have sold livestock and

are doing such and such. I suggest to you Mr. Minister the people that are really promoting livestock are the purebred breeders who are really putting the money up there and doing the job. I suggest to the minister it is interesting to note that he's going to go I think to Japan or Korea, one of them. Where is it that you're going this summer? I know you are going. Japan? He's going to Japan this summer and he's phoning the Hereford association and all the other associations asking them for contacts that he can go and see in these countries to talk to them about promoting our industry. It is also interesting to note that the department which he claims is doing so much in this new corporation that he has to promote sales of our agricultural livestock in other places in the world doesn't seem to have a list of names to give him to go and contact. He's going to contact the national traders, the Hereford people of Saskatchewan and other people who have been to other areas of the world promoting livestock, the Angus people and so forth. I suggest to the minister, maybe you should consider sending a group of individuals who are in the business of purebred livestock on all different fields with you who can represent all breeds rather than the minister and his department officials (who I don't believe, personally, are qualified experts). In fact, maybe the only qualified expert in this House in livestock (and in one area of cattle and that's Hereford) is the member for Thunder Creek (Mr. Thatcher) who is a purebred Hereford breeder. I suggest you should take people who are qualified in the industry . . . (inaudible interjections) . . . I suggest you take people from the Hereford centre, from the Angus organizations and so forth when you go there because these are the people who really know the industry and have made contacts over the years and will now fulfil the sales that they have been working on and checking with the people. I suggest with the minister going, I have my doubts if we will see any sales from it just like when the Premier went to China. I still haven't seen any sales from that but there was a lot of noise and commotion and press releases and so forth.

The Denver show is one of the top shows in North America on the purebred scene. I suggest that's one of the shows we should start considering for market development. I realize there has been some small assistance given in the last two years to the Denver shipment. I think the amount of benefits to the people of Canada, the people of Saskatchewan, have outweighed the amount the government has been willing to put forward.

The Toronto Royal, which over the past years, has been the prime show of Canada, is now for lack of a better word, I think, becoming, a horse show. It's becoming (all except for two or three breeds which are barred from it because of size of those breeds and there are no classes available to them) really a high-classed horse show. I say that being a horseman and a livestock man. Other than the exhibits from western Canada, I don't think we're really accomplishing much of a purpose. I think the place to start maybe putting some of our funds (we must continue to go to the royal, I agree there) into national shows of each of the breeds, where people are coming from the world over to see the particular breed, be the show in Calgary, be the show in Regina or be the show in any other part of the country.

I'll leave the minister to respond to some of those.

**MR. KAEDING:** — Well, Mr. Chairman, first of all, I want to say I think he takes a narrow view of promotion when he says that we, as a government, should simply send over purebred breeders to make our contacts in the world markets. I think certainly there is room for those people. They are doing it and that is part of their promotional effort and they should continue to do that and we would urge them to continue to do that.

I do think it is also important for us, because there are small breeders who don't get assistance and don't have the assistance of the big associations, who want to get into that market. It provides us with an opportunity to get into those world markets, to try to identify some sales for our purebred people and we are attempting to do that. Certainly I don't want to take anything away from the effort of the purebred associations who are doing, for the most part, a pretty good job.

We are, as you indicated, providing dollars for the Denver show. We have provided for the Saskatchewan Livestock Association. We have a budget of \$3,500 for them. Obviously they are not too interested because last year they only used about half of that allocation. So, I don't think we can be criticized for not providing them enough support. We are, of course, supporting the royal show at Toronto and we intend to continue that although I agree with you that to some extent the Toronto show has deteriorated in terms of a livestock show. Our support to the Livestock Association, again, for this and other projects has been up to \$18,000 a year. That is not a small contribution.

We are quite proud of that record, nor have we had an complaint from the breeders' association that that was not enough.

**MR. KATZMAN:** — Well, I would challenge the minister on that very last statement where he says he hasn't heard any complaints. I think if the minister . . . I carefully walk a fine line when I say this . . . the minister knows my past involvement with Saskatchewan livestock. I suggest to him that there have been complaints from certain areas within the livestock industry concerning shipments to the Toronto Royal. One division of the Toronto Royal has suggested there isn't any assistance any more for them and I refer strictly to the horse division. The minister is aware of that.

Second of all, Mr. Minister, I would like to return to the show in Regina, Agribition . . . (inaudible interjection) . . . well the one thing about the Lone Ranger, Mr. Minister from Shellbrook (Mr. Bowerman), the back end of his horse looks much better than you. Well, then you know what you look like.

Mr. Minister, the Agribition is basically going under some very drastic growing pains and the cattle checkoff and the horned funds have all been contributing over the past years to Agribition, as well as many other areas. Does your government have an idea as to how much you will be able to place in the long range to the Saskatchewan Agribition to get the barn availability and so forth in line with the requirements of the exhibitors?

**MR. KAEDING:** — Mr. Chairman, I'm just trying to get some figures here as to exactly what we've been putting into Agribition, but from our direct government fund, in appropriation, we've been putting in \$25,000 from the government, \$35,000 has come in from the horned cattle fund, \$25,000 has come in from the checkoff fund, and approximately \$20,000 or more comes in through contributions through Mexibition. So I think that's not a small contribution. That's on top of the capital contribution and the capital assistance we gave to fund the Agribition and the exhibition association building and so on.

In the capital project we put out about \$1.7 million for the Agribition building and the Agriplex. Part of that, of course, is refundable, but the total cost to us will be something over \$850,000 or \$870,000.

**MR. KATZMAN:** — Mr. Minister, of the four figures you read earlier, would you like to

explain the Mexibition figure of \$20,000 to me?

**MR. KAEDING:** — That's payment we make to Agribition for space we use from Mexibition. It might be of note as well to tell you that we now have some discussions under way with DREE (Department of Regional Economic Expansion) with regard to the further funding needs of Agribition. Those discussions are ongoing.

**MR. KATZMAN:** — Mr. Minister, what you're saying is that the department rents, for the Mexibition show, approximately the value of \$20,000 towards the revenue of Agribition; am I correct?

**MR. KAEDING:** — It goes into the revenue of Agribition.

**MR. KATZMAN:** — Well then, let's just back up another step. Saskatoon has a Mexibition. What does that one cost you?

**MR. KAEDING:** — I am advised by my officials that the amount we contribute to both shows is fairly close to the same amount — somewhere around \$20,000.

**MR. KATZMAN:** — Well then, Mr. Minister, I don't think you can attribute the \$20,000 to Agribition from your department. That's part of a show which you run both in Saskatoon and Regina. So basically on a yearly basis, your department gives \$25,000 to Agribition. The agriculture community of Saskatchewan, through the horned fund and the check-off fund, gives approximately \$60,000, by your figures, to Agribition. And, other than capital projects where you indicate \$870,000 went for new additions done in past years, on a continuing basis I would say that the horned fund and the cattle check-off are putting more into the Agribition on a yearly basis than your department. I say it is \$60,000 versus \$25,000 — are those figures correct?

**MR. KAEDING:** — Yes, I think you can quote those figures. However, I think you have to recognize that you discount the \$870,000 as though that was a small amount. We are not obligated to the \$25,000, but that's one of the items which we are funding in terms of support to Agribition. That amount has increased, I believe, from \$18,000 last year. So we have increased that fund by \$7,000 in this year's budget. We are increasing that fund.

**MR. KATZMAN:** — Mr. Minister, I'm just digging out my horned cattle check-off information and I think if I look in there I will find funds from them for construction — Western Agribition, 1975, \$30,000; \$130,000 the year before (not \$30,000 but \$130,000 in 1974). That was because of some capital construction; so they were giving towards capital construction as well as their annual grant of \$30,000, which now has gone up to \$35,000. I think you will find in other portions of the cattle check-off there are funds to Agribition and funds to many other portions of the province: Swift Current Agricultural Society and Exhibition — they received \$20,000 from the cattle check-off towards construction of shows and sales; the Veterinary College received (Agribition) \$25,000 in 1975, which agrees with the figure which you are giving me. I can go through this file if you would like and pull the rest of the figures out.

My point is that not only do they give to the annual grant of \$25,000 and \$35,000, but they also give through those two funds towards capital costs of the Agribition. I suggest to the minister, for taking credit for these, that in actuality, the agricultural industry is putting more money into the Agribition than your department.

**MR. KAEDING:** — Mr. Chairman, I'm rather surprised that the member opposite should be surprised at the fact that the livestock industry is putting money into that kind of an operation. Certainly, there is no more appropriate place for them to put some of their surplus funds than into the capital and operating of the Agribition. That is something which is a major promotional effort on the part of livestock producers and while we certainly are pleased that they are putting that money in, it should not be surprising because what else would they use their money for if they were not going to use it for promotion of their industry?

So, I think that while we are pleased that they are doing that, I think it should not be any reason for you to suggest that they are doing more than their share. Because they are the industry, we are not. We are just the government supporting the industry. Now I think that in that regard we have been quite generous. In fact I think that if you talked to the Agribition people you would find that they are not unhappy with what we have done. They may say, sure we'd like more. I know a lot of other people who would like more, too.

**MR. KATZMAN:** — Mr. Minister, the point I was making with you is that not only are the industry putting funds into the operation on a yearly basis but they are also putting funds into the capital projects the same as the government. The minister makes a comment that the agricultural people should be promoting their own industry and I agree.

I also agree that the cattle horn fund and the cattle check-off fund are producers' money and even though the government last year played with the fund . . . In fact if we are not careful of that fund the cattle checkoff may just slowly disappear as a major funding thing for many agricultural things that it benefits today because I understand the revenue coming in is down and more and more I am discovering that if you don't check one box with the other box when you haul some animals into the stockyards that they check it so that you're not deducted. They automatically, if you don't check one or the other, do not deduct, which is hurting the fund.

I still think that the fund was a good thing. It was run well. I think the people on the checkoff board were doing an excellent job of distributing the funds. Then the minister (and I've got to say only this minister because to my knowledge no other Minister of Agriculture has ever done it) decided to use his veto power, during the confrontation we had last year in this House re the changing of the way the funds would be controlled and who gets to decide where the funds go for the benefit of the industry. I suggest to the minister, hopefully, before another year or two goes by that we may see some administration changes within your department that will suggest the livestock people should have total control of that fund because it's their fund.

Maybe the system of appointing the people to that fund will have to change. We may have to get into a system of representation from areas by the amount of money coming into the fund, rather than appointments by the order in council route that can develop as well. I think maybe the selection of the people on the check-off board might not be exactly the way the minister likes it. It might not be the exact way I like it. But that's the system that's being used presently and maybe it needs some changes. I know that the minister is having meetings with groups of the cattle industry on various discussions, and I understand that that's one issue that may have been talked about at those meetings — a formal way of making sure that the funds are spent proportionately the way they are raised. Some people say, well, the Saskatchewan Stockgrowers' Association has too much to say; some people say they don't have enough. That's semantics. Maybe we have to find a system where they all agree to look after the funds.

Mr. Minister, earlier today the member for Wilkie (Mr. Garner) brought up another concern, and he was referring to some land allocations (hay land, pasture land) and I will leave the member for Wilkie to discuss this subject with you. I'll make a reference though. It seems strange that during the hard years when cattle prices were down, any of us that were in cattle were subsidizing them through other sources. Today, those of us who kept our herds through the low price years are being penalized as new people come upon the market and push our fellows out. There seems to be nothing in your point system to give credit to those who came through the bad years. Now that the good years are starting again, and I say the good years . . . and I still suggest to the minister if he looks at the years 1950 to 1978, the figures of beef consumption and so forth tell an interesting story when you go on percentage of disposable income. In 1950 for 51 pounds of beef you paid 2.59 per cent of your disposable income and in 1978 for 102 pounds of beef you only paid 2.11 per cent.

This, to me, seems to indicate you are getting almost twice as much beef for less money. They went through some very tough years. If you take a look at the last few years, you will notice that 1975, 102 pounds for 2.47 per cent of your disposable income; 1976 was at its high, when you got 110 pounds of beef for 2.03 per cent of your disposable income; 1977 you got 108 pounds for 1.76 of your disposable income. In 1978 as I said earlier you got 102 pounds for 2.11 of your disposable income. In 1979 in the month of February, the last actual figures available, you got 95 pounds for 2.49 per cent of your income. For the betterment of the minister these figures are out of the Canadian Statistics and they are available to him from the Canadian Cattlemen's Association, Toronto if he wishes to verify any of the figures or get a copy of them.

You know, the minister who is over there yelling agreed to subvote 1 is the constituency which the member for Wilkie (Mr. Garner) and I had a meeting with his constituents because they weren't getting a fair treatment from the Government of Saskatchewan. It is unfortunate the minister doesn't have time to meet with his own constituents . . . (inaudible interjection) . . . I have been around here longer than you have. You might have been born there but you left it a long time ago . . . (inaudible interjection) . . . My seat mate suggests that if you weren't born what were you? Hatched? Cloned? Oh, no, even the clones wouldn't want him.

Mr. Minister, I suggest it's unfortunate today that your federal counterpart, the NDP



federally, are suggesting, in fact, I think it was the wife of your leader who on a television interview suggested that beef was too expensive. Yet by the statistics beef has become a bargain today for the citizens of Canada and still is even though it is becoming a little less bargain. We were spoiled by the long ratio. If you have any comments, otherwise, I will let the member for Wilkie (Mr. Garner) go with some questions.

**MR. KAEDING:** — Mr. Chairman, first of all, he doesn't need to tell me about how poor the price of beef was in the last two years. I am quite aware of it. I was through the process. I had steers in my feed lot; I know exactly what I didn't make on steers in the last few years. I recognize the amount of dollars paid by the consumer for meat is higher now than it was before and of course, it was too low.

I take exception to his saying that the wife of the NDP leader, now I don't know — I don't think it's Mr. Broadbent, I don't know who you're really referring to — was saying that the price of beef was too high. I think part of the criticism is not the price of beef to the producer; what she was criticizing was the fact that on the days when the price of beef went up in the feed lots and in the auction marts, immediately on that day the price of beef across the counter went up 18 per cent. That was the criticism. It was the fact that when the prices were going down they said they had to have three weeks or four weeks to get rid of their cold storage stocks so they could eliminate that stock at the higher price before they would put a lower price on. As soon as the price went up, the day the price went up in the stockyard the price across the counter went up 18 per cent. That was the criticism that she was making.

I was interested in your comments with regard to land allocation because you were saying we were not giving credit for those people who went through the tough years and we should have let them have a chance to recoup. Your seat mate this afternoon was saying that we were not giving enough opportunity to the young guys. Not everybody can be on that parcel of land, you know. You've got to allocate it to the people who are most needy. I think that's what we attempted to do.

**MR. KATZMAN:** — Mr. Minister, I can't resist answering two comments. First of all, my seat mate was talking about young farmers who have come through the bad time with these cattle. Now that the times are getting a little better they are not being allowed to have the pasture land that they had when nobody else wanted it. I think that's where the minister is wrong.

Second of all, Mrs. Broadbent, I believe her name is Lucille — but I may stand corrected — made no reference to the 18 per cent which you seem to refer to. She just said that beef was too high for her and that's why she was buying poultry. I think it's time that we actually get down to . . .

**AN HON. MEMBER:** — Poultry and pork.

**MR. KATZMAN:** — Poultry and pork is the statement she made.

I suggest to the minister that it's about time, as I have suggested earlier in this session that your department state the facts as to really what the producer is getting. If you check the retail market you will notice that the percentage of markup in retail beef of about three years ago has slowly come down and is down considerably to what it used to be. In fact the profit on a carcass of beef from the rail grade to the retail end, the difference as a percentage is not as great as it used to be . . . (inaudible interjection) . . .

I suggest to the member that certainly we may argue with the cost of the retail beef. But let's look right within the government's killing plant, Intercon, and watch the costs that have gone up there. Watch the price you got on the rail grade versus the price that animal was selling at as a wholesale price to Safeway, Dominion, or any other store you want to take and see where the difference is and see how much is picked up there and see what the difference is on the retail.

I suggest to the minister that if we happen to go with his federal counterpart's suggestion of, we're not going to hurt the farmer but we're going to stop the increase at the grocery store level, it's a fact and we all know it that anything that starts up at the grocery store level is going to end up hurting the farmer in the long run. You've been involved with a feed lot. You know the reference I'm referring to. I suggest that your own federal party is being unrealistic when it says controls are the thing which will save the retail consumer.

I suggest to the minister that the only way we'll ever get an honest production cost and an honest retail price to the consumer is when you let the market demand the price by supply rather than try to fix it. As Mr. Warren Allmand is quoted as saying with one of the marketing boards, we're going to increase the market (I believe it was the egg marketing), we're going to increase the quota so there will be an overflow so we can lower the price to the consumer.

That's a strange way to use marketing boards and I suggest to the minister marketing boards are not the answer. In fact he, I think, found that out during the last election because he almost went down and was not a member of this House, to a Mr. Johnson, because of his stand on marketing boards.

I refer to you, yourself, saying that and being quoted in the Western Producer, that that had some effect on the margin and you would have to take that into consideration for anything else you do as Minister of Agriculture.

**MR. KAEDING:** — Mr. Chairman, when I hear your comment about Mr. Allmand and his view of marketing boards and what they should do, I shudder to think of what would happen if Mr. Allmand were to run the marketing boards, because certainly he would destroy the merit of any marketing board which we have ever set up.

Now, I'm not going to get into a long argument about whether or not marketing boards are good, but I suggest to the member opposite that he check some of the statements of his own colleagues and some of the people in the cattlemens' association, who are now saying we are going to be down to 60 per cent of production within two years; our production is going to drop that much.

They're wondering what they're going to do when the production starts to come up again and the prices have gotten so high that the public is starting to use protein substitutes and other things, and is bringing in imports because of public pressure being there for it.

He's wondering how they're going to maintain their cattle market in about 1983 or 1984. I suggest to you that, had he looked at the concept of marketing boards three or four or five years ago, we would not have hit the stump we did back in those years and we would not have the problem now of such an escalating price situation and a declining population situation with regard to livestock.

We can argue about that for years and I'm sure we won't agree but nevertheless I think you should look at that concept because certainly the concept we've got now is going to cause a lot of trouble.

**AN HON. MEMBER:** — Not as much trouble as your marketing boards will.

**MR. KATZMAN:** — Mr. Minister, we in Canada have one per cent of the cow population, and in Saskatchewan we have 13 per cent of 1 per cent. We're just small babes in the woods on the total world market. You've got to remember that the cattle industry is a world market and the doors aren't totally closed in this country, so not only what happens here affects us.

I suggest to the minister he's off on a tangent. Now I'll let my other two members get in, as they've been dying to get in.

**MR. J. GARNER (Wilkie):** — Mr. Chairman, Mr. Minister, I think we'll try to start out in a friendlier note. Rather than getting into state farms and cattle marketing boards, I would like to discuss land branch and a policy I have here on allocation of provincial land, April 1, 1978 to March 31, 1979. Is this still the policy now or are you bringing in a new policy in your department?

**MR. KAEDING:** — Yes, we're still operating under that.

**MR. GARNER:** — On Page 3 of that same policy, Mr. Minister, under the point system you go to (g) and it's proximity:

Nearness to the land to be leased will be considered as a factor of special importance for small grazing tracts and considerable importance for other land.

Now, there are no points allocated for that Mr. Minister, would you please tell me why? It's on page 3, section (g) — proximity.

**MR. KAEDING:** — There's a deductibility point in there. There are two points. If he's got 320 acres or less, there's two points deductibility for every mile (for every 10 miles, I'm sorry) that he's away from the project. If he's got more than 320 acres there a one-point deductibility, for the first 10 miles that he's away from the project. So it is one point or two points, depending on the land that he has available of his own.

**MR. GARNER:** — What happens after ten miles, Mr. Minister, and why, when you put down a policy like this and you've got the points on everything else, why are the points not in this policy? When people read this policy over and there's no point structure in there, is this an error in your department or is somebody not doing their job right?

**MR. KAEDING:** — Yes, it's not in there simply because if you put the formula in it's complicated, and the proximity factor is there. It's one of the factors used, and anybody who wants to find out what the formula is, it's no problem. We'll tell them what the formula is.

**MR. GARNER:** — Well, Mr. Minister, just one quick point on this. I hope I'm not reading this right? Do you think the farmers of Saskatchewan are stupid, that they can't figure this system out? When you put on a policy, why is it not complete? I know a lot of farmers

that are smarter than a lot of members I know. Why, Mr. Minister, not have it in there?

**MR. BOWERMAN:** — Including yourself.

**MR. KAEDING:** — Proximity means proximity and people know that there's points deducted for proximity. That's what it means in the policy. In the department we have the calculations which we use and there's no problem. We can put it in the policy. It's a standard deduction that we use and it is quite simple for us to do it. If you think it would assist the farmers out there in the country we can put it in. It's a matter of adding another half a page or a quarter of a page.

**MR. GARNER:** — Mr. Minister, I recommend that when you print your new policies, have them complete. Now, the Harris project we discussed in question period today, Mr. Minister. The information I have is that the Government of Saskatchewan bought a number of acres of land that they were going to turn into a community pasture, and the land was on hold since 1970. It was then leased out on a one-year permit basis. Now last year, for this year, you posted posting notices on provincial lands that this land would be allocated, count. Now the allocation on this is 10 years on hay lease and 21 years on grazing lease. The people who were willing to stick their necks out, Mr. Minister, when cattle prices weren't good, accept this. Now when it comes time to apply for a 10-year lease or a 21-year lease, Mr. Minister, all of a sudden the odd 50-year-old man is too old and the odd 30-year-old man doesn't seem to fit the qualifications.

Mr. Minister, this is very unfair. You are not giving the cattlemen who stuck with the tough times the break now. You were willing to lease the land on a permit basis to them when cattle prices were depressed. Now cattle prices are up those same gentlemen who fought and hung in there when the ledger was in the red, now it has gone into the black — now you are taking the grazing rights away from them, Mr. Minister, and I say to you that is very unfair.

Mr. Minister, I would like you to tell this House that you will completely reopen negotiations on the posting of this land because there is a lot of it in dispute. I asked you this morning in question period if you would meet with these people down there. You said that if they were concerned they could meet with you. They most likely will be in touch with you and meet with you.

Mr. Minister, I think it is very unfair to place farmers on kind a 'hold' pattern. You being a farmer yourself, can understand. How do you expect a farmer to plan (or a rancher) ahead when he is working on a one-year basis?

Mr. Minister, the livestock is going to be going to pastures in the next two to three weeks. The people who have had this land for the last seven or eight years and have been holding it in these tough times — if they don't get that grazing land they have got to reduce their cattle and that is very unfair. Now, I am asking you to clear yourself, clear your department, Mr. Minister, and I would like you to comment whether you will re-evaluate the situation on the Harris project.

**MR. KAEDING:** — Mr. Chairman, first of all I think I should make a few comments about the Harris project. The Harris project is a very marginal area the department has been trying to do something with for some years. They have been trying to develop the project ever since 1969-70. Those who have been in that project, everyone in every case has been getting one-year short term allocations. They were told at all time that when the project was completed and when it was ready and assembled that there

would be posting. So they have not been fooled about that; they were aware of the fact that eventually there would be posting of that land.

This year it was determined that the project was ready for posting so it was advertised for lease. We received 96 applicants for that particular piece of property and there were 61 parcels posted, 51 of those were appealed and 37 were not appealed. This shows that there was a tremendous demand for that land.

The appeal board has heard the appeals. We are not yet aware of what the decision of the appeal board is and the appeal board may or may not have reversed some of those decisions. The appeal board, again, is made up of farm members who are knowledgeable about the needs of farmers. In fact, I understand the chairman of appeal at that particular location was a long-time cattleman who is well respected in southwestern Saskatchewan.

I would think that allocations made and appeals changed on the basis of new information would be fairly rational decisions. I would think that it would not be likely that I would upset the decisions of that appeal board, because they have made the decisions on the basis of first, the decision of our Lands Branch and then on their own, when they have had a chance to talk to the lessees and look at all of the information again. They have made the final decision. I don't think that I could do any better than that.

**MR. GARNER:** — Mr. Minister, I am not asking you to completely take all that land back. There is a concern by the people in that area. They are concerned, Mr. Minister. They wouldn't have come and met if they weren't concerned. We are not talking about one parcel of land; I am talking about 50 per cent of it which is in dispute, Mr. Minister. I am asking you, or someone from your department, to meet with that board and review the cases. I am not saying to you, Mr. Minister, to scrap it all and start over again. I am simply asking you to give a commitment to this House. Will you review it? That is all that I am asking you, Mr. Minister.

**MR. KAEDING:** — Well, Mr. Chairman, because I am interested I am going to review it. I am interested in anything that happens out there in the country. But I would hesitate to suggest that I will, in any way, interfere with the ruling of the board.

The appeal board is set up by the department to hear these cases. Sure, there are people who are dissatisfied, but if we were to reverse those decisions there would be as many other people dissatisfied. I think we have to accept that the people on the appeal board have listened to the story and have made the decisions on the basis of that story. There is nothing new that they could tell me which they haven't had already had an opportunity to tell to the appeal board.

**MR. GARNER:** — Thank you, Mr. Minister. That is all I am asking, just a review of this.

Mr. Minister, now there was one thing that did concern me. I guess, maybe, it was taken a little lightheartedly today, in question period, and that had to do with a member from your staff . . . (inaudible interjection) . . . Look at who is talking about being lightheaded. You wrote the book.

Mr. Minister, when one of your assistants, a key assistant, in the offices here in the legislative buildings, and we have an older farmer of approximately 50 years of age.

**AN HON. MEMBER:** — That's not old; what are you talking about?

**MR. GARNER:** — Well, I'm not talking about you dad; I'm not talking about you. A farmer of approximately 50 years old, Mr. Minister, goes into that office to ask for an application for appeal. And one of your assistants tells that man, sell your cattle and sell your land to the state farm system — I won't call it land bank, Mr. Minister, I can't bring myself to call it that because that just isn't it. Mr. Minister, I'd ask you whether it was a policy . . . I'm asking you right now, Mr. Minister, to meet with Larry Iwan. Discuss this with him and make sure (because you've stated this is not your policy) that this does not happen again, Mr. Minister! If you want to advertise through the papers your state farm program, that's fine. But let's not have members from your department in this legislative building making recommendations to farmers like that because that farmer may want to continue on or another 20 or 30 years, or however long he lives. That is his business. To try to talk him into doing it, just so it will take a little heat off a department, Mr. Minister, is not fair pool and you know it. So I'm just asking you, Mr. Minister, discuss it with your official and please, let's not have this happen again.

**MR. KAEDING:** — Mr. Chairman, I did discuss it with that particular individual and I find no confirmation of that. I would like to suggest to you that the person who told you that would come to me and tell me that because I'm advised that that's not a fact. I want to say that in my department and in my office there are members from the opposition have come into the office and they've met with this individual and discussed various things with him. They have asked for advice on different programs or what different programs are and how they operate. And he has given them that advice. Sometimes he's suggested to them that they could use the land bank program or Farmstart program. He has given them this information. I think that's most appropriate that he should do that. I would suggest that I would very much like to have this individual come to me and tell me exactly what was said to him. I suggest that it wasn't in the way that you put it.

**MR. GARNER:** — Well, Mr. Minister, I don't doubt that most likely this individual would like to come to your office. But Mr. Minister, the way the political climate is and the fear that is in the ranchers in Saskatchewan . . . (inaudible interjection) . . . O.K. laugh, laugh, Mr. Minister, it's true. This gentleman could come into your office and maybe two or three years down the road there could be some land posted. Mr. Minister, it's quite easy to smile. The members opposite make a real joke of this. Why, Mr. Minister, do we have to have this kind of a climate? If you could guarantee me (which you couldn't) that this gentleman wouldn't lose maybe some land that he already has or that you wouldn't interfere with him applying for more land, Mr. Minister, I will meet with this individual and see if I can persuade him to come here.

**AN HON. MEMBER:** — Don't bother, don't bother.

**MR. GARNER:** — Don't bother. Now the members opposite say don't bother. The members opposite are not concerned about the farmers of Saskatchewan. That's what the Minister of the Environment is trying to tell us right now.

Mr. Minister, I will meet with this gentleman and ask him if he will come to your office to discuss this.

**MR. KAEDING:** — Mr. Chairman, I'm a little surprised at the member opposite suggesting that somehow or other, people are afraid to come into my office. My office door is always open. It's open even for the PCs and they come in there all the time. I have all kinds of people in all different groups come into my office to talk about any kind of

program they want to talk about. They come and talk to my department. They come to talk to my executive assistant. I encourage them to do that. There is never a time when I've said to anyone when they phone me and ask for an appointment, I'm sorry I can't see you. I may not be able to see them myself but I find somebody that will see them. Certainly I would not take that sitting down saying that anyone is scared to come to my department. Certainly the fact they come to my department to discuss a contentious problem has never resulted in them losing any land or anything like that. I can assure you that.

**MR. KATZMAN:** — Mr. Minister, the MLA from Shellbrook seems to be very sensitive about this subject. It's unfortunate that his constituents are phoning me to come and look at some land clearing up in his constituency. That's right . . . (inaudible interjection) . . .

Mr. Minister, the member for Wilkie (Mr. Garner) was asking you about the rating system. Is it your policy or is it not your policy to present the people with the total points of the winner and their points after they have applied for a piece of land?

**MR. KAEDING:** — No, Mr. Chairman, it's not our policy to give that information.

**MR. KATZMAN:** — Mr. Minister, would you be willing to tell the applicant himself, be he the winner or the loser of an application, how he stood in the point system, for example, if he got 60 points, 70 points? If you're not willing to give the person who won how many he got, are you willing to tell the applicant how many he got?

**MR. KAEDING:** — No, Mr. Chairman, it isn't the policy of the lands branch to divulge that information because it invariably ends up with an argument because they will always disagree with the points you allocate to them. You could argue all day and you wouldn't get them to agree the right points were allocated properly. From long years of experience, the lands branch has made the decision they will not give out that information.

**MR. KATZMAN:** — What the minister is saying then basically, you're scared to give out the truth because somebody may prove you wrong. Mr. Minister, I assume if the incidents with the land bank which you said earlier were false accusations and we proved they ( as the session went on) were factual, then you're scared to get yourself in a box where you've got to admit you were wrong again. First of all, Mr. Minister, on the system of allocating land, say an individual, a father, should apply for some lease land or hay land which he then leases to his son, or another member of his family, two quarters to get him started because that's what he requires when he requires a long-term lease for the FarmStart program. And yet the father really doesn't have a total viable unit in itself unless he has a couple of pieces of lease land, hay land or pasture land, do you then take points against the man because he has allowed his son or a member of his family to have a portion of his farm to get him started? Do you do that to him or do you waive him not eligible?

**MR. KAEDING:** — I'm advised that we do not.

**MR. KATZMAN:** — So, if a father happens to have five quarters of land, leases two to his son so that he qualifies for FarmStart because he is going into a program and therefore requires a long-term, then the father now is left with only three-quarters of land. When you are doing your point system are you suggesting to me that you will not take into account those two pieces of land he has leased to his son and, therefore, you will give

him a better shot at the additional land or not? Or do you take him in as a half-quarter or a third-quarter?

**MR. KAEDING:** — I understand that in a case like that he would be scored as though he had three-quarters of his own.

**MR. KATZMAN:** — Mr. Minister, if that's the case, I suggest you now definitely go back and check the Harris thing because that's not the system that I understand you people used when they were scoring it. I also suggest in the particular Harris problem that you check into the point of where people who have got land, I am informed, have additional land leased and it doesn't show up on their application. I mean private land leased and, therefore, it doesn't come out in the net result when you're giving out land.

I think you should restudy the Harris case. I can refer back to it because many years ago I used to travel that area with my father (he was the local cattle buyer) and I knew most of the land as it slowly was bought by your department under the former government and put together for this pasture. I suggest to you that the farmers were actually told. In fact I was on the premises, if my memory serves me correctly, when the gentleman was told, you will have it for so many years and when it becomes a community pasture you'll be allowed x amount of head in there because you've sold your land to us. You'll sort of be grandfather. I understand that today even that argument is being disputed, that there is grandfathering. Do you have any comments?

**MR. KAEDING:** — Well, Mr. Chairman, in the first place some of the comments you made about people whose land didn't show up on their application and so on, may be possible because we find that all kinds of people make applications and do not put everything on. That's what the appeal board is there for. The appeal board is there and if you are appealing an allocation, you will be there telling the appeal board that this gentleman didn't report all of his land, he has another half section, or he has another three-quarter section. This is what the appeal process is for, to try to draw out any additional information which might be there. So, again, we don't intend to nor can we, hire a police force to check every statement which comes into the department. We simply have to take them at their word at the time they make the application and then when there is an appeal, that has to be sorted out.

**MR. KATZMAN:** — Mr. Minister, can I ask one more question then? Is the application considered to be a legal and binding document, as if attested to, that this is a true and actual statement of any total holdings? Do you make it clear to people that this is actually that kind of statement, a statement of their total holdings, leased, subleased and so forth?

**MR. KAEDING:** — Yes, a false application form is grounds for rejection. In many cases that is what happens. If in the appeal process it shows up that the appellant was able to prove that the original applicant made a false statement, not a small minor false statement, but some kind of a major misstatement, that is grounds for rejection. We have had a number where they misstated their age and have been rejected after they were found out that instead of being 18 or 19 they were only 17, and that sort of thing. So those are grounds for rejection.

**MR. KATZMAN:** — In the application it suggests that if it is a partnership or two people, joint, that the age would be considered that of the senior person? Is that correct?



**MR. KAEDING:** — I understand they are scored separately, but there is some consideration given in the case of father and son applications and so on.

**MR. KATZMAN:** — You are suggesting that if it is a 68-year old father and a 28-year old son, for example, that you don't take the father's age but that you will add them together and divide them in half or something? What is the system you use?

**MR. KAEDING:** — No, in a situation like that the father simply wouldn't get an allocation because we don't allocate to anyone over 65.

**MR. KATZMAN:** — Are you suggesting you won't give a joint allocation?

**MR. KAEDING:** — No, the son would have to meet the qualifications on his own.

**MR. KATZMAN:** — Mr. Minister, if an individual were to apply for land, and basically in the criteria it says that he must be able to look after it himself, do a qualified job, and it is suggested that the person is not capable mentally to handle the job, and it could probably be proven, but the family has sort of looked after the situation and kept the individual under the wing, would you allow that person to lease land?

**MR. KAEDING:** — I think now you are starting to go into a hypothetical situation. Certainly we look at every application. We have to judge them on the basis of what's there. If it's proven that he's incapable of handling it he wouldn't likely get the allocation.

**MR. KATZMAN:** — Once again as the member for Wilkie did, I suggest that you yourself look into the total allotment of the Harris land because every situation he has brought forward and I have brought forward is happening in that particular case.

**MR. KAEDING:** — And again, I suggest to the member opposite that the information should be going to the appeal board. If the appeal board looks at it they will make the proper judgment as they see fit.

**MR. KATZMAN:** — Mr. Minister, are you suggesting to me that individuals who went to the appeal board and did not realize that these were factors at the time, can now go back for reappeal? Farmers didn't realize these were points which ruled somebody in or out and therefore they didn't bring them up because they didn't know they were verified points. Are you now suggesting that if I inform them you will allow the appeal board to reopen the appeal and look at it again?

**MR. KAEDING:** — Mr. Chairman, I find this rather incredible because it seems odd to me that people who are appealing an allocation would be telling a member of the opposition all of these things when they wouldn't tell the appeal board. Why wouldn't they tell the appeal board if they were aware of this information?

Certainly if I were appealing a piece of land I would be putting forward all of the information I had available to improve my case.

**MR. KATZMAN:** — Mr. Minister, my understanding is that at 1:30 this afternoon I made an appointment for most of these gentlemen with your department, with one of your senior officials. Most of the points will be, I assume, passed on to your officials. We contacted them and asked them about their problems and they came and told us what the problem was because we were picking it up. We've sent them on to your department

to explain it all. I understand the meeting was still going on several hours ago and it would be rather lengthy.

**MR. KAEDING:** — I don't know. They may have been meeting with someone in my department. That's quite possible, but that doesn't mean they're going to change the allocation. The appeal board makes the decision as to what allocations are changed.

**MR. KATZMAN:** — May I repeat, Mr. Minister, one more time, and if I can get an answer, yes or no, we could maybe move on to something else . . . (inaudible interjection) . . . Jack smoke your cigar and be quiet.

Could the people get a rehearing if they have new facts to bring up at the hearing that should make a decision that they did not know were facts they should have brought in at the time?

**MR. KAEDING:** — Again, the policy is the appeal board decision is final. I can't say what the appeal board might do if some new facts were laid in front of them. They may be prepared to reopen the case if they find some really bad situation. They may decide, in the best interest of a good allocation, they might consider reopening the appeal, but that would be in their hands.

**MR. GARNER:** — Mr. Minister, I think we'll move along on this. Just to have you committed to look into it and review it, that's all we're asking, Mr. Minister, that's fine.

**MR. SWAN:** — Mr. Minister, I would like first to say that the appeal process is complete in that one. You said that the appeal was still to come and so on. The appeal process has been completed as far as we can understand and there were only 7 changes out of 38 appeals, so your information that you're giving the House here is not up-to-date. I think you should check with your officials.

**MR. KAEDING:** — The appeal has been held. I indicated that to you earlier. We have not yet got the results of that appeal here.

**MR. SWAN:** — Mr. Minister, you should have a copy of what happened at that hearing because I even have it, so you should have had it. I'd like to go on to the allocation of cattle into pasture lands operated by the government. I raised it with you this afternoon and you told me my facts were wrong. I was raising them right off your sheets, so if my facts are wrong, your sheet is wrong. That's all right. We seem to get that kind of answer here and we're getting a little discouraged and a little upset at times with the type of answers you've been giving us.

I told you this afternoon that if you were leasing land, rather than buying it, that you were given a different kind of allocation on your point form. If you turn to page three of that allocation form you will find that it's written right there, that it's classed at half assessment rather than full. So that's one of the differences. I think that clearly gives a person who is leasing a benefit over somebody who has had the courage to step out and buy.

I am informed that the people in the district that I was raising the question about today are all under the age of 35, and many of them are under the age of 30, but they had cattle all through the last five years when conditions were very tough. They have purchased land, and they purchased it on the strength of having a viable enterprise including the livestock industry. In most cases they bought from their parents and they

bought the cattle and the farmland and have gone heavily into debt to buy it.

Now they find that you're taking away their grazing lease, which again turns out to make their farm operation a non-viable operation. I think that these conditions should be looked at. People who have bought land and have a heavy debt load should be having some type of consideration on your point form, but they aren't, and I would like you to comment on that.

**MR. KAEDING:** — Yes, I think the reason we were a little confused here was because we thought you were talking about individual leases, and I believe that's in community pastures. One of the criteria in a community pasture is that if you have leased land there is less deduction than there is if you have owned land and that is on the assumption that you don't have as stable a land base. Because on leased land, unless you have a long-term lease, it is not considered to be as stable as if you owned the land.

**MR. SWAN:** — You didn't answer my question. The question I asked you is, will you consider taking into consideration, in the point allocation, the debt load of the farmer concerned? You know you can have a high assessment, that is easy, but he may have borrowed \$200,000 or \$300,000 in order to have that high assessment and he needs his cattle base.

You talked a little while ago about being short of cattle in the province of Saskatchewan down the road a few years. One of these 30-year old men that I was mentioning sold his complete cow herd this spring because he has no allocation to go into the pasture. He has no place to put it, so he had to sell it. The others are just about two years away because they are being cut down one third at a time. So, two years from now I can see at least four more of them having to sell their complete cow herd . . . That's a fact, you can say, ah, if you like. I will show you the letter.

**MR. KAEDING:** — I think, again, you can't have it both ways. He was arguing earlier that we should have an opportunity for young farmers to get in. Now, there is only so much land and if you want young farmers to get some, you have to phase out some of the older fellows. There is only one way to do it. I know that there are many of the older fellows who have developed a larger land base and they are able to take a quarter section and seed it down in grass if they want to continue a cow herd, and there is nothing wrong with that. I have done it many times in my lifetime. A lot of my land is done in grass. That's not the life I have chosen because I want to keep my livestock. I could tear up my grassland and say, well, I am going to raise rapeseed on it (probably make more money) and then I could go crying to the co-op pasture and say, look I want some land, you are not giving me any land. I don't think that is particularly fair.

After an older person has had so many years to develop a land base, then he should give way to some of the younger fellows who are prepared to come into the business. You are not losing any more livestock because this young guy is not coming in unless he has livestock. So you are helping one guy and you are moving out another one. It is a process that we have to go through.

**MR. SWAN:** — Mr. Minister, when you start saying that a man at 30 years is an old guy, it sure places you and I in an awful spot.

I would like you to consider the young people. A farmer at 30 years old hasn't even reached his prime earning capacity in most cases. These are people who have just had the opportunity to buy. They have only been farming for a few years on their own. Most

of them have just come out of a father-son arrangement. The father has retired and here they are trying to start and pay the debt load and you are cutting off their right to raise livestock and you are basically almost cutting them out of a viable enterprise in every case. You are saying that these old fellows have to give way. I think you are not being very realistic and I would like you to take another look at it.

**MR. KAEDING:** — Mr. Chairman, the allocation is not made on the basis of what his assets are. It is made on the basis of the assessed value of the land (productive value of the land) which he holds, which he has control over. If it is deeded land or Crown lease land, land which he owns or Crown lease land, he gets full assessment for that. It is only when he has rented land from another private individual that there is a deduction. So, if he has his own deeded land or land that he's leasing from the Crown, there is no deduction. You use full assessment on that particular case.

**MR. SWAN:** — Mr. Minister, I am still looking for an answer. Will you or will you not consider the debt load of these young fellows trying to get started farming? You know they have a far more insecure base than the man who's renting because of the debt and the interest they must pay. That's what I am asking you. Will you consider that in your allocation of pasture land? Most of them would be very eligible to have cattle in there if you look at their actual income from the land they are farming.

**MR. KAEDING:** — That's a very dangerous way to allocate. I know farmers in my community who have a tremendous debt load because they choose to buy all kinds of equipment and all kinds of stuff which they don't need very badly. I have other neighbors right alongside who are very prudent farmers and don't have a debt load and yet farm the same amount of land. If we were going to use the amount of debt they have I think some of the least deserving farmers in the area would be awarded land.

**MR. SWAN:** — All right, then, Mr. Minister, if you are only going to let people put cattle in the pasture who have a very, very small land base in most cases they won't have the cattle base either. They can't have on the small land base. In our district you say a married person with one or two children can only have an assessment of up to \$8,000 if he is going to get the full 50-point award. Well in the community I come from in many of the places if you have three-quarters of land you would be over the \$8,000 assessment. Now, do you tell me that they have too much land and too much income with three-quarters? That they shouldn't put cattle in the community pasture? Is that what you're telling me?

**MR. KAEDING:** — I would ask the member opposite what fairer method he would use? We have to have a dividing point somewhere. We've only so much land to allocate. You have to have a division somehow and it has to be on the fairest basis. Now, it may not be fair to everyone but it's as fair as you can make an allocation policy. I suggest to him if he has any quarrel with the policy we would like to hear which of the policies he is prepared to change.

We have talked to the stockgrowers association; we have talked to the Farmers' Union; we've talked to the Federation of Agriculture. We have gone through the whole process of talking to all of these different people about what they think of our allocation point system. We have gone through our caucus committees and we talk about how we can make it the fairest possible allocation system. It doesn't matter where you make the cut-off point somebody is going to get hurt. You are going to be on one side or the other. But, we make it as fair as we can. We are always updating and upgrading the point system to try to take into account something we may not have done before. I suggest to

you that if you could devise a fairer system, fairer than the one we have, I'd like to hear it. I don't think you can do it.

**MR. SWAN:** — I gave you one point that would make that fairer, if you would only listen. The point is that if you would take into consideration the land debt load . . . don't look at the new car that he might have bought or the half-ton truck or the new machinery . . . but the actual debt on land should have every bit as much to say concerning the allocation as any other point on your scale. You know, if you would take a look only at the land debt load and I don't think that's hard to look at because you can get it in most cases from the Farm Credit Corporation. You can find out how much they owe on their land or they will tell you, gladly. If you'd use that as part of the point system then you won't rule these fellows out until they get their debt paid down to the point where they have a viable operation. That's all I'm looking for. I'm not looking for special privileges but looking for an opportunity to keep these young fellows farming.

**MR. KAEDING:** — Mr. Chairman, I think we're simply arguing about a point which may or may not be right. I suggest you would run into as many anomalies in that as you would in any other case because again I point out to you that debt load doesn't necessarily mean someone has been a prudent operator or he has done a good job. I know a lot of people who have a debt load who I would think should not have a debt load but they've got it. He has a production base the same as his neighbors. If he's not making use of that production base properly then of course we can't be held to account for that. All we can do is assess the production base he's got and his capability of earning an income, which the assessment formula does. If he happens to not make a living or have a large debt load on that particular base we can't be held to account for that. Nor do I think you could build that into a formula which would be effective.

However, we'll look at it. I don't know how you would set it up but we're prepared to look at it.

**MR. SWAN:** — I have a presentation on that debt load. I think if you use the land debt load then you won't likely have trouble.

We'll move on to another point then. If you're going to discontinue many of these operations from putting cattle into the pasture you're going to find that in the fall there are going to be many of the coulees you can't farm in hilly country like I come out of. They are just going to be wasteland. They can't feed cattle over the summer months because of the stubble fields around them. In the fall they could put the cattle in there. You're going to find that the land is not going to be used to the best possible use because of your policy; another point which I think you haven't considered and should consider. We don't want to see Saskatchewan land lying for all intents and purposes as waste. It's very useable under the present system for these people. They consider it as a valuable asset when they can keep cattle in a pasture in the summer. I want you to look at that.

I want you to also consider your FarmStart loans to the young people who are just starting now to get a pasture allocation and they have to go out and buy cows. Cows cost \$800 or \$900 apiece with 13 per cent interest on that \$800 or \$900 a cow. How are they going to come out? How are they going to make a profit? I think you're really taking away an opportunity for one group of farmers to do a good job and suggesting to a new group of farmers they come in in a position where they can hardly operate. I want you to consider that.

**MR. KAEDING:** — Mr. Speaker, in the FarmStart program we are not getting them by the scruff of the neck and saying look fellows you have to buy some cattle. If they determine in their best wisdom that they want to get into some cattle and if they think they can make it then it's appropriate that we provide some land base for them. We're certainly not hauling them in and saying, you guys have to buy some cattle. If they don't buy livestock I'm sure they won't get an allocation to the pasture because they must have cattle before they can get an allocation.

**MR. KATZMAN:** — Mr. Minister, just to change the subject for a little while, there was a submission (and I have a copy of it in front of me) to the Hon. Edgar Kaeding, Minister of Agriculture, which came from the people who are supplying the sewer and water for the rural areas, the suppliers and manufacturers and so forth who are involved with the installation, construction, manufacturing and so on, of septic tanks, underground water lines, water bowls, and so forth.

The submission is from water and sewage material suppliers, sewage contractors, well drillers and other involved in that area. The concern of the individuals and the companies compliments the department, during the 1960s the FFIB (Family Farm Improvement Branch) for going, because there was nobody else in the field with the technology and knowledge, to help the small communities and the rural farmers and for going into the modernizing of homes (and there were grants available for it). I think the minister's aware of the brief I'm referring to. Could the minister indicate what he is suggesting his department is going to do about the brief and where his stand is?

**MR. KAEDING:** — Mr. Chairman, I haven't seen the brief, but I'm aware of the fact some of the contractors have a brief out. They haven't yet presented it to me.

It's interesting because they're complimenting the government for having made it possible for them to earn a living out in the country. We have, through the development of the Family Farm Improvement Program, gotten sewer and water out to the farms, finally, which they would not have gotten, had it not been through the Family Farm Improvement Branch.

The suggestion is being made, now that it's out there and now that it's successful, you guys should walk off and let us run the business.

I tell you there are many, many areas in the province of Saskatchewan where there is not a plumber or tradesman within 20 or 30 miles who could service or supply that particular equipment for them. We still need to provide, for those people, an adequate service out in the country. I think it's most appropriate we should do that. We can do it at a lower cost. The cost to the farmer, in this particular case, is sometimes as much as 25 per cent lower than if he was doing it through a contractor.

I suggest the contractors are not suffering from this program. If a farmer wants to put in another water bowl or if he wants to add another section on to his water line, he won't bother to go to FFIB (Family Farm Improvement Branch), because he already has his major grant. He'll just go to the contractor and say, we'll just add on to the thing, and you do it for me, and he'll buy the supplies from the contractor. In many cases that's what happens, so these contractors are not losing out on account of the Family Farm Improvement Program; sure they'd like to have all of the gravy, but if we're going to run a program out there and provide for those who still need our services, it has to be an economic operation. We can't just have somebody sitting there in case somebody

comes in and wants a piece of pipe once every two weeks. We have to have a viable operation. So I think, either we've got to be there or we've got to be out. I would suggest that there are very many farmers in the province who would not be happy if we were to close down our FFIB (Family Farm Improvement Branch) operation.

**MR. KATZMAN:** — Well, Mr. Minister, I don't believe that is totally the picture. I think it may be part of the picture (and I agree with them here from what I have been able to check out), but some parts of this submission I don't totally agree with. FFIB has been handling many different makes of pumps with no regard as to whether or not service will be available to the customer in the future. It's a pretty solid fact that for some of the pumps and so forth which you have recommended, there was no servicing agent, for example, up in the Saskatoon area, yet there was a servicing agent in Regina and vice versa. I suggest to the minister that that is one of the first concerns of most farmers. When I buy a truck or a tractor, I'm concerned with service and the availability of service and parts and how long I am going to be broken down. That's all the cost factor of the system. Sometimes I will pay a little extra for a product because it is close to home and I can get service if something goes wrong. I think that's normal.

The key points coming through in their submission to you are: (a) try to use Saskatchewan manufacturers if possible (I don't think we have any qualms with that — either your side or mine), if they are comparable in price and, (b) try to make sure that service is available for the equipment which you are handling — service and parts — in the province of Saskatchewan, either by your own department, which doesn't seem to always have mechanics available to fix a pump or the parts for it. But there should be service available somewhere with a slow lag in time. In other words, if I have a problem and Wig's Sandpoint Service in Saskatoon happen to sell me the equipment I have for my cattle, I can drive in with the pump and they will either fix the pump while I wait or say, here, take this pump home, put it on your system so that your cows will get water for a day or two while we work on this pump that's what the private industry does when you buy from them. They try to assist.

I suggest to the minister, the same service isn't available through the Family Farm Improvement Branch and I am not suggesting it should be, but the equipment they have should be able to be repaired within a radius of the area in which it is installed. That's one of the submissions — they suggest that you use Saskatchewan manufactured products where available. I don't think any of us disagree with that.

I make this comment and I should have made it to Mr. Robbins when we did the Department of Revenue, (I happen to have just slipped up), but maybe our tendering system could give a small consideration percentage-wise to a Saskatchewan-manufactured product, or a product which basically Saskatchewan citizens would get jobs from and will create more work, and therefore, a tax base in which the government, in the long run will end up with a cheaper price than buying it from Alberta, Manitoba or somewhere else. So I suggest to both Mr. Robbins and yourself that you should take that factor into consideration when you are purchasing FFIB or any other area of your department.

**MR. KAEDING:** — Mr. Chairman, we have done precisely that. We are giving a small preference but it has got to be a small one because you will recognize that as soon as you start giving a large preference, then of course you are open to charges of whatever. Members of the opposition would be very quick to pick up if we were to give someone a contract of 10 or 15 per cent higher than what he could get from outside. So I think you have to recognize that we can give only limited consideration to that.

In regard to the pumps — we try to get a selection of pumps which our engineers select as being good for the job. There is a certain range of choice there for the consumer. He can choose a Jacuzzi pump or a Duro pump or whatever he wants to choose. He can make the choice. If he has got a service man in his area for Duro he can pick a Duro. Now, they will all do the same job; so there is a certain amount of onus on the part of the individual buying to select the kind of pump that he can get service for in the area. But again, basically, the FFIB technicians in the area have been very good to service equipment they put out on the farm. I know from experience because I have had pumps brought out to my farm, and that was long before I was an MLA, when I had to have a replacement and they would put a pump in and say, look you can have this pump until we can get yours fixed and then we can take it back again. That has happened in our area and I know it has happened all over many times. So the service we render is as good as we can give in that regard. Certainly you can't go overboard with that.

**MR. KATZMAN:** — Mr. Minister, I will move back to where I started originally. I will photocopy these documents and give them to the minister tomorrow.

I quote Bill Storey. I think he came up with an interesting statement during the Saskatchewan livestock convention, which I have always liked. I think it very fittingly comments on why we must export cattle and why the industry looks at it. It is a quote from a statement he made at that supper.

Export dollars mean new dollars; new dollars mean more dollars and more dollars mean a better life for everyone. This year we salute the efforts made to export livestock and man cannot live by bread alone.

As the minister was aware, the livestock convention theme was, man cannot live by bread alone; but Mr. Storey, in a comment, suggested why we are recognized world-wide and the importance of bringing new dollars to Saskatchewan from agriculture. The minister is aware of the letters sent out from his department about three years ago which stated — it was the first time I had ever been considered a government MLA, I think, because it said on the top of the letter: to all cabinet ministers and government MLAs. In it, it had some of the questions, and if you're asked this question, here are some of the answers that you can give. One of the facts that I remember is the indication that 80 per cent of the people of Saskatchewan benefit in some manner from the agricultural base of this province, be it through the distributing area, the manufacturing area, the benefit of the product availability and so forth.



I think that the minister, when we talked about your trip earlier in the year, is probably aware of some of the places that have been buying livestock in Saskatchewan. These livestock, other than one which I'll refer to, were mostly worked under by the private sector, the breed organizations, the stockgrowers, or something along that line, and in some cases, with co-operation from your department. It notes that we've sold animals to Scotland, Hungary, Argentina, Japan, Korea, Mexico, Italy. Herefords have gone to Japan, Czechoslovakia, Hungary, Korea, South Africa, Great Britain, Sweden, Mexico, Brazil, and so forth. Inquiries are coming from around the world for our cattle.

I suggest to the minister, once again, that when he goes on his trip to speak about our high quality livestock and our high quality other products that we have in the agriculture industry, that he remember that the markets were worked for by the private enterprise people, and that he take some advice from them — not only ask them where our sources are and who to talk to, but take some advice on which things not to talk about in certain countries and which things to talk about. Because there are certain countries where we don't talk about certain types of livestock because of some bad history, and we have to just slowly let it come about.

Moving on the cattle again, Mr. Minister, Saskatchewan Milk Control Board, dairy costs of production, February, 1979. It's the basis on which you are suggesting to everybody in the industry what you will allow them to sell their milk for, and what the control board will allow them for an increase at that time, when the last increase came about. It's interesting to note that the labor costs you recommend are \$6.40 per hour, which work out to be \$460 per animal unit in a year. It's interesting to note that if you take a look at some of the farmers that have taken this recommended sheet of yours and worked it through their own herds that you are expecting a man, his wife, and two children (on an average) to work for under \$15,000 a year on a family farm with a 35-cow herd. Basically what you suggest, an individual labor cost (referring to the average industrial wage of July and August 1978 is \$6.40), you're suggesting even though he owns it, he's got the investment. He runs the risks and everything else for \$15,000 which should be his allowable amount (I'm using your formula). I assume you have a copy of it. I suggest to the minister, there is nothing left in here for return on investment (capital investment). There is nothing left here for a bad year.

It's interesting to note (and I'll give you one figure) you suggest that a cow, a good dairy cow, will cost \$1,150 and will market after 3.2 lactations at \$550. First of all, Mr. Minister, your own department, I understand, is handling dairy heifers. They're suggesting \$1,700 to \$2,000. Therefore, the figures you are using to base the milk return to the farmers are incorrect because those figures plus others are totally out of whack.

You suggest the grain price you use in your formula is the initial price received by a farmer from the Canadian Wheat Board. You suggest the initial price and usually anybody buying grain around where I live seems to pay a little bit more than the initial price for his oats or his barley in the last few years. I would suggest maybe your people should re-look at the figures that you are using.

Your calf revenue, you suggest, heifers at \$200. I don't know what age you are suggesting that at because right now with the dairy heifers selling at the highest I've ever seen them at the auction mart (three day old, five day old calf), they're still not hitting the \$200 mark. So I suggest those figures are out of line. I suggest maybe your people should take a re-look at the figures which you were using and the interest rates which we use, maybe re-calculate the dairy cost of production as you suggested it was

in February, 1979 and bring it up-to-date because it's totally out of whack.

**MR. KAEDING:** — Mr. Chairman, the department and the Milk Control Board are constantly reviewing that formula which you are putting forward. That is a formula that was in place last year. This year, the formula will be different because the costs have changed. The prices of livestock have changed. The cost of production has changed. The Milk Control Board will be looking with the dairy industry at the possibility, in fact, will be looking at a new formula structure. Each year that is updated and it's agreed to by the dairy producers as a group. We don't just pull it out of the air and say this is what you're going to get. The dairy producers have a lot of input into that formula and will continue to have a lot of input into that formula. Certainly the price of cattle has changed fantastically in the last six months. The price of a good milk cow now has gone up maybe \$600. Conversely the price of a newborn calf has gone up from zero to maybe \$250. So there are all kinds of changes in costs. They have to be updated all the time. Every year when we have our negotiation process all these figures are reviewed.

**MR. KATZMAN:** — Mr. Minister, one last comment on this particular item. I suggest that the dairy producers I have talked to who have been at the bargaining tables suggest to me that this figure needs revamping more often than once a year as you are indicating it gets. Secondly, they don't totally agree with your people on these figures but they can't seem to change their minds.

**MR. KAEDING:** — Mr. Chairman, I've been at a lot of negotiating sessions with cattle producers and grain producers and even with the milk producers last year when we had the famous bellringing ceremony here. I can tell you that you'll never get everybody to agree to the price they think they should have. I'm sure that if you talked to the people around here half of them are underpaid. In their own minds they're certainly underpaid. You would not have very much discussion with them. Nor would you have any problem getting the dairy people to agree that they're being underpaid.

But yet, when one looks at the annual year end figures which we get through our farm management records, one finds that the dairy industry is well paid in relation to the rest of the agricultural industry. Certainly they were the highest paid of the different segments of the agricultural industry.

**MR. R. PICKERING (Bengough-Milestone):** — Mr. Chairman, Mr. Minister — don't shudder, it's not land bank. I'm advised there are two dehydration plants in Saskatchewan, one at Porcupine Plain and one at Hudson Bay. I would like the minister to tell me whether the government is involved in either or both of these plants?

**MR. KAEDING:** — Mr. Chairman, the government has over the years been trying to keep these plants viable and trying to help them in their operations. They have not been successful. We've had occasion to request that they are to put them in receivership. They've got their money through the Co-operative Credit Society but we guaranteed some of the loans. They were now put in receivership and there is now negotiation going on to get the plant sold and get them into the hands of new owners. That process is just taking place.

**MR. PICKERING:** — You didn't indicate whether you were the sole owner. Were there shares sold in these plants when they started up and then did you supply extra money to get them going? What was the situation?

**MR. KAEDING:** — They were started up as co-op plants. When they got into some

difficulty they asked the government to provide to purchase some additional shares in order to give them the additional capital they needed to continue. As time went on we were also being asked to put some money in in operating capital because of the losses they were having. They were trying to maintain their viability. Unfortunately we were not able to get them into a viable situation. Part of the problem in those two particular plants was that they came in late and the cost of construction of plants at that time was much higher than anticipated. They just came in at the time of very rapid escalation of prices. When they got the plants assembled the capital cost was too high for the amount of production that they were able to assemble, and they've had real problems with that. As I understand it now, there are groups who are in the local area who are prepared to form a new co-operative group that want to pick it up — private or co-operative — and we are examining the possibility of selling to those people, or at least authorizing the sale to them.

**MR. PICKERING:** — Well, Mr. Minister, another question here. The land that they produce their forage on, is it owned by the land bank or is it privately-owned property?

**MR. KAEDING:** — No, as far as I know it's all privately-owned land.

**MR. PICKERING:** — About a week ago I think we asked you about the increase per head on cattle going into the lease land pastures. I think the figures are \$1.08 to \$3.12, and since that came out I've had a lot of inquiries about it by telephone and mail. Could you give me the reasons why that increase was so substantial all at once, one more time, please?

**MR. KAEDING:** — Well, Mr. Chairman, the formula for increasing or decreasing grazing rates on government grazing land is set out in the contract which a lessee signs, whether that be the co-operative association or whether it be a private lessee. That formula would have dictated, had we used that formula, and extended it, a price of \$4.06 per cow a month this year. We determined that the formula, while it was O.K. at the lower prices of livestock, at the higher prices it began to become inappropriate. So we devised a new formula which then resulted in a price of \$3.12 per cow a month, and that is based on a maximum. We now have it so that the maximum of 20 per cent of the productive capacity of that grazing land is the maximum we can charge.

If the prices of cattle were to go down below a certain level again, it would retract from that 20 per cent to a certain extent. But it's based on the price of cattle as it goes up and down. Now the member will know that, since 1977, prices of cattle have risen dramatically, and at 1977 the price of grazing land was 94 cents per cow a month. Then last year it went up to \$1.08. It should have gone, according to the formula, to \$1.35 but we felt because farmers were just coming out of a very major slump, it was not fair to apply the maximum at that time. This year when we look at the prices of cattle today one has to recognize that the prices of cattle are very adequate, and now is the time when you should get back to the normal formula, and that's what we've done.

**MR. PICKERING:** — Just one more question, Mr. Minister. About a month ago in Yorkton you were at some meeting and indicated that the Churchill line up to the port of Churchill should be updated by the CNR (Canadian National Railway), and on the very same day the CNR came out and indicated they were updating this line from Gillam to the port of Churchill. Have you received any information whether they are updating it to the extent where it would handle all types of hopper cars or not?

**MR. KAEDING:** — No, I think they are not upgrading it to the extent that it would carry

hopper cars at the present time. They are doing some work there. They are spending some money on that line, but that's a very difficult line to work on. As it was explained to me by the engineers, it is probably the most difficult piece of railway trackage in the world. They've even brought people from Russia and China; some of these people have the same kinds of perma-frost situations to deal with as we have and have indicated they have never seen the same kind of situation in their country. It's very difficult and it's going to take a lot of money to put that line in shape to carry hopper cars. The CNR is putting some money into it, not as much money as we would like because certainly, it's going to take a lot of money to make that line carry hopper cars.

**MR. GARNER:** — Mr. Minister, I would like you to give me the information and our caucus on this side, the different lengths of time you allocate your leases on, I mean whether it be haying or grazing. What are the differences? There's ten years and there's 33 years and there's 21 years. Can I have all of the different times, Mr. Minister, that you allocate on your leases?

**MR. KAEDING:** — We have some short-term leases which are leased out when there is some situation which may require a quick change. Sometimes we have a lease which we don't have a good lessee for and we'll lease that out for a year or two or three or there may be some special circumstance where there'll be a short-term lease. The normal hay lease is a ten-year lease and the normal grazing lease is 21 years; as you will know under the land bank, the lease is to age 65.

**MR. GARNER:** — Mr. Minister, there's one year you're saying on some and then there's the ten-year on hay and 21-year on grazing. Are there any other time spans at all under any leases? Let's not talk about the state farms; we are just talking about the pasture and hay now.

**MR. KAEDING:** — There are old leases which are still in existence, pre 1965. In 1965 the leases were changed to 21-year leases. Prior to that there were 33-year leases and there are still, I think, something like 3,000 of those around. They will expire approximately between now and 1986 or something like that.

**MR. GARNER:** — So then Mr. Minister, the only leases you will be issuing on time spans will be a one-year lease where you're not just too sure or else 10 years on hay and 21 years on grazing and that's it. Is that correct?

**MR. KAEDING:** — That's our policy at the present time and again those things are being looked at. We are looking at some revisions to the policy and there may be changes in that policy.

**MRS. J. DUNCAN (Maple Creek):** — Mr. Minister, the provincial lands regulation, part 3, paragraph 28, states that a grazing lease made for a term of more than five years may be cancelled without showing cause after two years written notice. How many times has this regulation been employed in the last year?

**MR. KAEDING:** — Not at all.

**MRS. DUNCAN:** — Not at all. O.K. We had a situation in my area where a large holding was divided among three sons upon the retirement of their father and about eight sections of lease land was taken away. Could you tell me why that lease land couldn't have been divided among the three boys?

**MR. KAEDING:** — Some of these old leases were very large leases and when there is a transfer — interfamily transfer — at that time they look at the assets or the productive capacity of the amount of land that each of the sons would have. There is a maximum-sized limitation which we allow for giving grazing land to. It could be that in this particular case those sons were above the maximum before they reached the maximum amount of land that the father had to distribute. So that land which was over the maximum would then be subject to allocation through the normal process.

**MRS. DUNCAN:** — What is the maximum amount allowed?

**MR. KAEDING:** — The maximum is 400 work units. Now you may or may not be familiar with work units, but it relates to about 250 head.

**MRS. DUNCAN:** — When they first started this operation these boys didn't have land of their own. It was a family operation and when the father decided to retire they decided to divide it. Now when they first started, everything was fine until they came down to Regina to get the land titles transferred and what all. The person with whom they dealt in the Land Titles office couldn't give them a reason why they were going to take away that lease land. They just said, well it wouldn't look right to the people. You might be interested to know that the people who did get that lease land lived about 33 miles away. Yet you state very emphatically that proximity to a holding and all that kind of regulation is to be taken into consideration. It was made into a community pasture, I believe.

**MR. KAEDING:** — Again, because I don't have the case in front of me, it is pretty hard to determine. But my guess is that they were above the land-size limitations which we can allow for allocation. So they had adequate units. A 400 work unit is an adequate work unit and even the stock growers, in their discussions with us, indicated that they were satisfied with that level.

If there was no other applicant within 30 miles, I would assume that possibly there was an applicant 30 miles away who acquired it. Again, it would be subject to our allocation procedures and would be subject to appeal through the appeal board if they didn't like it.

**MRS. DUNCAN:** — I don't believe that each of the boys does have a 400 work unit place but I will find out. If it is less than that will you take the matter into consideration?

**MR. KAEDING:** — We will look at any situation which you think is unfair and we will have a look at it. I suggest that that has been through the process and we have made the allocation on the basis of a policy and that is what the policy is. Send it to us and we will look at it.

**MR. GARNER:** — Mr. Minister, I would like you to clarify this 400 work unit for me. Now, I am under the understanding that is 250 breeding cow herd. I am not counting calves, I am just talking about breeding cows. Is that correct, what you call a 400 work unit?

**MR. KAEDING:** — Again, you can't take that precisely, because a land base is considered in work units. A man may have, for instance, a section or a section and a half of good cultivated land. There are work units assigned to that land as well as to his grazing land so that it will depend on what his mix is. The 400 work units is his total work unit base. If he has a section or a section and a half of grain land he would not get

an allocation of 250 cows.

**MR. GARNER:** — Mr. Minister, I would like, if possible, to have a copy of this working unit. Is it possible to have a copy of this working unit sent over?

Mr. Minister, I am a little disturbed because of the fact that we start talking about these 33-year leases, that they are going to be up. We take the pioneer who came to this country in 1870 or 1890 and really pioneered this country, Mr. Minister, and obtained these leases and it went down from the grandfather down to the father and maybe it is now down to a son. Maybe that father would like to pass that unit on to that son.

Mr. Minister, if we have a free Saskatchewan, what gives you or your department the right, for that grandfather's work, the father's work and that son's work, to say now all of a sudden . . .

**AN HON. MEMBER:** — What work?

**MR. GARNER:** — What work? It is quite obvious that you are not one of those pioneers. Quite obvious.

Mr. Minister, I don't think that is fair either because the thing is those people came out; they broke this country or they fenced this country. Why now should they, Mr. Minister, have to forfeit that 33-year lease? What are your views on this, Mr. Minister?

**MR. KAEDING:** — Mr. Chairman, some of those people received those leases many years ago and some of them obtained them very cheaply and they have had them cheaply for many, many years. Some of those people have paid virtually nothing for their grazing land over the period of time. The leases have been so cheap in some of those areas that they have paid virtually nothing for that land. It is Crown land; it is land owned by the people of the province. It is not their land; it is Crown land owned by the people of the province and they have had the use of that land over the years.

It seems to me that if we are talking about family farms (which you pretend to talk about) then we have to talk about how we should redistribute some of that Crown land. We don't intend to take away any deeded land or anything like that; we are not talking about that. This is Crown land which is owned by the state and by the people of the province. There is no reason why somebody down there should hold 39 sections of land. Why don't we have eight people over there providing some population in the Shaunavon constituency or in the Maple Creek constituency, when they could earn an adequate income on that land base?

Certainly the land base we have here of 400 work units land base is an adequate land base and even the stock growers down there will admit that.

**MR. GARNER:** — Well, Mr. Minister, I would like a copy of that as you said you will send over. May I have a copy of that tonight because I would like to review this? I will have a few further comments to make on this. Regarding them having the land very cheaply I agree. I don't think they should have it very cheaply. I also don't agree they should have to pay an exorbitant price for it. I hope the minister can see my point of view . . . (inaudible interjection) . . . We'll get into state farms later on, Mr. Minister of Environment. Don't worry, we'll touch on that one. We're not talking about that right now, but, Mr. Minister, I don't believe we can at this stage now be taking that away. So, if I may have a copy of that tonight then I'll have some more comments to make on it.

**MR. KAEDING:** — Well, Mr. Chairman, I suppose that's a point of view which you may have. However, there are many people and I can suggest to you we just elected three members from the southwest part of Saskatchewan. One of the reasons we elected them is because the people down there agreed with that policy. We had one survivor in Maple Creek (Mrs. Duncan) but all the rest of that south country is back in the NDP fold. One of the reasons is because they like our land policy. There are some people down there that don't like it and that's these people who have had large holdings of land for many years. These are the people, Mr. Speaker, who keep telling us they don't want any subsidies, they don't want any hand outs from government, but, boy, don't take it away from us. We've got it; don't take it away from us.

**MRS. DUNCAN:** — You made a very interesting statement, Mr. Minister, about the ranchers having that land so cheaply. Well, you forget too, the years and years and years they have barely scraped a living on the land when it was dry and there was no grass. Now, you've raised the grazing fees, you've raised the lease fees. How much does that land cost your government? How much have you put into maintenance? How much have you put into fencing? You tell me.

**MR. KAEDING:** — Well, Mr. Chairman, we haven't put any maintenance into that land because it's grazing land but that doesn't give them a right to all of it. We have other young people in this province who also want some of that land, who also have a right to some of it. I don't know why you should assume there are — and I know there are people down there with 30 or 35 sections of land . . . (inaudible interjection) . . . Well, a few, and they are the large ones. If they are not large they are not having their land taken away on them. They are not losing any land through the allocation process if they're not large.

**MR. G. MUIRHEAD (Arm River):** — Mr. Chairman, I have a few questions on land bank I want to ask the minister. Mr. Minister, if you're a civil servant would you rent land bank to them? Is this your policy or not?

**MR. KAEDING:** — No, we don't normally rent land to a civil servant. However, there are situations where a civil servant will apply and resign his position. In that case he can get a lease.

**MR. MUIRHEAD:** — Mr. Minister, I don't know just how much fact there is in this so I would like to come and talk this over with you. The question is this, there is a farmer who sold the land to the land bank and his son rents the land. He used to be a civil servant for social services. We think he still is but we are not sure because he is part-time and it doesn't show in the public accounts book. If I bring this name to you would you check it out for me?

**MR. KAEDING:** — Certainly we will check it out for you but I'm not saying there is anything necessarily wrong. He may have made a commitment. You know, we allow people to continue on their jobs for a year or two until they can establish themselves on the farm. Normally this would be the case. Now in the case of a civil servant, I don't know whether we would give them that much leeway, but give me the case and we will look at it.

**MR. MUIRHEAD:** — Thank you. I will bring the name to you. Another question, Mr. Minister, is this: I have a file here on a problem that I need some help with. It is a Mr. Bob Mclean in the Elbow area. Land bank land was rented to him for a year's basis up to appeal. He lost the land and the problem is that he owes land bank his last year's rent

and he says . . . (inaudible interjection) . . . Oh just a minute now. He says that you owe him for breaking land. I don't know the facts . . . (inaudible interjection) . . . Now, just don't get excited there, Mr. Minister, because I don't know the facts and I want to find them out.

I took this file into the office of the field supervisor, Mr. Glendinning and he wasn't even interested in discussing the case until I talked to him for awhile and I heard his side of the story. I have here Mr. McLean's side of the story and I suggested to Mr. Glendinning (if I'm pronouncing the name right) that instead of hearing a story here and a story there that the three parties sit around the same table, it was pretty well refused unless the minister would get involved. So I'm asking you to save this case from going to court because you are going to have to sue this Mr. McLean to collect his money. What he is asking first is would you, Mr. Minister, with two men, Mr. Johnsson and Mr. Glendinning and either yourself or a representative, sit around a table and just discuss the matter and see if it can be kept from going to court?

**MR. KAEDING:** — I don't know the details of the case and there is no way that I can give him that kind of a commitment. The commitment that I can give him is that Mr. Wesson, who is sitting here, is prepared to sit down and talk to him and see whether they can work out something.

As I understand this particular case, he went ahead and did some breaking on a farm without any authorization from the Land Bank Commission. There is a section right in the contract which says that if they want to make improvements they must first get the recommendations, or approval, of the Land Bank Commission. You can't have people just wandering around there and tearing it all up and then charging it back to us. They'll say well you know you've got to pay us for that. So you've got to have some authorization to do that. The same situation applies in Lands Branch. In this particular case he did not get authorization to do the work, and so now he did the work and there's a problem of paying for it. We're not accepting a responsibility unless we're pretty clear or whether we have a responsibility or not.

**MR. MUIRHEAD:** — Mr. Minister, this is one story; he has another story and I cannot get to the bottom of the facts and I don't think you can either until the interested parties sit together. Now, that's all I'm asking, to prevent a court case, if the interested parties could meet because Mr. Glendinning has never talked to him yet; that's all he has asked. He's refused to see him. Now if the three interested parties can sit down like intelligent men, maybe this can be all settled. That's all I'm asking, if we could just have a meeting with the representative. That's all he's asking, just to sit down, that's all he's asking, and I think it's quite proper. I get a story from the land bank office, from Mr. Glendinning. I get another story and I get some facts from Mr. McLean and he contradicts. Now I don't know who's right. I'm not saying one man's right, you're right or wrong. I'm just saying I'm giving you the issue. And all he's asking, and I think it's fair that before it enters into a further issue in the courts, could they just not sit down with some representative from your department with these two men I named, with Mr. Mclean, at the round table like the Minister of the Environment has suggested, and just discuss? I just want it discussed. I just don't got for this kind of story where one man will tell you one story and another one tells you another one. I'd like those two groups together so they can tell them to one another; maybe we could get things straightened out.

**MR. KAEDING:** — Now, Mr. Chairman, I'm not sure that will resolve it as simply as he indicates, but Mr. Wesson has indicated to me he's prepared at any time to meet with him, and if they want to come together and meet with Mr. Wesson, fine, we'll talk about it but that doesn't mean we're going to accept obligation for something we're not



responsible for.

**MR. MUIRHEAD:** — That's very acceptable. That's all they want is someone to sit down and talk because I'm not say . . . (inaudible interjection) . . . Well, I'm agreeable with that but I have one more question. This question takes us out to the irrigation area at Outlook. I've been getting complaints from . . .

**AN HON. MEMBER:** — We're coming to that, don't worry.

**MR. MUIRHEAD:** — Mr. Minister, the question I want to ask is the problem that we have in the Outlook irrigation area where the farmers are complaining to me about the salinity damage along the canals. They tell me when the canals were built, when irrigation went into the Outlook area, that there was a discussion between the government and the engineers as to whether they should line these ditches to stop; maybe you are aware of this problem, Mr. Minister, and now the farmers are quite concerned because there are (they took me out to show me) several hundreds of acres along the areas and they just would like an answer of what your plan is. Are you going to do something about it, or is it too late? What is your plan on this, Mr. Minister?

**MR. KAEDING:** — Mr. Chairman, we know that's a problem in the irrigation district. Our resource people are trying to find a resolution to that. They are trying a number of different ideas including tile drainage to try to see if they can overcome that problem. It will take some time before we can resolve that. Certainly, it's not new to the Outlook irrigation area. That's a problem in most irrigation areas and we are looking at a way that we can do it economically.

**MR. R. ANDREW (Kindersley):** — Mr. Minister, the motions for return debatable . . . I submitted a question with regard to the fair market value of each quarter-section of land owned by the Saskatchewan Land Bank Commission at December 31, 1978. Is your department working on that answer and when could I, perhaps, expect an answer to that question?

**MR. KAEDING:** — Mr. Speaker, that is now in order for return and orders for return, I think, coming up tomorrow morning.

**MR. ANDREW:** — The other question on the land bank, Mr. Minister, is that you repeated on several occasions in the House, I believe, that the land bank does not solicit land from the farmers. Is that a correct statement? . . . (inaudible interjection) . . . You answer that in the affirmative?

**MR. KAEDING:** — Yes, that's right.

**MR. ANDREW:** — That's both in fact and in spirit. The function of your department or the Department of Agriculture, would it be a fair statement, is not to go out and actively solicit land for land bank program?

**MR. KAEDING:** — That's right. We have, though on one or two occasions when there was a large block of land up for sale, for instance, Marathon Realty, or something like that, when they have large blocks of land for sale, we have made some bids on some of that land.

**MR. ANDREW:** — Did you make a bid on Marathon Realty in the R.M. of Lacadena?

**MR. KAEDING:** — I didn't get the question.

**MR. ANDREW:** — Did you make a bid on Marathon Realty in the R.M. of Lacadena?

**MR. KAEDING:** — I am advised that we were asked by the R.M. to submit a bid in that case.

**MR. ANDREW:** — The R.M. asked you to submit a bid on Marathon Realty?

**MR. KAEDING:** — I understand that we are asked on some occasions to put a bid on land in Marathon Realty land or if some large block like that comes up. We are asked to put a bid in so that there is some assessment of what that land is worth. Of course, if we get it, we get it. If we don't, we don't.

**MR. ANDREW:** — So, did you, in fact, make a bid on that particular block of land? It's a fair block of land.

**MR. KAEDING:** — We put bids on it but we didn't get any of it.

**MR. ANDREW:** — Now, do the crop insurance people and the FarmStart people of your department actively solicit purchases of land bank land from farmers in Saskatchewan?

**MR. KAEDING:** — No.

**MR. ANDREW:** — Is it common practice for a crop insurance agent, when he finds a farmer in arrears of crop insurance, (or the same applies to FarmStart in arrears of FarmStart) while he is attempting to collect that loan, be it FarmStart or crop insurance, to actively solicit the particular farmer to sell his land to the land bank program?

**MR. KAEDING:** — Only to the extent that he might say to the farmer who is in some financial difficulty that this is one of the ways to solve it, but certainly that's not an instruction he has from the Crop Insurance Board. He may do this because he happens to know the land bank program is there. He certainly isn't given that direction when he leaves the office, by our crop insurance staff.

**MR. ANDREW:** — Is he not advised that perhaps one of the ways he can solve his debt problem is to in fact have the land bank program buy his land, and therefore loosen up some capital to pay off that debt? Is that not a common thing for the FarmStart and crop insurance people to do, in effect, to solicit the purchase of land through the side door while you're still saying that the land bank people do not solicit land?

**MR. KAEDING:** — No, it is not a common situation at all. But again I point out to you that all of our staff, whether they are in land bank, FarmStart, or wherever, are knowledgeable of our programs. When they're in a farmer's yard and are discussing his difficulties and he says, 'What am I going to do? I can't raise any money,' they may very easily say, 'Well, one of the solutions might be the land bank. Did you look at it?' So that's not solicitation. It simply makes him aware that he's there. That's not a policy of our department in the FarmStart program or the crop insurance program to have them go out and do that, but in the course of their duties they may make that proposition or suggestion.

**MR. ANDREW:** — I want to move off land bank at this point and perhaps we'll return to it, and ask a few questions with regard to the Agriculture Development Corporation.

As of now, as I understand, this particular organization is still simply a product of an order in council. Is that correct? Can we expect to see legislation incorporating this body in the foreseeable future?

**MR. KAEDING:** — Yes, it's legally constituted as a Crown corporation.

**MR. ANDREW:** — Is it, by order in council, pursuant to this other thing, as there is not a separate Crown corporation bill. Do you note it as the Agriculture Development Corporation?

**MR. KAEDING:** — No, there isn't a bill. It simply comes under The Crown Corporations Act. It's simply under authority of The Crown Corporations Act.

**MR. ANDREW:** — Mr. Minister, is it not in fact true as you proceed on, usually you bring in legislation that in fact makes a bill that just becomes this type of Crown corporation?

**MR. KAEDING:** — Well I don't know. At this point in time, I don't perceive why we would want to do that. It may be sometime in the future if the objectives change, we may need to have other authorities which we don't now have. At the present time, we have all of the authority we need.

**MR. ANDREW:** — Could you tell me, Mr. Minister, what type of grains or what type of specialty crops, the Agricultural Development Corporation is now contracting in the province of Saskatchewan?

**MR. KAEDING:** — Are you asking about those we're contracting for production? The only contracts we have are for fava beans and confection sunflowers, I believe.

**MR. ANDREW:** — That's production contracts. Are you dealing in lentils at all?

**MR. KAEDING:** — We're selling them under contract but we're not contracting for the production of lentils. If someone one has lentils to sell and they offer them to us and we have a sale for them, we'd facilitate the sale.

**MR. ANDREW:** — Your annual report indicates your markets in lentils, mustard seed, pea fibres, flaxseed and sunflower seed. I take it those are some of the specialty crops you're dealing in. Your primary markets are in Europe and in Mexico. What type of selling agency does the Agricultural Development Corporation have?

**MR. KAEDING:** — We have three trade directors in the corporation. Their job is to try to develop sales opportunities for any of these products. They acquire leads through the federal trade department or wherever they can. They acquire leads and often people will come to the corporation and say can you facilitate a movement of hogs or livestock or fava beans or whatever? We have people coming continuously to the trading corporation from other government bodies, maybe a trade association through another government. They'll come to the Saskatchewan government and say can you provide this or that for us and we try to accommodate that. We have not, at this point, tried to get into large volume sales and that doesn't mean that we couldn't do it, but at this point in time when there have been large volume sales, for instance, in wheat or barley or so on, we say that the trade can handle that and we are not involved.

**MR. ANDREW:** — Now I'm curious, Mr. Minister. You say at this time we are not. Are you

anticipating that this Agricultural Development Corporation will become a parallel selling vehicle to the Canadian Wheat Board but dealing in terms of specialty crops?

**MR. KAEDING:** — At the present time (and again one cannot predict what may happen over a period of years), we are looking at a corporation which can facilitate sales for those people who cannot or don't have opportunity through the normal trade channels — the wheat pools and ExCan and Cargill and whoever is selling in the large commodities. But there are a lot of people who have small volumes of products to sell and Cargill or the wheat pool are not interested in handling their products. We are dealing with those products and trying to facilitate markets. In case of livestock, we may get a lead. Somebody may want 400 or 500 head of cattle down in Mexico or somewhere and it comes to us and we make the arrangements. We make the contacts with the producers and we contract and get a commission on those sales.

**MR. ANDREW:**— You indicate that you are trying to fill a void that perhaps ExCan or Pioneer Grain or Northern Sales or these other companies are not able to do. Is that what you are using the Agricultural Development Corporation for, as it relates to specialty crops and you are not interested in cattle at this point in time?

**MR. KAEDING:** — Basically that's what we have been doing. We are dealing in the areas where the larger volumes are being taken care of by the bigger companies and we are looking at facilitating some mechanism whereby the smaller growers, the specialty growers, have a way of handling their product which they wouldn't normally have if we weren't there. I can tell you that they appreciate the service we give them.

**MR. ANDREW:** — First of all, Mr. Minister, would you not agree you are involved in the letting of contracts to individual farmers to grow and produce certain specialty crops with a buy-back on the contract and then you in turn try to market those internationally? Would you agree with me, Mr. Minister, that there is a very competitive field in the province of Saskatchewan, when you are dealing in specialty crops, especially in the field of lentils, flax seed (as your annual report says), mustard seed, and in fava beans? That's a pretty competitive market in the province of Saskatchewan at this point in time, would you not agree?

**MR. KAEDING:** — As I indicated earlier, we are not in the business of contracting for those particular products. The only contracts we have had are production contracts for fava beans and confection sunflowers and the reason we are there is because they are new industries and the producers are not sure whether they can make it go. We are trying to encourage them into that because there is a pretty good revenue out of that industry. But the markets are not secure at the present time and we are acting as facilitators to them so they can sell that product and they have a guaranteed market. A lot of other people would not be interested in those kinds of transactions. They may later on when the volume gets larger but at the present time we are the only outfit they have.

**MR. ANDREW:** — As you are no doubt aware, Mr. Minister, the total market in the lentils in the last year, the year 1978, took a fair downturn. Was that the first year your department was involved in the purchasing of lentils from farmers in Saskatchewan and trying to market them internationally? How much lentils approximately did you purchase? Did you suffer a loss in the marketing of those lentils?

**MR. KAEDING:** — No we did not suffer a loss in the marketing of lentils.

**MR. ANDREW:** — Did you buy lentils from the farmers? Did you pay a higher price than the contract price? Did you deal primarily through Pioneer Grain which is a primary seller of lentils, probably 95 per cent of all the lentils in Saskatchewan?

**MR. KAEDING:** — We don't know what people who sold through Pioneer Grain got for their grain or anything like that. But we do know the people who dealt with the Agricultural Development Corporation were satisfied with the returns they got from us. We didn't lose any money.

**MR. ANDREW:** — Do you buy your lentils simply from the farmer who produced lentils on speculation himself and then simply went to you without a contract and sold those lentils to you?

**MR. KAEDING:** — Yes, that's right except that we have orders for the product before we take it from him. We don't pile up a pile of lentils somewhere and say we're going to sell them on speculation. We have orders before we take the delivery.

**MR. ANDREW:** — Mr. Minister, as you are no doubt aware, the Canadian Wheat Board uses various international selling agents to assist in the marketing of grain. Does the Saskatchewan Agriculture Development Corporation also use some of these international traders or international agents?

**MR. KAEDING:** — We have contacts in various countries in the world. If we get an order from there and they specify they want so many tons of lentils or so many tons of something else we're prepared to deal with them as an intermediary.

**MR. ANDREW:** — Do you have the names of some of those international traders that you in fact deal with?

**MR. KAEDING:** — Mr. Chairman, it's not a common practice to give out the names of the people who whom you are dealing with . . . (inaudible interjection) . . . No, we are not going to divulge the names of the clients of Saskatchewan Agriculture Development Corporation.

**AN HON. MEMBER:** — Nonsense! Stay right on it.

**MR. ANDREW:** — Have you used Cargill Grain Company as an agent to market grain internationally?

**MR. KAEDING:** — Mr. Chairman, I just indicated we are not divulging who we are using for contacts.

**MR. ANDREW:** — Why are you concerned about the divulging of an international trader or agent to trade in grain? Is it for political reasons or is there something that you are afraid to disclose that you have in fact used, let's say Cargill or Bunge to help you market your crops?

**MR. KAEDING:** — Mr. Chairman, regarding the first question you asked, I said we were not going to divulge information. It was not until after I had answered that question you asked the question about Cargill, so don't try to confuse the issue and try to say that I didn't want to divulge Cargill because I told you that, in the broad, whether it's Cargill or anyone else. So you can draw whatever assumptions you want. We don't think it's good

ethical practice for us to be divulging all of the people that we do business with.

**MR. ANDREW:** — Is there a reason, Mr. Minister, why that information cannot be divulged? Is it going to somehow damage your international reputation to be associated with one of these companies?

**MR. KAEDING:** — Mr. Chairman, I have no fear of that. It's simply a matter of confidence between the buyer and seller as it is in any other kind of business. I'm sure many businesses would not divulge to you whom they had all their business dealings with.

**MR. ANDREW:** — Mr. Minister, the Canadian Wheat Board, on request, will provide to anyone who inquires, the agents that assist them in marketing their grain. Now, surely if the rationale is there for the Canadian Wheat Board, and heaven knows, the federal government does not disclose anything more than it has to, why are you resisting the disclosure of the same type of information?

**MR. KAEDING:** — Mr. Chairman, it's simply a matter of business ethics, and I would suggest that all of those good free enterprisers over there know what good business ethics are . . . (inaudible interjection) . . .

**MR. BERNTSON:** — If you think it's tough now, wait until you get in the land bank.

**MR. ANDREW:** — It appears that we are not going to receive any further answers in that field. I have one other question for you, Mr. Minister, and I did raise this at an earlier point in time. You made an annual grant this year to the National Farmers' Union of \$30,000, and last year you made an annual grant to the National Farmers' Union of some \$30,000. You indicated this year that the basis of that grant was to assist in the development of leadership in the province of Saskatchewan. Did you have a breakdown of what programs the National Farmers' Union proposed to bring about and the breakdown of the costs that allow you to arrive at a \$30,000 grant in this particular area?

**MR. KAEDING:** — Yes, we have a proposal from them which lists the things that they intend to do in their leadership program, and I might indicate to you that this is not an annual grant. It's one which they have to apply for each individual time.

**MR. ANDREW:** — You would agree that last year it was an identical figure of \$30,000. Would you be in a position, Mr. Minister, to provide or to table the breakdown of that grant and how it's arrived at?

**MR. KAEDING:** — We undertake to give you that information.

**MR. ANDREW:** — Mr. Minister, have you or has your party come to any policy or are you thinking in any direction with regard to restricting the size of the holdings of farm land in the province of Saskatchewan?

**MR. KAEDING:** — No, Mr. Chairman, we have not had any such policy, nor are we developing one.

**MR. ANDREW:** — Do you personally support a type of program that would advocate restriction on the size of farms?

**MR. KAEDING:** — For personal opinion — that's not government policy.

**MR. ANDREW:** — Are you, I take it then refusing to answer as to what your particular position is?

**MR. GARNER:** — Mr. Minister, one question. Under your hog marketing board how old does an applicant have to be in order to get a number?

**MR. KAEDING:** — I presume he's got to be legal age; he's got to be 18.

**MR. GARNER:** — Just a minute now, Mr. Minister, I'm asking you the question; you're presuming. Does he or doesn't he? I want to know, please.

**MR. KAEDING:** — We don't have a representative from the hog marketing commission here but I'm certain legal age. He couldn't legally have a production contract or sales contract unless he was of legal age.

**MR. GARNER:** — How much money is your department spending on the advertising on FarmStart and Estate Farm Program?

**MR. KAEDING:** — Mr. Chairman, the budget for FarmStart was \$25,000 and we don't have a state farm program so I can't give you the figure on that.

**MR. GARNER:** — O.K. Mr. Minister, I guess I have to break that. How much under your land bank program do you spend on advertising?

**MR. KAEDING:** — We have a budget of \$30,000.

**MR. GARNER:** — Mr. Minister, under the Crop Insurance Program — we discussed this earlier on in the session and I brought to your attention a few hail claims (and I hadn't tried to cover the province but we went to different areas in the province). On some of these hail claims they were waiting three weeks or longer before they got an adjuster.

Mr. Minister, we are a couple of months away from the hail season. Now that your department is aware of this . . . (inaudible interjection) . . . Look, Tundra, just be quiet until I finish my questions.

Mr. Minister, now that your department is aware of this, in the upcoming season will you look a lot more closely at this so that the farmers of Saskatchewan will not have to wait the three-week period of time? Are you planning on having more inspectors or inspectors in more areas who can go out to these hail claim areas?

**MR. KAEDING:** — Mr. Chairman, the problem is not with not having enough inspectors. It's normal policy for hail adjusters not to go out and adjust crops within two or three weeks in the early summer season because a crop will recover. If you have a hailstorm in June you can't really adjust that crop for two or three weeks after the hailstorm. That is not necessarily to the benefit of the insurance company. It can be to the benefit of the producer because sometimes what looks like hail damage early in the season may not have resulted in damage later on in the season. Conversely, what looks like real damage at the early part of the season may have turned out to be no damage at all. So there is a good reason to wait for two or three weeks before you make that adjustment.

**MR. GARNER:** — Mr. Minister, I can speak partially from personal experience and from the experience of some of my neighbours where we did have a hailstorm in

approximately the first or second week of July. I don't remember the exact date. The rape was ready to be swathed. We still didn't get an inspector. Finally after a couple of calls we got an inspector into the area and got it done. Some of the fellows went ahead and swathed their rape crops anyway.

I'm not talking about the hailstorms that come in on June the first. Then I agree with you that they cannot be adjusted right away. I'm talking about the hailstorms that come in July, the first, second, or third week in July. Then we don't get an inspector for three weeks. Those are the ones I'm concerned about, Mr. Minister.

**MR. KAEDING:** — The normal turn-around time for us on a hail storm is about a week on the average, from the time you put in your claim until it's adjusted. It's pretty hard for us to tell whether everybody gets adjusted in that particular time, but that's the average time frame that it takes.

**MR. GARNER:** — Well, Mr. Minister, not that I want to drag this out but I have met with you in your office and we did discuss some of these claims where it did happen. You are aware of it. Now, hopefully, this coming year, you say you are not short of inspectors. When we get hail in these certain areas in the province of Saskatchewan you'll make sure you boot these inspectors into this area to do the assessment before we get it dragged out too long. Can I ask that?

**MR. KAEDING:** — Well, Mr. Chairman, again I think the members opposite would be the first to criticize if we had 100 inspectors sitting out there doing nothing. Then, all of a sudden, we give them some work. I think you have to recognize that you have to have a reasonable number of inspectors and hope they can handle the job within a reasonable time. We have succeeded in doing that. You may be able to point out one or two cases where people have had to wait ten days or two weeks, but that is not the normal situation. I think that we have, basically, enough adjusters and the turn-around time has not been bad. We have had very few complaints.

**MR. GARNER:** — Well, Mr. Minister, there is . . . I guess we better wrap this up a little bit faster. O.K., I would just like to make one or two comments, Mr. Minister. This has to do with marketing boards. I think you know my feelings on it. Are you planning in the upcoming year to be reviewing, looking at, or contemplating a marketing board for the farmers and ranchers of Saskatchewan?

**MR. KAEDING:** — Mr. Chairman, we've had five meetings by the people involved in the beef industry. They have made some recommendations to me, none of which recommends a marketing board at the present time. They are recommending a kind of cattle commission set up and, at this point in time, we don't have a decision made as to whether we are going to accommodate that request or how we'll accommodate it. Before we do we will be discussing it with the farm organizations again.

**MR. GARNER:** — Would you, please name the groups for me that you met with? That was their viewpoint, what is the government's viewpoint on it?

**MR. KAEDING:** — Mr. Chairman, the names of the organizations are the Stockgrowers' Association, the SARM (Saskatchewan Association of Rural Municipalities), SFA (Saskatchewan Federation of Agriculture), National Farmers' Union, Cow Calf Association, and the CAM (Canadian Agriculture Movement). They sat in for a couple of meetings, also Saskatchewan Wheat Pool.



**MR. GARNER:** — Mr. Minister, hopefully we never will have a marketing board in Saskatchewan; ask the producers to get a vote from the producers on a marketing board before you go that step . . . (inaudible interjection) . . .

**MR. KAEDING:** — Well, Mr. Chairman, I would suggest that he not get too concerned about it. At this point in time we haven't proposed one. As I said, I'm going to be consulting with the beef industry before we make any rash decisions.

**MR. KATZMAN:** — Could you give me a list of those people receiving grants from your department this coming year?

**MR. KAEDING:** — Do you want to have a copy of those, or do you want to have a list given to you? It's a fairly lengthy list. We could send you a copy.

**MR. KATZMAN:** — Is there a copy you could send over now so I could check it for a minute or two?

**MRS. DUNCAN:** — Mr. Minister, with reference to the land bank. On behalf of how many land bank clients has your department paid tax arrears in the 1978 period, for 1977?

**MR. KAEDING:** — We haven't paid any tax arrears. On occasion when they've had some difficulty in the first year or two, we've reamortized their payments to the land bank to the extent of the taxes. We've reamortized what they owed to the land bank. We're attempting to collect it in that way. We haven't paid directly any taxes except in those cases where there have been cancellations and we've had to then make some payments.

**MRS. DUNCAN:** — You are saying that your department has not paid any tax arrears to any municipalities in this province on behalf of people who have land bank land?

**MR. KAEDING:** — Are you talking about land bank or lands branch?

**MRS. DUNCAN:** — Land bank.

**MR. KAEDING:** — In the case of land bank, we have only in cases where there is a cancellation of a lease. If there are any arrears which are not paid up we're obligated to pay those taxes.

**MRS. DUNCAN:** — How many times have you done that?

**MR. KAEDING:** — We wouldn't have that figure here. We could provide it for you if you want it.

**MRS. DUNCAN:** — Is it a policy of the Land Bank Commission to inform the R.M.s that they are not to bother people who are less than two years in arrears in their municipal taxes?

**MR. KAEDING:** — No, we expect municipalities to collect their taxes, but there is a policy which says if a lessee is two years or more in arrears and we cancel the contract, then we will pick up the arrears.

**MRS. DUNCAN:** — Mr. Minister, quite recently, you paid a fair bit of tax arrears to an R.M. in my constituency, and you sure as heck didn't cancel that man's land bank

policy.

**MR. KAEDING:** — We are not aware of that at this point in time. I would invite you to give us the case, because we don't know.

**MR. BERNTSON:** — Mr. Chairman, Mr. Minister, it annoys me that you, the champion of the downtrodden and the protector of the weak, can flirt with the big bad multinationals like Cargill Continental, Bunge and all these other big bad multinationals and yet you can't screw up your courage enough to tell us here that you are in fact dealing with them through your Saskatchewan Agricultural Development Corporation. You have denied us the right to put this corporation under scrutiny in Crown corporations this year, I suspect, because you tried to hide something there again. Now, will you stand in your place right now and deny that that corporation is using Cargill Grain as an agent for your international marketing?

**MR. KAEDING:** — Mr. Chairman, if the member opposite is so confident about the fact that we are doing that, I suggest he ask Cargill if they want to divulge the information. If they want to divulge the information, we have nothing to hide.

**MR. BERNTSON:** — Will you stand in your place now and deny that you are using Bunge, big bad Bunge, as one of your agents for international marketing?

**MR. KAEDING:** — Mr. Chairman, I am not even suggesting that we are dealing with Bunge, but I've simply given the same answer that that's privileged information . . . (inaudible interjection) . . . If you think we are dealing with Bunge, ask Bunge and if they want to give you any information, fine.

**MR. BERNTSON:** — I can tell the House on behalf of the minister that, in fact, he is dealing with some of the big four, and I'm not going to do his job for him by telling the world who . . . (inaudible interjection) . . . I would urge the minister to screw up his courage and let the people of Saskatchewan know that he is, in fact, playing both sides of the street. On the one hand he's berating the big bad multinational grain traders and on the other hand he is flirting with them. I call that two-faced and I think the people of Saskatchewan now know that you're playing both sides of the street. I'm sure the 50 votes which are keeping you here now will have evaporated considerably by the time you go back to the polls.

**MR. KAEDING:** — Mr. Chairman, I'm sure that the 50 votes that elected me have a lot more confidence in me than they have in the member opposite.

**SOME HON. MEMBERS:** Hear, hear!

**MR. ANDREW:** — Can the minister advise me whether or not he is prepared to provide the House and to provide the opposition with the fair market values of all land owned by land bank as at December 31, 1978?

**MR. KAEDING:** — Mr. Speaker, that question is on the order paper and it will be subject to discussion tomorrow morning or tomorrow in the regular orders of the day.

**MR. ANDREW:** — Mr. Minister, can you indicate to me at this point in time whether or not you are going to oppose giving the information or whether in fact you will give the information? If so, how long can we expect before we can get that information?

**MR. KAEDING:** — Mr. Chairman, I can indicate that we will not be answering it in the

form in which it was asked simply because in the form it was asked it would take many, many man-months of work to get the information. I'm sure he wants an answer before many, many man-months of work. However, I don't suggest to him that any answer we can give them will be forthcoming in a day or two. There's just no way you can get that kind of information in a hurry.

**MR. ANDREW:** — I take it then, Mr. Minister, that you are going to provide the answer to that question in some modified form. Would that be a fair statement? Perhaps it would be over the summer before I get that information?

**MR. KAEDING:** — Certainly we will be making an amendment to your motion.

**MR. PICKERING:** — Mr. Minister, I guess I don't have to make you aware that Susan Argue farms three quarters of land bank land. When I was checking that situation out, I find that you purchased that land late in the fall . . . (inaudible interjection) . . . Yes, I've checked her out too. Not bad. She's not bad. Anyway, you purchased that three quarters of property late in the fall. Is it your policy to pay the current year's taxes even though they were past due on that property?

**MR. KAEDING:** — When we make a purchase in the fall and if there are taxes against the land, those taxes are deducted from the price that we offer for the land.

**MR. PICKERING:** — Mr. Minister, you wouldn't be receiving any income that year from that property. Why would you pay the current year's taxes? Shouldn't the person who owned the land pay them for that current year?

**MR. KAEDING:** — They do. They are actually paying it. The amount of tax is simply added to the cost and it's given to the municipality. Sir, we wouldn't. Yes; every case.

**MR. PICKERING:** — I received in the Land Bank Commission's name at the municipal office in Viceroy.

**MR. KAEDING:** — When the land was purchased it was subject to the caveat that the land taxes would be reduced, the price of the land would reduce by the amount of taxes. The taxes would be sent in to the municipality. So, she paid the taxes, or, whoever.

**MR. GARNER:** — Mr. Minister, just a couple or three quick questions. How much land do you now own under the land bank program? Mr. Minister, also, while you are checking into that, what were the total acres purchased by the state, the land bank, in 1978?

**MR. KAEDING:** — We have in total about 890,000 acres. Last year we purchased 77,359 acres.

**MR. GARNER:** — Mr. Minister, last year by your annual report here you sold 8,123 acres. Will you tell me the total acreage you have sold, or is that the total acreage that is sold?

**MR. KAEDING:** — The amount of land sold last year is on page 15. It lists it there; it shows the amount we sold to other government agencies and municipal bodies; it shows the amount we sold to lessees. The amount we sold to lessees were 8,123 acres, total sold to date to lessees — to other agencies of government and to municipal governments approximately 30,000 acres in total.

**MR. GARNER:** — Mr. Minister, one of my colleagues had been questioning you earlier about tendering on Marathon Realty land. Mr. Minister, I think your department is wrong, very wrong. You own a total of almost one million acres now in Saskatchewan under the state farm program. I won't call it land bank. You have sold a lousy 8,000 acres to the lessees. Mr. Minister, where do these figures read that you are helping the young farmer of Saskatchewan acquire and own land when you already own one million acres almost.

Mr. Minister, every time you tender, whether it be on Marathon Realty land or not, you and your department are competing against other young farmers in Saskatchewan. If you think you're competing against the big farmer, you're not. You're competing against the young farmer trying to get started. You stated to me under the lease program that you want to take this land away from these people who have had it for generations and generations and give it to the young person. On the other hand, you put on another face and compete with them using the tax dollars of Saskatchewan to bid against them to acquire more land for the state farm. Mr. Minister, I ask you, is that fair or democracy? It isn't and you know it.

Mr. Minister, that is a cross you will have to bear. It will hang very heavy around your neck! I ask you very strongly to review the land bank policy. Let's get the government of Saskatchewan out of the purchasing of state farms and get back to selling it to the young farmers of Saskatchewan!

**MR. KAEDING:** — I have trouble getting up because the cross is so heavy to bear! However, I can indicate to you that we have bought very, very little land on that basis through Marathon Realty or that kind of a proposition. If we did buy some land from those parcels, we did not buy it for ourselves. We are buying it so we can lease it out to some other young fellow who could not have an opportunity otherwise. There are a lot of farmers in that area — a lot of young farmers who couldn't afford to be in there bidding. Those guys are going to have an opportunity to farm some of this land which they could not have done because they didn't have the bucks to go in there and bid against the big fellows. I'm not apologizing one bit when we say we'll go in there and purchase some of that land as long as we're doing it on a fair tender basis. We're giving an opportunity to people who just couldn't bring up the bucks to go in there and bid.

**MR. PICKERING:** — Mr. Minister, the gentleman who was farming in 1978 from jail, have you checked into that matter completely? Could you tell the Assembly here what you've come up with?

**MR. KAEDING:** — Mr. Chairman, the individual referred to is still there on the farm. If he continues to carry on, he will continue with the contract. If he does not continue his farming operation his contract will be cancelled. At the present time he's still there.

**MR. PICKERING:** — Mr. Minister, I know he was awarded this land back in 1973. From the time he was awarded the land he has never farmed it. He does not have machinery of any type. I have property only ten miles from there.

**AN HON. MEMBER:** — That's how they help the young farmers.

**MR. PICKERING:** — I didn't even realize it belonged to the land bank until it was brought to my attention. The fellow on No. 6 Highway just north of Corinne farmed it for five years up until last year. Are you aware of that?

**MR. KAEDING:** — Mr. Chairman, as I indicated earlier, this is a rather difficult case. We have been working with this particular individual and with his family, trying to maintain this family farm operation. It was sold to the land bank on the understanding it would be leased to the family, and we have attempted to work with this individual. He did operate, and you said he has never operated the farm. Our information is that the first two years he did a reasonable amount of the farm work himself, and we have had difficulty with him. He is now out of jail and he is now there; if he operates this year, if he does a job this year, he can continue to lease, but if he doesn't he is going to be cancelled.

**MR. KATZMAN:** — Mr. Minister, during your estimates it has come to light, and the minister doesn't seem to want to admit, that the Government of Saskatchewan who claims to be the concern of the little fellow . . . (inaudible interjection) . . . He's one of the big boys; he's in fighting with the big boys. That's the minister's own words. Also, we discover that he's working with the national corporations like Cargill and those which he always likes to kick the tar out of. He seems to be in bed with them, the same as the Minister of Mineral Resources (Mr. Messer) seems to be in bed with the multinational corporations in the uranium field. It seems the Department of Agriculture is no different from the other departments. They say one thing and do the totally opposite. They indicate they are going to do this and do that and we discover as we go around and check behind them that they are doing the opposite in many areas. They say they are concerned with the little man, the small man. The facts prove it to be just the reverse.

You know, Mr. Minister, it is annoying to see the department which has so much effect on the lives of the people of Saskatchewan slowly becoming a smaller concern of the Government of Saskatchewan as is indicated through its budget . . . (inaudible interjection) . . . The member for Saskatoon Centre (Mr. Mostoway) wants to get into it. You said I didn't learn much in the last election but it was you who moved out of the seat I won in 1975. It wasn't me who moved out. That must indicate the member knew where he was . . . (inaudible interjection).

Mr. Minister, it's unfortunate that you like to take credit, I think, for a lot of concerned groups in the agricultural field who do the work and yet you stand up and wish to take the credit for it. It's unfortunate that yesterday or the day before, the Minister of the Department of Northern Saskatchewan (Mr. Byers) suggested that because there was a vote of \$1 given to his department for incompetency, he was going to cancel programs that were in your department. I didn't know he was the minister of your department. Items 7 and 8 on page 19, capital expenditures, are yours but the Minister of Environment seems to think he controls everything. Mr. Minister, I suggest it's time your department came clean on some of the statements as asked for by the member for Souris-Cannington (Mr. Berntson). It's time, when you are allotting land and purchasing land, for land bank to come out with the facts and not with all kinds of hidden suggestions but never come out with the exact straight answer.

I suggest to you, Mr. Minister, that many organizations and many individuals in this province are scared to stand up to you because they are scared they will have either their grants pulled or their rights for land bank or grazing leases fixed so they can't get at them. I have had many of them tell me that. They are scared; therefore, rather than say anything, they take whatever measly amount you give them and be quiet, because, otherwise, they'll get nothing.

The member for Cut Knife-Lloydminster (Mr. Long) suggests it's not true. I think the member for Lloydminster should go out and check with the people in the agriculture

industry, not with just his NDP supporters. Oh, the member for Lloydminster is saying he's got land bank land. Is that what you're saying when you say you are one of them?

Mr. Minister, I suggest the best way to handle your estimates is just to say it's about time you came out and told the facts. Stop hiding and let's get at the job that's required and not play games with the farmers of Saskatchewan.

Items 1 to 21 agreed.

## **ITEM 22**

**MR. KATZMAN:** — Mr. Minister, the total allocation of \$4,150,000 for this vote, how much of that is to buy land bank land?

**MR. KAEDING:** — Not any of that.

**MR. KATZMAN:** — Then of the \$2,719,000 how much of it is for pasture land? I assume that's what is referred to.

**MR. KAEDING:** — We're not buying any land at all under that program. These are expenses for funding the community pasture.

Items 22 to 25 agreed.

## **ITEM 26**

**MR. KATZMAN:** — Mr. Chairman, could you give me a further breakdown of item 26? You can send it over later.

**MR. KAEDING:** — Item 26 is all there.

**MR. KATZMAN:** — It's all there? There is no breakdown on the 783, what are they going to try to do with it? Which studies they're doing?

**MR. KAEDING:** — I'm not sure that we can give you a breakdown of that very easily.

Item 26 agreed.

Items 27 to 29 agreed.

## **ITEM 30**

**MR. PICKERING:** — Under this, Mr. Minister, seed cleaning plants, how many of these are you planning on constructing with this \$420,000?

**MR. KAEDING:** — There is enough money there for two. At the present time we have one just in the process of being approved.

**MR. BERNTSON:** — How many seed cleaning plants have been set up in Saskatchewan under this program to date? How many last year?

**MR. KAEDING:** — There are three under construction and one just being approved now.

**MR. BERNTSON:** — Did you use up all the bucks in the estimate last year?

**MR. KAEDING:** — No, we didn't have any construction — there was none last year. There was one the year before.

**MR. BERNTSON:** — None of that \$420,000 was spent last year?

**MR. KAEDING:** — Not in that subvote, no.

**MR. KATZMAN:** — Could you indicate where the one that's being built this year is and if you have applications for the second one?

**MR. KAEDING:** — We have an application from Foam Lake. I think it looks as though it's all O.K. to go.

**MR. BERNTSON:** — Alberta agriculture has determined that in the cereal grain areas, one of these plants could be properly utilized in every 50-mile radius. Only over there they have people outside of government setting them up. They are not asking the government to intervene, as Long John is suggesting. I didn't want to get into that but my question was what is your government's policy? What are you shooting for with this program? How many plants do we want?

**MR. KAEDING:** — The program as it's now laid out calls for a plant which would have about a 50-mile radius. The cost of those plants are somewhere in the neighborhood of \$400,000 and we're picking up approximately 50 per cent of the cost. These are set up under co-operative programs, they're not government plants. They're set up under co-operative programs and it requires the involvement of all of the communities around, mostly municipalities.

Items 30 to 36 agreed.

### **ITEM 37**

**MR. KATZMAN:** — On Item 37, would you be willing to give the opposition the list of the losses incurred by The Agriculture Incentives Act? You suggest grants to FarmStart for losses on loans.

**MR. KAEDING:** — That is simply a sum set aside to take care of contingent losses. That doesn't mean that we've got \$1.1 million worth of losses. Our losses have been very small.

**MR. KATZMAN:** — Last year this vote indicates almost \$200,000 and yet now you are jumping it to \$1.1 million. That's my concern. Why the drastic jump?

**MR. KAEDING:** — This is simply a request by the auditor for us to set aside a certain amount of money in a fund because of the volume of money and the number of dollars we have out in the country. It's their assessment that we should have that many dollars in a contingency fund to take care of possible losses. That doesn't mean that we've got the losses; it simply means that there is a contingency fund for it.

**MR. KATZMAN:** — I assume that they have told you to take a certain percentage that you may lose. Would you like to tell us what percentage of your loans out this is supposed to

represent?

**MR. KAEDING:** — Roughly, in the area of 5 per cent or 6 per cent is what they're calculating. That is the industry average.

Items 37 and 38 agreed.

### **ITEM 39**

**MR. KATZMAN:** — I notice the grants have dropped. Is there any particular reason?

**MR. KAEDING:** — The Farm Sewer and Water Program has been in existence for a long time. As the farm population is picking up these grants they are not renewable; you can only get one grant on each farmstead. They are gradually going down.

Item 39 agreed.

### **ITEM 40**

**MR. BERNTSON:** — How much of last year's estimate was spent for the relocation of intensive livestock operations?

**MR. KAEDING:** — Just under \$6,100 on the relocation of intensive livestock operations. That's for the regular program; under relocation of intensive livestock Qu'Appelle, which is a little different program, \$13,000 and some.

**MR. BERNTSON:** — There's still quite a bit in the kitty. Have you give any consideration to the recommendation of the ombudsman as it relates to the Larry Rutten case in Carlyle?

**MR. KAEDING:** — That's under review by the ombudsman. There hasn't been any resolution of that.

**MR. BERNTSON:** — Have you given any consideration to his recommendation?

**MR. KAEDING:** — It's still under discussion with the ombudsman.

**MR. BERNTSON:** — When can we expect a conclusion? It's been about since 1972 or 1973 that this was first initiated by the recommendations of people in your department. The guy, quite frankly, is hurting as a result of it. Don't you think it's about time something was acted on? Either tell him he's going to be compensated or he's not so he can make plans to get on with his business of farming.

**MR. KAEDING:** — Mr. Chairman, he was advised some time ago that he was not getting a grant. He has appealed that to the ombudsman, so he is the one who is dragging on the process. He did not qualify under the terms of the relocation program. He was advised at the time — our department people were out there — that he may or not qualify. It would be subject to the decision of the Lieutenant-Governor in Council whether there would be a payment made or not. In this particular case we were just in the process of trying to decide what the firm policy should be because we didn't know what kind of situations we would run into in livestock relocation. We were developing our policy as we were going along. All of these people were advised that they should not do anything until they had approval. He didn't choose to wait.



**MR. BERNTSON:** — Mr. Chairman, the simple fact of the situation is this; people from your department approached this particular individual suggesting he should move his operation. He was in no way so inclined but he did agree with the people from your department after several approaches to move his operation. He had to have his operation up and functioning for the next spring in order to make a buck. He talked to the people in your department. They indicated to him, and the policy stated very clearly, that the final approval did lie with cabinet, I believe, but that there would be no problem, so go ahead and get it done. On the strength of the suggestion by the people in your department that he go ahead and get it done, we did just that, only to be left hanging in the final analysis. Quite frankly, I recommended to him that he go to the ombudsman after he got no place with your department. Now the ombudsman has made certain recommendations to your department and to you. Now, are you going to act on those recommendations or not?

**MR. KAEDING:** — I have indicated to the hon. member that it's in discussion and we will see what happens in the process, but I want to indicate to him that he shouldn't hold out too much hope, because the decision on what is covered and what is not covered was made in the process of setting up the policy. He didn't qualify; he didn't come under those regulations. He was advised at the time he was in the process that he should not assume that this would be approved . . . (inaudible interjection) . . . the ombudsman hasn't said that to me yet.

Items 40 to 42 agreed.

#### **ITEM 43**

**MR. PICKERING:** — I would like you to explain these grants to individuals for general agricultural purposes, Mr. Minister.

**MR. KAEDING:** — There are four different programs under that particular subvote. A sire performance testing program figures for \$28,000 there. Crop demonstration is \$44,000. That's a program where people do demonstration projects on their farms and get paid for it. Individual irrigation projects where people have individual irrigation projects — we pay a grant there. A developing farmer training program — there's \$38,000 there in grants for farmers who go in, for instruction and get paid for it.

Items 43 and 44 agreed.

Agriculture Vote 1 agreed.

### **CAPITAL EXPENDITURE VOTE 2**

Item 1 agreed.

#### **ITEM 2**

**MR. BERNTSON:** — Why did we spend \$1.5 million last year as it relates to drainage and flood control?

**MR. KAEDING:** — This is money that is spent through the C and D (Conservation and Development) associations. That's our share of the contribution. We pay, I think, two-thirds of the cost of ditching and diking and so on, and in some cases more, depending

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on what the program is. That's the work that's done through the C and D associations and we cost share that program.

Items 2 and 3 agreed.

#### **ITEM 4**

**MR. KATZMAN:** — Is that the breaking of Crown land that's leased?

**MR. KAEDING:** — Yes.

Items 4 and 5 agreed.

#### **ITEM 6**

**MR. KATZMAN:** — Mr. Minister, Item 6 — Community Pasture Development — Where are you developing a pasture under this estimate?

**MR. KAEDING:** — That money is spent for developing land, scrubbing off land, spraying scrub and so on.

Items 6 and 7 agreed.

#### **ITEM 8**

**MR. BERNTSON:** — Souris River Valley Land Acquisition — \$225,000 — Can you explain what land you are about to acquire and why?

**MR. KAEDING:** — This is flood-prone land which is in the Souris basin and at the present time we are looking at that area upstream from Estevan . . . (inaudible interjection) . . . Some of that group, yes.

**MR. BERNTSON:** — Can you tell this House what method of appraisal . How are you setting the price on this land? Is it based on productive value or is it based on how much they've been hosed over the years as a result of all of this flooding?

**MR. KAEDING:** — It's appraised on the basis of land values that would be there if the land was not flooded. We have done our own appraisal on it. We have also had appraisals done by a private company. So, we've got some appraisal values now. We are not sure that those will be firm; we are just experimenting with the kind of prices that we should be paying in that area.

**MR. BERNTSON:** — Is your appraisal anywhere in the same ball park as the private appraisals?

**MR. KAEDING:** — Almost identical.

**MR. BERNTSON:** — Did you give any consideration to providing land in lieu of rather than buying that? Several of the Hitchcock people, at least, have indicated that they would be willing to take highland and give you the lowland.

**MR. KAEDING:** — It's not really up to us to buy land for them. They get paid for the land and then it's up to them to find a piece of land they can use. We may pick a piece of land

that they don't like. So, why should we buy land for them?

Item 8 agreed.

Agriculture Vote 2 agreed.

Supplementaries agreed.

**DEPARTMENT OF AGRICULTURE  
VOTE 46**

Item 1 agreed.

**ITEM 2**

**MR. BERNTSON:** — Just one question. Under that statutory vote, why is it \$300,000 this time and \$800,000 estimated for 1978-79? I assume it was statutory last year too?

**MR. KAEDING:** — It's simply because we didn't require the \$800,000. It was an over budget and we simply brought it down to what we think is a more realistic term this year.

Item 2 agreed.

Agriculture Vote 46 agreed.

**DEPARTMENT OF AGRICULTURE  
VOTE 47**

**ITEM 1**

**MR. KATZMAN:** — One question. That \$9.3 million. What's the total amount you have now borrowed out of your statutory allowance?

**MR. KAEDING:** — \$74 million.

Item 1 agreed.

Agriculture Vote 47 agreed.

**DEPARTMENT OF AGRICULTURE  
VOTE 50**

**ITEM 1**

**MR. KATZMAN:** — Mr. Minister, how much have you now borrowed under that in total — lent?

**MR. KAEDING:** — We're very close to \$100 million or within a couple of thousand dollars of it.

**MR. KATZMAN:** — Your statutory loaning power is what — \$100 million?

**MR. KAEDING:** — After tomorrow it'll be . . . inaudible.

Item 1 agreed.

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Agriculture Vote 50 agreed.

The committee reported progress.

The Assembly adjourned at 10:45 p.m.