

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

**Thursday, June 12, 1980.**

**AFTERNOON SESSION**  
**COMMITTEE OF FINANCE – AGRICULTURE – Vote 1**

**MR. CHAIRMAN:** — We have the Department of Agriculture and I call on the hon. minister to introduce his officials.

**HON. G. MacMURCHY (Minister of Agriculture):** — Thank you very much. I introduce to you the deputy minister of agriculture, Dr. Gerry Gartner, who is sitting on my right; the associate deputy minister, Marj Benson, who is taking her seat; Rick Knoll, the director of administration services, who is sitting right here. Phil Polischuk, executive director of farm resources, who is sitting in between the two good looking fellows; on his left is Layne Hetland of FarmStart; on his right, Gib Wesson of land bank.

**Item 1**

**MR. E.A. BERNTSON (Leader of the Opposition):** — Thank you Mr. Chairman. Mr. Minister, I am going to get a couple of questions off about land bank and then we're going to get back into the current disaster, that being the drought situation.

The minister may be aware that I talked with his officials about one week or 10 days ago, asking him to have some information ready for us when the agriculture estimates came up. What we had asked for specifically was a (and this came out of our concern about abuses of the program that we have set out before this House from time to time) list of all land that the five-year option had been exercised on and that has since been resold. The other list we asked for was a list of the names and addresses of all lessees of land bank land.

Quite frankly, the reason for the latter list is that it's our role to criticize and help the department keep honest. We have cited the odd occasion in this House where a land bank lessee was a big farmer who we didn't think was deserving of land. We have cited cases of land bank land being held in the name of an individual who was in jail. We have cited instances where land bank land was held in the names of people who, in fact, were not active farmers.

We know that we can go down to the land titles office and get all of this information ourselves, but at some considerable time and expense. Mr. Wesson indicated that the information was available; all it took was the consent of the minister. I am sure that the minister will oblige us now and provide us with those lists.

**MR. MacMURCHY:** — With respect to the list of the lands that have been, in fact, sold, we are getting the list and will provide it to the hon. member. Mr. Wesson reports to me that he had sent it to my office. I do not have it with me but we will get it and provide it to the hon. member.

With respect to the names, the practice has been not to provide the names; this goes back to the early times of land bank. The hon. member can check the debates if they were then so recorded, showing that it was felt that the names should be kept confidential. I think I would want that to continue. I think the land is listed, and I think it's listed in the annual report, the land itself. But I think the name issue is rather a sensitive

issue, and I don't think we should provide it. It is on computer and I suspect, as Mr. Wesson has pointed out, could be made available. I have not seen it. I have not requested it. Because I think it's a sensitive kind of thing I would rather not, and I say this sincerely, have the list of names become a public document which it would have to be if it were tabled here in the Assembly.

**MR. BERNTSON:** — I don't disagree in the sense that it may be sensitive, but I think sensitive only to those whose names appear on the list and who have in one way or another abused the system. Let's face it; it is public knowledge now. Yours would be the easiest source from which to get it. You say it's on a computer. You just rattle it out. It comes out on a nice neat little print-out.

We have two other avenues open to us. One would be to go to all the R.M.s, and find out who is paying the taxes on this land. All the land, as you say, is listed in the annual report of land bank. Of course the other one is to take those legals and go to the land titles office and search them all that way. I can assure the minister that there would be absolutely no ulterior motive and no abuses of the use of the list. It would just help us in our role as being a good opposition. The member for Shellbrook is a little sensitive to an effective opposition. It gets him in a little hot water from time to time when his buddies and colleagues are trying to develop land. Then he gets back to the land bank.

I am sure the minister would agree with me that the lists for which we are asking are in fact public information, and he would be breaching nothing to provide us with that list.

**MR. MacMURCHY:** — I know that the hon. member is an hon. member, and I know it's true that the hon. member can go to the municipal office and find out who is paying the taxes, and therefore get the names of the people who have land bank land. If we provide the sheet it will save a lot of work for the Leader of the Opposition and will save a lot of work for the staff. They can spend time thinking up other questions to direct to the Minister of Agriculture. I know that. But I think there is some sensitivity here and I am very reluctant to provide the information and lay it on the table. In the Assembly I have made a practice of providing information to an individual member and I think I'd be willing to do that. I would classify it, I suppose, as a confidential piece of information. I can do that for the hon. member. But to lay it on the table, where it would or could be subject for debate, I think is not a good approach.

There's no question that there are situations which are debatable; they are public and we're aware of that. But to get into the broad issue, I just don't think we want to do that.

**MR. BERNTSON:** — Mr. Minister, I will accept the list on that basis and thank you. Quite frankly, I expected you would be reluctant to provide the list but that didn't diminish my desire for the list in any way. As it relates to our research people designing questions for the Minister of Agriculture, we have called them off as of late. They're not that busy at all, because most of the questions have yet to be answered and we're waiting for those to filter their way down through the bureaucracy, and as soon as you get them gathered up we'd be most appreciative in having them. Then our research people can go back to work analysing all that data. As soon as those lists come in we'll be getting back to land bank.

The current situation in Saskatchewan that is causing the most concern, of course, is the drought situation. It's a real shame that Saskatchewan, with the experience and with the advice it has had and with all the research that it has done, hasn't made itself more drought resistant, so to speak. I know that all the land in Saskatchewan is not

irrigable. I know that not all the land in Saskatchewan is suited for irrigation or grain or cattle or whatever.

But particularly in the South, where we are dependent almost totally upon surface water, there is no reason, with the experiences we've had in the past, that we haven't set up a deep water system as recommended at that time to provide for crunches such as we're in right now. Certainly it would help the livestock situation – that coupled with the half-a-million acres of irrigable land that we do have and less than 40,000 acres under the ditch. I'm just going to quote briefly from this because I think your government has failed miserably in this particular area. This is a letter I received from Dr. Meneley, formerly of the Saskatchewan Research Council, and he says:

I share your concern about the water supply situation in Saskatchewan. The root problem is that people have not attached a sufficiently high value to water as a commodity. The traditional viewpoint has been to consider that water has no intrinsic value so that its only value is the cost of its capture or diversion.

That doctrine stems from the era when resources could be regarded as infinite, and money, not the amount of the resource available, was the sole constraint.

Another part of the problem is government interference in the development of the water well drilling industry. At the federal level DREE, through its assimilation of PFRA, is in the water drilling business, and is moving more and more into the municipal water supply field to the detriment of private drilling contractors and consulting engineers. The provincial government is also in the drilling business. The Department of Northern Saskatchewan now has its own drilling equipment and is establishing a bureaucratic management to handle with difficulty what should be an easy problem for private enterprise to deal with, provided there was sufficient money to allow private contractors to provide essential services on a competitive basis.

The usual difficulty is that government departments want something for nothing. When contractors cannot or will not meet absurd specifications and standards, then this is used as an excuse for government intervention into the field; the problem lies with the bureaucracy. As further information becomes available concerning the water supply situation in southern Saskatchewan, I will do my best to keep you informed. I remain convinced that the difficulties you have experienced in obtaining information originate at the bureaucratic level, and not the political level.

And I happen to agree with him on that. He filed a report when he left the Saskatchewan Research Council, and in that report he pointed out some ways that we could become more drought resistant. And the first and most important, of course, is to get that half-million acres of irrigable land under the ditch. It would provide a stable supply of feed for our livestock industry, and it would provide a terrific base for value-added industry in Saskatchewan, which is something that we're lacking and desperately need.

The other thing that he mentions is the deep water well program. He is the individual who, I'm sure the minister knows, set up the water well observation program in Saskatchewan and he is probably the most knowledgeable man in all of Saskatchewan about the water situation. He comments on the situation where we are dependent

solely on surface water, a short-term drought of one or two years (and I say short term because one or two years is a very short time in the climatic cycles that we know do exist). He says:

Provided there are substantial fall precipitation and good snow cover during the fall and winter, there may be sufficient water to recharge or reverse the downward trend of surface water. But in the long haul what we have to have is a network of deep water wells to provide for the short-term drought cycles. The water level in deep aquifers is relatively unaffected by short term variations in the amount of precipitation because they derive most of their recharge from downward movement of water from shallow aquifers. These aquifers provide the most reliable source of water supply available in southern Saskatchewan. Even in deep aquifers they can be managed as a renewable resource. The immense storage capacity of our major aquifers can be drawn upon during dry years to provide essential water supply needs, with the knowledge that the overdraft will be replenished and recharged when more favorable climatic conditions return.

The water supply problems will arise again. They can be resolved (in the view of Dr. Meneley) for the most part, by providing incentives for developing deeper wells which are less affected by drought. The incentives should include provisions for test drilling and E-logging to identify deeper aquifers, and support for well construction based a percentage of the total well cost including pumping equipment, rather than the fixed amount grant that is presently available. The fixed grant creates a bias in favor of shallow wells (and of course we all know it's the shallow wells that fail during the short-term drought cycle).

As I have said, Mr. Minister, those are a few remarks set out by the acknowledged expert in hydrology and water problems in Saskatchewan.

I've been wondering two things: first, since the Gardiner Dam was completed and Diefenbaker Lake came into existence, there have been something like 30,000 acres or 40,000 acres of irrigable land brought under the ditch. What kind of incentives are you offering (and I don't mean the piecemeal, mickey mouse stuff that has gone on in the past)? What kind of real incentives can we expect to get more (and by more, I mean some considerable numbers) of that half-million acres under the ditch?

Secondly, would you seriously look at, in your drought program this year providing for a percentage of the cost of well completion, as opposed to a grant per well? We all know anyone can screw a hole into the ground to 14 feet for very little. It will be a well but not a good one.

In many areas of the province there is an inestimable amount of water at 700 feet. In the Frontier area it is 1,300 or 1,400 feet. In most areas of the Southwest it's around 700 feet; in the Southeast it's around 340 feet. When you get up to the 700 foot level you're talking about \$100,000 to \$150,000 for a well completion.

I've been wondering what the minister would do in those two areas of irrigation and deepwater well completion?

**MR. MacMURCHY:** — Mr. Chairman, I have the list of land requested by the hon. member. With respect to water (and the names have to come off the computer, and I

know the hon. member will recognize that) let me say I'm sure – I don't have a copy of this report, and I'm checking with the department officials. They don't seem to have a copy. I wonder if the hon. member, at some time would send along a copy, not today but perhaps before the House prorogues. I am sure that the hon. member, as Leader of the Opposition, is more concerned about the producers than he is concerned (as the reports seem to indicate by this consultant) with the well drillers and the contractors. I'm sure he is concerned about the producers. Can I report what we have which is available to producers and of course, benefits the well drillers and the contractors? It was part of yesterday's package.

Farm wells – we have the ongoing program of assistance to farmers of \$1 per foot for the test drilling where electric logging is undertaken. They can go down as far as they want, so that is in place and there is no ceiling on that.

For farm wells there is the PFRA (Prairie Farm Rehabilitation Act) program where there is a ceiling. The ceiling is increased from \$550 to \$1,500. I accept that the hon. member has raised this matter with me and that that one should be reviewed in light of the circumstances. Obviously that one is a necessary part of our negotiations with the federal government on where we go from here with the drought assistance and whether what happens can be ongoing and not just apply in the particular drought situation.

With respect to the municipal well program which is sponsored by the province, it provides a municipality with 50 per cent of the costs of developing a community well. On that one the ceiling is taken off. There was a ceiling; we have taken it off for the drought and it is our intent to keep it off in order to get into the deeper wells.

Mr. Chairman, with respect to the development on the west side of irrigation (and the question was put forward by the hon. member for Rosetown-Elrose about some emergency aspect; we may get into that later), just to look at the broad issue of why something hasn't been done, I suppose it is a good point. Why hasn't something been done?

One of the interesting things the government faces is, on the one hand, demands by producers to get rid of water, which has been going on for the last four or five years – more money in conservation and development to get rid of water. That's what the drainage bill put forward by the Minister of the Environment is about. And on the other hand we have a move into irrigation programs, on the west side at Outlook, to move water to irrigate. That gets to be a bit of a dilemma – which do you attempt to accommodate? I guess it may well be that it was felt that the pressures to address the getting rid of water had a higher priority than the pressures to expand on the west side.

Now, fairly clearly, nine months of drought has changed that in the minds of producers. As I have indicated to the hon. member, the long term development at Outlook on the west side is very, very seriously under review because it is showing up to everyone what the weatherman can do to the province of Saskatchewan, when he makes up his mind.

**MR. H.J. SWAN (Rosetown-Elrose):** — Mr. Minister, I'd like to pursue that west side irrigation a bit. You say it's under review. Would you tell me at what stage of review you are? Are you prepared in this year to make a commitment to begin to develop? I know it's going to take a while once you decide to go ahead because you have to build pumping stations and complete the irrigation canal and so on. But at what stage are you in this review and approximately how long do we have to wait before we will have an answer

and see some water on the west side?

**MR. MacMURCHY:** — I think what we're talking about on the west side development is 87,000 acres of land. We're probably looking at a cost of roughly \$100 million to develop the west side. That's the kind of cost figures. Therefore, it's a very significant submission to be examined by finance and the government.

I think the hon. member will realize it's something you would build into. You have a phasing-in kind of program and you'd spread that expenditure out over a fair period of time. So, it's not just a simple thing to lay before the government for government decision.

I'm saying to the hon. member that a process is taking place to give government an opportunity to look at what might be accomplished over a period of time on west side development.

**MR. SWAN:** — I realize this was a major cost involvement here. Is there some federal assistance, as there was when the east side of that irrigation was opened, available to assist the development and has there been conversation with Ottawa in that regard?

**MR. MacMURCHY:** — The only assistance that is available from the federal government at the present time is for the engineering and planning – no assistance, nor any evidence of assistance on the actual construction costs. I want to say to the hon. member that any time requests have gone forward involving money from me and from some of the other cabinet ministers whom I've been with (two federal cabinet ministers), the answer has come back very quickly that we're hard up and we can't afford it.

Now, perhaps the drought situation will make them a bit more responsive. But at the present time there just isn't any indication of financial support where the real costs will be.

**MR. SWAN:** — Mr. Minister, you have the main canal on the west side near completion (I think something like only 3 kilometres left to build) and it would be far enough along that you could start to use water from it.

You had a considerable expenditure. The west side development at that time was planned to go ahead as a development and it was cut off by your government. So the planning evidently has been completed. It's a matter of putting in your pumping station and finalizing the canal. So I'd like to know where the \$100 million is. Is it all in the pumping station, the bulk of it, or where is the large cost that you're talking about?

**MR. MacMURCHY:** — I'll give the hon. member the list of things that are required which go into this roughly \$100 million: the pumps, the linings for the main canals, the reservoir up by Conquest, canals branching out, and the laterals which the farmers would hook into.

**MR. SWAN:** — How much money has been expended on the west side to get as far as you are at this point in time? Could you give us a figure on that?

**MR. MacMURCHY:** — \$1.5 million to \$2 million which was spent in roughly '71-'72.

**MR. SWAN:** — Are you going to provide assistance to the people who are taking water directly from the lake? There are a number of people who are willing to proceed in that fashion to put land under irrigation, but the cost has been fairly high and these people are finding it difficult to finance with current interest rates. I was wondering, is there any plan to provide them with a subsidized interest rate and is there any outright assistance to them?

**MR. MacMURCHY:** — The program is \$35 an acre to a maximum of 50 acres. The engineering services have been provided. I can report to the hon. member that I have a farmer in my own constituency who is pumping water for irrigation out of Last Mountain Lake. He's operating for the first time this year and he picked up additional funding from FarmStart for his project. He was able to qualify under FarmStart as well as using this grant program. I haven't seen the project but it's set up so there are ways of doing the irrigation from the lakes. This is, as I say, on Last Mountain Lake. I received a request from the other side, from a producer who wants to do the same thing this year for some of his pasture land.

**MR. SWAN:** — There are a number who have proceeded along Diefenbaker Lake and I imagine you are aware of that; there are quite a number. This year I would say there are probably about 30 additional irrigation projects that have been developed and are now being used. Farmers along there who are established can arrange funds to proceed; but to put a section of land under irrigation is a very, very costly business. The \$35 an acre for 50 acres is a small portion of it. I believe that the cost one man experienced to put a section under irrigation was in excess of \$250,000. So there's need for a fair amount of assistance. I'm wondering if you could look at expanding your help to people to get more irrigation in operation.

**MR. MacMURCHY:** — Mr. Chairman, it gets kind of heavy because the hon. member is suggesting that over a period of time we should expend \$100 million to get the west side developed, but also at the same time provide additional assistance for farmers who want to irrigate right out of Diefenbaker Lake or right out of Last Mountain Lake or whatever. I think the hon. member makes a good point; we should look at it, but we should look at it in terms of our financial capacities. It may well be that we want to prioritize one area as against the other. I can only say that he makes a good point, which we can only consider as part of consideration of the broader programs.

**MR. SWAN:** — You know, Mr. Minister, at the moment we are just talking about the cost side. But there is a benefit side. If you had enough irrigation, your back haul of feed coming out of Ontario and Alberta and wherever would be a considerable reduction in cost. If crop production increases in the province there is bound to be an increase in tax revenue for the province and there's also an increase for the municipalities. So it's not only the cost side; you must look also at the benefit side. I believe that if you do you'll see it's a project with which you should proceed.

**MR. MacMURCHY:** — I agree there's the benefit side. If we had a four day, three-inch rain, as the hon. member for Milestone was informing me was going to happen, we wouldn't be spending as much time on irrigation programs and so on. We'd want the drainage act in.

**MR. BERNTSON:** — The minister indicated just a minute ago in a fit of generosity, and indicated in his statement the other day, that you are providing a dollar a foot for E-logging with no ceiling. That, coupled with the increased grant per well of \$1,500 from PFRA . . . If you are drilling a 700-foot well that would total \$1,200. A 700-foot well to

completion is well over \$100,000. So I am sure that the minister is not telling us . . . I shouldn't say well over \$100,000 but . . . (inaudible interjection) . . . No, more than that – a well of any consequence.

In Frontier in 1977 – and that is three years ago – the cost of that well was \$100,000 to completion and it was 1,300 and some odd feet. So a 700-foot well we'll say is \$50,000 to completion – that's casings, pumps, lines, everything. And really that \$1,200 doesn't go that far. The minister says we are hard up and we can't afford it . . . (inaudible interjection) . . . Somebody said it. I think just the opposite is true. We may be hard up but we can't afford to be without it. If we lose the beef industry . . . The minister has also been quoted as saying we can afford a crop failure; we can afford it because we have this strong resource backing. The fact is the beef industry alone injects more into the Saskatchewan economy than all the resources combined – all the natural resources combined.

I think we can't afford to lose this industry in any way, shape or form, and we had better be prepared to invest substantial sums to be able to carry this industry through what is a relatively short-term drought cycle in most instances. I recognize back in the '30s it was a little longer than a short term but nevertheless even then, had we had one-half million irrigated acres under the ditch, and had we had a deep water well program to provide for municipal water and water suitable for livestock, it would have carried us through a little less scathed as well. So I think the minister has to agree that we can't afford not to make the investment.

**MR. MacMURCHY:** — Mr. Chairman, we are going to look first of all at the drought situation, how we will respond to the drought. I think the announcement yesterday dealt primarily with fodder and grain pasture, and didn't deal to any large extent with the water situation and that was for the reason that the water tables this spring were relatively high and it was not a priority. It's now becoming a priority. One of the things that will have to be addressed when officials and organization representatives get together, I believe next week if it is possible or the week after, is the water situation.

I agree with the hon. member that if a farmer or two or three farmers have to go down to get water, then the \$1,500 per well ceiling is not good enough. Now, our figures are that you can go down 700 feet for \$10,000.

**AN HON. MEMBER:** — Maybe he's drilling the well.

**MR. MacMURCHY:** — I'm fairly familiar with the Frontier project because I was minister responsible for the research council at the time that development was put in place. As I recall, the project cost \$100,000. And the project cost \$100,000 because it not only involved the well, as I recall, but it also involved a freezing process and a collection system to make the water fit to use.

That deep stuff the hon. member is talking about is really not very good water, and I don't know what would grow with that water. I don't advise the hon. member to take a big drink of it, particularly if he's in estimates and plans to stay in here very long; he wouldn't be able to. The problem with that deep water is that it has to be processed before it becomes fit to use. It's well known that that experiment of freezing has worked fairly well for the Frontier community and we are pretty pleased with it. There is another one that was established at Bruno. Now, they didn't have to go down so deep for water but they had the same kind of water and a freezing process had to take place.

**MR. BERNTSON:** — I freely concede that the water does have certain characteristics. It is highly mineralized and they did set up a freeze desalination facility there developed by the Saskatchewan Research Council which the minister will know all about because he was in charge of the Saskatchewan Research Council at that time. It's not an elaborate sort of system. It's set up to take advantage of the natural coolness of the winter months in these particular latitudes and it's not that expensive a process.

The collection system you're talking about is a natural aquifer. There is a pipe going from the desalination system into the ground and it goes into the natural aquifer. That didn't cost a lot of money. The bulk of the expense was, in fact, the well, but I won't be splitting hairs with the minister on that.

I've talked with you before about your community well program. I've talked with the minister responsible for that program, the Minister for Urban Affairs, and we recognize the high cost of getting a well into production. Knowing this cost exists, knowing this cost is there and knowing that two or four or five or seven farmers could conceivably operate out of the same well, why not expand the community well program (as you have your 50 per cent of the cost with no ceiling) to provide for a common well in an area where there's known deep water, to provide four or five or six or ten or whatever number of farmers within an optimum distance?

I know it works. In 1977, in North Dakota, eight miles from where I live, they had the same drought that we had. They had an eight-foot plow and by eight feet I mean down, with two D-8 cats in front of it, and they dug deep wells at intervals along the Mouse River, and literally piped water to every farm in that drought-stricken area. They were laying plastic line at about a mile to a mile-and-one-half per hour and literally every farm across the border from me in North Dakota has water to its door.

So I know it works; it does there. I wonder if the minister wouldn't give some consideration to allowing that sort of scheme to go under the community well program.

**MR. MacMURCHY:** — Ours is the municipal well program which is different. It's kind of all split up, but it's going to get together as we address the drought issue.

The PFRA has handled the individual farm wells and the wells involving two or three or four or five farmers. I don't think there has been that kind of discussion between our people in agriculture and PFRA on how to address this particular situation.

The hon. member raises what was done in 1977. I'm sure PFRA people know about that. It may be that they're willing to look at this kind of project. I can only say that I think the issue of water is an item that has not been fully addressed as it relates to the drought situation and if it continues into next week, will likely be.

**MR. W.C. THATCHER (Thunder Creek):** — Mr. Minister, I noted your comments at the Saskatchewan livestock convention yesterday. I would like to go back to a subject we talked about in question period a few weeks ago, and that's the subject of screenings.

I would like to ask the minister if he and his officials have re-evaluated their thinking on this subject of screenings, as a result of this drought? My question to you is, has something good come out of this drought? In other words have you people revised your thinking, and is your government finally going to acknowledge that a very, very valuable resource is being sent out of the province for use elsewhere? And are you ready now to acknowledge that this is a silly situation — where a farmer hauls his grain to the

elevator, is docked so many points depending on the amount of screening which is in there, and then charged the freight to either the Lakehead or to Vancouver? He pays the freight, and then gives the screenings to the company involved.

And do you know, Mr. Minister, it's a very interesting thing but it appears there is only one company which operates on the Prairies that acknowledges and perceives the value of screenings as a livestock feed. And like it or not, that company is Cargill Grain. It is the only company that acknowledges the value of livestock screenings. That may be as a result of its predecessor, National Feeds; I don't know. What difference does it make? But my question, Mr. Minister, is, is your government finally prepared to acknowledge that you are wasting a valuable resource — a resource that would feed our livestock this year?

The livestock industry could look after their entire herds if this resource were kept in the province. If one year's screenings just from this province were kept here, we could look after our beef herds. (I note the Provincial Secretary is in his usual spot; he's either talking from his chair or talking from the railing, and now he's in a familiar pose disappearing out the door.)

Anyway, let's return to the subject of screenings. Mr. Minister, has this drought done at least one thing? Are you now prepared to acknowledge the fallacy of the procedures, that we followed here for far too long, of giving away these screenings to livestock producers in other parts of the country? And are we finally not in this ridiculous paradox of having the farmers pay to have it hauled to Vancouver or the Lakehead, and then paying and being subsidized to haul it back? Is not that the epitome of a foolish paradox, in the words of my colleague from Souris-Cannington, a paradox of stupidity?

MR. MacMURCHY: — Mr. Chairman, the hon. member says that Cargill Grain is the only company in Saskatchewan or western Canada that recognizes this great value. I note the volume of grain that's handled by Cargill Grain in Saskatchewan by comparison with the co-operatives which are their main competitors. So it appears that the other companies and the people, whom they serve, are happy with the situation as it operates.

The hon. member is suggesting that there is economics in cleaning grain to export standards in the country elevator system, rather than establishing the cleaning facilities at the terminals. I'm sure that the people who are doing the business, without any question, while the hon. member may not agree, are highly regarded. I will stop Mr. Chairman, while the discussion goes on between the hon. member for Thunder Creek and the member for Nipawin . . . (inaudible interjection) . . .

I think that Sask Wheat Pool, probably recognized as the largest and most efficient grain handling company in Canada, seemed to look at their operation as being the best route to go. I believe that Pioneer Grain has built in the same kind of system. I believe that United Grain Growers have built in the same kind of system. If you believe in that system, then I think you don't adjust your policy to accommodate one given situation.

MR. THATCHER: — Well, I note the minister very carefully stayed away from the subject of the lunacy of the farmers paying to haul their screenings to the terminal, then having to be subsidized to haul them back. I notice the minister didn't get into that one at all.

I would like to suggest to you, Mr. Minister, that in this Assembly it is very easy to get isolated. We hear there is a drought out there. Really, do you know how bad it is? There

are not very many days where I don't go to my ranch in the morning; I'm close enough that I am able to do that. In the last couple of days . . . (inaudible interjection) . . . Yes, that's exactly where I have been for the last couple of days. I have been moving cows and splitting them up for the breeding pastures. Mr. Minister, you cannot believe what it is like out there. We rounded up our cows on native grass pastures, off the spring pastures, to take them for the sorting. As you trailed them across these pastures, the dust that came up was like you would normally see as you ran them down a gravel road. It was just choking. It is something that I can't ever remember seeing in the middle of a pasture. There was just a constant column of dust coming at you that you could hardly see them from your saddle horse. I've never seen that.

Here in this Assembly, we hear about the drought and we hear about the odd shower. It is something unreal out there. It is very, very easy to lose touch with reality in here.

The grassland is gone now, Mr. Minister. I don't think that is an unfair statement. No matter what happens in the largest portion of the southern half of the province (I don't know what the situation is in the North), the hay land is gone. The alfalfa is in blossom; you know what that means. It means you either go in and take it and hope for a second cut, or leave it and hope it rains and then it comes from the bottom. Well, if you get a break, I suppose you are doing it the right way. But if you take it now, there is absolutely nothing there. There the alfalfa sits in blossom. Obviously, you know that hay land is not going to do anything. I think that is a typical situation in a good portion of this province.

Be that as it may, you can't do anything about that. You can't make it rain and even if it did rain, I really don't know how much it would do for that hay land, and, for that matter, for the pastures. Certainly it is not going to hurt them. Obviously, we do know that there is going to be a very severe feed shortage.

I acknowledge some of your comments at the stock growers' convention yesterday, about opening up any arable land used for wildlife sanctuaries and parks. That is progressive. It is good thinking and I hope your people are out doing what has to be done in order to make this possible right now. . . . (inaudible interjection) . . . My seatmate points out it is really progressive, seeing it was a suggestion which came from the Progressive Conservatives (I feel obligated to point that out). But none the less, Mr. Minister, I acknowledge your department is taking this drought seriously and that you are making a genuine effort, within the very limited confines of what is available to you, to make things happen as best you can. Nobody knows better than I do how severely limited you are when it won't rain.

But, Mr. Minister, I want to get back to the screening thing because there is a lesson in this down the road. We don't have to have a feed shortage like this again. Now you can confound this thing into a debate on inland terminals if you wish; but it is indisputable that these screenings are a valuable source of livestock feed. They are a very valuable source which is simply being pilfered and wasted and sent away. On top of that, Mr. Minister, can you imagine the pelleting industry that would spring up if these screenings were available?

If there is one area where your government has fallen down dramatically and has been very unsuccessful, it's the area of secondary industry development. Can you imagine, if these screenings were available, obviously a pelleting industry must have to spring up around them. But, because that grain isn't cleaned before it goes to the terminal, there simply isn't a product. So the pelleting industry follows the grain. It goes to the terminals. It goes to the Lakehead or it goes to Vancouver. It doesn't happen here.

Mr. Minister, are you aware that the Weyburn inland terminal has orders for screenings from people who will pay cash right now for delivery next September or October? That's the magnitude of the problem we have. The point I am stressing to you now is, there's a lesson to be learned. Let's not get sidetracked yet into inland terminals and export standards of grain. We might get there today but not quite yet.

But are you prepared to acknowledge that there is a resource being lost, a valuable resource, which could feed our cattle, solve our problems, were it here? Not only that, there is the potential for a thriving secondary industry in the pelleting end of it around this screening operation.

**MR. MacMURCHY:** — Mr. Chairman, I agree with the hon. member that the situation is very serious. I go back farther than the hon. member. I remember 1937, and I doubt that the hon. member for Thunder Creek remembers 1937. As I remember, in 1937 (and of course I well remember 1961), it wasn't as dry, pasture wise, at this time of the year as it has been for the last month. The crops weren't lost until about this time going into July. So the situation is a very, very unique situation. I doubt that there has been such a vast area of western Canada as dry as it is this year.

I'm the kind of a person who will take all of the good ideas, even those that come from the Conservatives opposite, and implement them. I was very pleased with the fairly positive response of the cattlemen yesterday in Moose Jaw to the fact that we are trying to do as best we can. Obviously more has to be done and we're going to involve a representative from their organization in looking at where the next steps are because we have to make every effort to save the livestock industry in this province.

Going to cleaning, I think if you look carefully at the Hall report, and if you sit down with Emmett Hall, who did the whole study of this issue, he indicates that there is the potential for some cleaning and some marketing of screenings here in western Canada, but not a very large one because what producers do in Saskatchewan is use oats and barley, which they grow and which they see as a much higher quality feed than the pellets.

Why is there such a demand this year at the Weyburn Inland Terminal? Why are farmers buying the pellets which are coming from Thunder Bay? It is because they don't have much alternative. The pressure of the drought is causing them to look at all alternatives and the pellet is one of them.

Now what did Hall say to do? He said you have the inland terminals at Saskatoon and Moose Jaw and you should clean and hold grain in those terminals to move to export. He also said that we should build a terminal out in the Yorkton area to do the same thing, to move clean grain to Churchill. But he said, if that's going to work you have to remove the stop-off charge applied by the railways or it's just not economical to do so. So you have a situation of a limited market, under normal circumstances, according to that analysis. I think it's probably as good an analysis as there is around of the whole grain handling and transportation system in this country. And you also have a problem which the railways have created in terms of the stop-off charge. I think with a solution of the stop-off charge we would see more cleaning (although not a large amount) going on at the inland terminals.

**MR. THATCHER:** — Mr. Minister, certainly you are correct that farmers tend to use oats and barley here in place of screenings, where possible. That's partly also because the

screenings aren't available for them to use. You may notice there is a machine which has become very, very popular in livestock operations; in fact I venture to say if you drive by any given livestock operation of your choice you will see a mix mill there. You know what a mix mill is? It became very popular in the early 1970s when the price of grain went sky-high in relation to everything else. What is the function of a mix mill? It's to minimize the use of grain and to enable you to put more roughage into it, mix it up. In other words, it's to make screenings. It is to mix grain and roughage and, in essence, to make screenings. Now, Mr. Minister, I think the logic of that is plain. Go take your pick; if you see some cows at a farm, stop, and I venture to say you will see a mix mill.

Obviously your logic simply doesn't hold up when you say that there isn't a function for screenings on the Prairies, because every place tries to create them, every single one of them. I wish you would jar your colleague, the Provincial Secretary and newly appointed Minister of Economic Development, and tell him of the potential for the pelleting business. Supposedly this is our new economic czar who is going to do all of these wonderful things and establish these secondary industries. Tell him about the potential for screenings. Why should we be sending this resource out to the West Coast, or out to the Lakehead when there is the potential for a thriving secondary industry, particularly in an area where your government has fallen down badly? Tell him that the potential is there to create an industry which could export all over western Canada.

Frankly, Mr. Minister, I think your logic breaks down completely when it's scrutinized. And it breaks down because you people are so wrapped up in philosophical dogma over our grain handling industry. Mr. Minister, the sad fact of life and the sad fact for Saskatchewan farmers and all western Canadian agriculture is that Canada has become known in international trade circles as an unreliable supplier of grain. It is acknowledged in the grain circles throughout the world that you cannot send your ship to Canada and be certain of getting it loaded promptly and efficiently.

We are known as an unreliable supplier. Mr. Minister, this is a tragic thing and it's a tragic thing for all of us because far too many of us and far too many people in Saskatchewan and particularly your government have become wrapped up in the process of whether we're going to haul our grain 8 miles to an elevator or 20 miles to an elevator. We've stopped worrying about whether we're satisfying our customers out there. We've stopped worrying about how we're perceived and how we're looked upon in international grain circles.

I suggest to you, Mr. Minister, look at it from the point of view of a farmer. When you're going to buy a machine, you take a look certainly at the dollars and cents involved when you buy it from a dealer. And you look at that dealer very carefully. Most farmers, before they buy that machine, go and look at the back end of that machine dealer. They look at his shop and they see whether he is equipped or not to handle it. The member for Hodgeville knows exactly what I am talking about. The minister, any farmer, knows what I am talking about. You don't buy from a dealer who cannot service what he sells. And it's the same thing in the grain business. You don't buy from somebody who isn't going to supply you on time if you can go somewhere else.

It's a tragedy what has happened to Canada as far as a share of the export market is concerned. If I'm not mistaken (and I'm going with numbers off the top of my head), I think our share of the international market has been cut in half since the year 1971 – cut in half! Mr. Minister, there has to be some reason for that. Basically our grain handling system has broken right down. We have a bottleneck out at the terminals. We

have a bottleneck here and there is that dogma, there is that doctrine that is simply resistant to change and will not acknowledge the facts of life as they exist in the international trading area.

Why should people come to buy from us when they can buy from somebody else who is a heck of a lot more reliable? Mr. Minister, I suggest to you, clean grain to export standards on the Prairies where possible. In fact every effort should be made to make it the rule rather than the exception. Not only is it the resource of the screenings, but it is common sense to say that it is more efficient to send that train out there and fire it straight off the car into that ship.

Mr. Minister, the Americans do it and the Americans sell the pants off us when it comes to exporting grain. When it comes to selling grain, we're not even in their league. You know that; your officials will tell you that. Some of your fellows in the back benches may not know that but you know that's true. The Americans are the best sellers of grain in the world by far. . . . (inaudible interjection) . . . Oh, we'll do that one a little bit later.

Mr. Minister, it's common sense that when you can fire that grain straight out of that hopper car right on to a ship, the savings have to be passed back to the farmers. It's common sense and I suggest to you that it's time your government took a really close look at itself. It's time to get away from that concept of becoming paranoid whether you're going to haul your grain that 8 miles or 25 miles.

Mr. Minister, in this year of high interest rates, with the farmers having that backlog of grain on their farms, ask them: how far will you haul it? How far will you take your grain in order to sell it? I would venture to say that the vast majority of them would say, tell me where to take it; I'll get it there. Just let me sell it. I venture to say that not many farmers this winter, when they were paying 15 per cent, 16 per cent, 17 per cent interest on their operating loans, were going to quibble over whether it was going to be 8 miles, 20 miles, 50 miles, maybe not even 100 miles. I venture to say that they would have taken the grain there if they could have sold it.

Our system has broken down completely over this dogma that things are the same as they were 50 years ago. They're not the same. It's a big world out there and it's a darn competitive world. And I suggest to you that our farmers are being sold a bill of goods for political purposes by governments like yours and some organizations.

Unfortunately, regrettably, this is 1980 and changes have to be made. I want to ask the Minister about this in light of this drought (there are also some questions on the screenings) and in light of the fact that we're just simply not moving the amount of grain that we should, and in light of the fact that the Americans, even with the embargo to the Russians, are still selling the pants off the Canadian Wheat Board.

**MR. MacMURCHY:** — Mr. Chairman, I had to restrain the hon. minister responsible for economic development from getting into this debate. He was really anxious to debate with the hon. member for Thunder Creek. I did that, Mr. Chairman, because I wanted to listen very carefully to the policies of the Conservative members opposite as they relate to grain handling, transportation, branch lines and the Canadian Wheat Board.

I don't know whether the hon. member, or the Leader of the Opposition, or the Leader of the Conservative Party were listening, but what I think I heard the hon. member say was that there is an industry here for pelletized screenings, and that we should establish this industry to go well beyond the needs in Saskatchewan and move this

product to markets elsewhere.

Well, Mr. Chairman, that's a very interesting proposition. We get into what it's going to cost to move that product. And what it's going to cost to move that product to markets, let's say in Ontario, is about \$30 per tonne, while the grain moves at \$6 per tonne.

Now, I'm sure the hon. member is therefore suggesting he is prepared to support the Government of Saskatchewan's position that we should implement the Hall report which would lower agricultural processed products to the same level at which the raw products move. He would therefore support the Government of Saskatchewan in its proposal to Pepin that that's the way the federal government should go.

Additionally, Mr. Chairman, he would support the Saskatchewan Crow Rate Guarantee Plan to implement this new industry, because I think the hon. member knows that it really can't work and we're handicapped in terms of processing industry because of the discrimination of the freight rates.

Now, I didn't hear, Mr. Chairman, the Leader of the Conservative Party as generous on this proposal as the hon. member for Thunder Creek, because he said the farmers could pay more to move grain. I don't think that's what the hon. member for Thunder Creek says. He wants to implement the Hall report and the Saskatchewan Crow Rate Guarantee Plan. He is anxious to get this under way and that being the case, I'll be glad to have him accompany me and Justice Emmett Hall to Ottawa when we make our next proposal to the federal government to implement that plan.

One aspect of his comments which distressed me is his opposition to a decision made by the Conservative government when they were in office to place lines that run through Holdfast, Lacadena and Bengough into the permanent network, so that farmers can haul farther. He agrees with the federal government, the federal Minister of Transportation, that there are too many branch lines. That is what he said; there are too many branch lines. He said that in the House of Commons. We're getting contradictory here because on the one hand he says we want to support the government on implementation of the Hall report; on the other hand we don't want to support the government on branch lines. I say to the hon. member that he should reconsider because the two very much go together.

**MR. THATCHER:** — Mr. Minister, somewhere I missed where I got into the branch lines. The only main branch line I'm familiar with is the mainline of the CPR and every so often the member for Moose Jaw North comes barrelling down there, driving his engine and scares the blazes out of my cows, but I don't recall getting into the branch line thing in the last few moments.

I think what I did get into, Mr. Minister, (and I notice you stayed away from it very carefully) is to say that the job isn't being done. The job of marketing the most important resource, and the most important thing to agriculture, our grain, isn't getting done. I think that's what I said. And I think that I said it wasn't getting done because of the dogma and this penchant to assume that the 1920s and the 1930s are still here. I think I said that this is 1980. Everything else has changed in 50 years and our thinking as far as moving and marketing our grain has to change and to stay with it.

I notice the minister didn't contradict me when I said the Americans continue to sell the blazes right out of us. When it comes to selling we're not even remotely in their league. They are far more aggressive, far more effective, even with the Russian wheat embargo.

I notice the minister stayed away from that one. And again the minister preferred to stay in that dogma that haunts us from change; stay in that dogma, the philosophy that it's more important to argue whether we're going to haul our grain 8 miles or 15 miles. That is uppermost in the minds over there. Unfortunately, when you put it into perspective of the overall pictures, it's a bigger ball game than that. The stakes are higher than that for our farmers. So I ask the minister this. Suppose the price of wheat went to \$10 tomorrow, what good would it be to many of our farmers? They couldn't sell their grain to get it to market. They couldn't get the \$10. What's the point of having \$10 worth of wheat sitting in your bin?

Mr. Minister, I suggest to you that your government and your department have been asleep at the switch; you have become wrapped up with things that really aren't all that big a package in the overall scheme of things. And I point for example, to the Canadian Grain Commission when they made it open season on the farmers, in respect to the tariffs that would be allowed to be charged by grain companies to handle farmers' grain.

They had a hearing in Saskatoon. There were a lot of people represented at those hearings – a pretty important thing. We're going to allow the grain companies to raise their tariffs. Mr. Minister, the Saskatchewan Department of Agriculture didn't even have an observer there. Not only did you not make a representation, you didn't even have anybody there. That's pretty incredible, isn't it? I'll point out that you weren't the minister at the time. You didn't even have an observer up there.

Mr. Minister, do you know what the Canadian Grain Commission did at that hearing in Saskatoon? Shortly afterward, they raised the ceiling on the tariffs that elevators could charge to a level almost equivalent to the entire Crow Rate benefit to farmers. I'll say that again for the people up there. At that Canadian Grain Commission hearing, where you didn't even think it was important enough to send an observer, much less to make a report, they made it open-ended enough to the grain companies that if the grain companies were to charge the maximum tariff now allowed, that that change is equivalent to the value of the Crow Rate.

Mr. Minister, that's where I say your department is totally inconsistent. Haven't we seen your ads about the Crow Rate? We'll see them. We'll see an NDP ad, and we'll see a crow flying away. You'll see a Conservative shooting at the crow, I suppose. We've seen them before.

But that is the epitome of inconsistency. Where are you when something really important is happening, when the Canadian Grain Commission, supposedly the farmer's friend, is meeting, and supposedly the farmer's friend in your Department of Agriculture is not even interested enough to attend a hearing where a benefit, which is equivalent to the value of the Crow Rate, is made open-ended? Mr. Minister, that's where I say your priorities in your department are screwy. Your philosophy is screwy because you're nitpicking in the overall scheme of things.

Everybody has heard the horror story, but in case you haven't, Mr. Minister, I'll repeat it for you: the horror story of the super tanker. The super tanker came into . . . You've heard the story, Mr. Minister? All right, I'll spare you that one.

Actually, Mr. Minister, over the last couple of days I ate so much dust that my throat isn't all that great so I'm winding down. As a matter of fact, for those of you who didn't hear me earlier, the last couple of days I was earning an honest living instead of being in

here.

Mr. Minister, the point is that in the overall scheme of things your department and your government has a tendency to nitpick. The job is to sell grain. The job is to get that grain off Saskatchewan farms, get it to work and turned into cash. That's what it's all about. That's an area where, unfortunately, we have too many special interest groups that really don't see it in their interest to quickly and efficiently merchandise farmers' grain.

Mr. Minister, one of those special interest groups, if they're to be judged on past history, that has, I think, not been really a strong performer in moving our grain as quickly as possible, is the elevator companies. I say all of the elevator companies. They're all equally guilty. I think many of our elevator companies are paid far, far too much to handle the farmers' grain. I suggest to you (I have in question period, and I think I saw you on television indicating that it was a good idea) that it's now time that we paid our farmers storage to keep their grain on the farms. The Wheat Pool gets storage. Cargill gets storage. Pioneer gets storage. UGG gets storage. But the farmer doesn't get it. I suggest to you in many cases, our grain companies are paid far too much in storage fees, and they don't respond. They don't respond because they are paid too well to be moving our grain down the pike as quickly as they should. And when I say your philosophy has gone screwy in the overall theme of things, I think the farmer is getting it in the neck from politicians, from special interest groups.

Welcome back to the member for Saskatoon (the Minister of Health). We are in agriculture, something that . . .

**AN HON. MEMBER:** — It's a little foreign to you.

**MR. THATCHER:** — Well, it's a little foreign to you as it is to many of you people over there. So if agriculture is boring to the Minister of Health, perhaps he could return to his office and do something about getting medicare working.

Mr. Minister, in the overall scheme of things, I think your priorities are suspect. A little while ago I acknowledged that within the limited scope available to you, you are doing what is possible in this drought, and we acknowledge that. And I think the cattle industry acknowledges that. There's not much you can do. You are doing the best you can there. But when it comes to the marketing of grain, I think you have to acknowledge, I think many of your people over there who are farmers, and I think the member for Morse . . . I'll bet you he has grain back on his farm. Yes, that rings a bell. I'll bet you have grain on your farm that you would like to sell. Everybody has grain that he would like to move. And our system has broken down.

And Mr. Minister, the philosophy of your government is simply too resistant to change, too dogmatic. I have given an instance on the elevator tariff where your people didn't even bother to go up and to present a brief, or even observe what was going on. And I suggest to you, Mr. Minister, you have gotten down in cheap partisan politics. I'll take that word back — cheap — because it's expensive partisan politics to our farmers. The game you are playing for political purposes, in conjunction with some farm groups, is costing our farmers millions and tens of millions of dollars in the course of a year.

**MR. MacMURCHY:** — I'll just say to the hon. member that if taking a stand on a position, as we are taking a position on the Crow Rate, is nitpicking, fine, say that about us. If taking that stand on a guarantee to producers on what the rate will be, taking a stand on the principle of equal rates for equal distance is nitpicking, fine. If taking a stand with Saskatchewan Wheat Pool, with SFA, with SARM, with Western Cow-Calf Association,

is nitpicking, then fine. That's our position; it's well known. I don't think the debate today from the hon. member, even with all his good ideas, is going to change that position. I think it's a solid, defensible position. . . . (inaudible interjection) . . .

Mr. Chairman, just a comment. I think that the hon. member is so in love with the system in the United States that he hasn't been looking at what has been going on here in Canada. The hon. member should know that we have had to turn down export opportunities. The Canadian Wheat Board has had to turn down export opportunities, has had to defer sales because of an ancient railway system, an ancient transportation system. Now, the United States is facing the same kind of situation even with . . . (inaudible interjection) . . . Now the hon. member for Nipawin perhaps thinks he needs to help the hon. member for Thunder Creek but I don't believe he does. The hon. member for Thunder Creek is very good on his feet. He is a good debater and I respect and admire him for that.

The system in the United States is a system where they are only, on an average, 500 miles from water. To say that you are going to replace the rail system with trucks, given the energy situation, it just isn't going to happen. The rail system and the grain handling and transportation system will have to be built in the United States without any question of a doubt. There has yet been no commitment to upgrade that system; there haven't been expenditures to upgrade that system.

I look at the Canadian system and what has happened in the last two years. The Conservative government in Ottawa and the Liberal government in Ottawa have been part of it; we have been part of it; the grain companies and the railways have been part of it; and we have investments and commitments to the total of \$2.6 billion. We have also put into place a transportation authority which I don't think has enough power, but at least it is in place and surely the hon. member supports that. He should look at the improvements that have been made in this system. We will be in a position to be well ahead of the United States if they don't get moving quickly and even if they do get moving quickly. We are in a better position to move grain to export market than any other country exporting grain, as a result of the last couple of years. I would ask the hon. member to look at what has been happening in Canada and congratulate all those involved, as I do, on the effort that has been made.

**MR. THATCHER:** — Mr. Minister, at the outset of the remarks here, I would like to say that when I use the words, you're dogmatic or you're this or you're that, I always mean the government. Because frankly (and I don't have to say this or anything) the minister has done a pretty good job in agriculture since he took over his portfolio. I didn't want to create or give the impression, because of the terminology, that I was referring to the minister personally. I was not; I always was referring to the government generally. . . . (inaudible interjection) . . . Well, now that the Minister of Health feels better, I'm sure we can all draw a deep breath.

Mr. Minister, I think your logic breaks down again. I don't recall saying that I was a great admirer of the American system because they have lots and lots of problems. As a matter of fact, their trains aren't a great deal better than ours. If so much progress is being made, why is our percentage of the world's share of the export trade still falling? We are down to . . . (inaudible interjection) . . . No, we're less than 17 per cent now. Tell me why it's falling and at the same time why the American percentage continues to go up? Now, they don't have the ideal system by a darn sight.

But, Mr. Minister, the point I am trying to get across to you is that our system doesn't

work. It is not getting the job done for our farmers. I suggest to you many of our farmers are guilty of a propaganda from special interest groups, whose interest is not doing an efficient job for the farmers. I've indicated one and that is the grain companies. The grain companies en masse are paid too much to handle our grain. I point back to right after the Canadian Grain Commission opened up the tariffs after the grain companies went to them and said, look, we're having some problems; our costs are up. They went to them (unopposed by your government) and they had the ceiling lifted equivalent to the entire value of the Crow Rate and you're not there. I say that is a complete contradiction to what you're telling us.

But I also say they're a special interest group. Right after they received it, before they had even implemented the increases, company after company announced record profits – the Wheat Pool, Cargill, Pioneer, United Grain Growers. Before they even implemented the tariffs they had just been granted, one after the other they announced record profits.

I suggest to you that is a special interest group which is not necessarily responding to the needs of our farmers. I see some of the propaganda coming from these grain companies. We all get our newsletter from Cargill; we all get our newsletter from United Grain Growers, the Grain News, which is one of the better ones. We all get our Western Producer whether we want it or not. I let my subscription run out 10 years ago and I still get the darned thing.

Anyway, going back to that, we all get the propaganda that comes out from these grain companies about the wonderful job they are doing for us. They have been successful, I believe, in creating the illusion that it's always someone else and never them. I say to you again, Mr. Minister, that your government has never gone into this area; you've never investigated the grain companies. That is an area you can investigate. I'll grant you, you can't regulate the CPR coast to coast, but the grain companies, very definitely, you can.

When these companies start announcing record profits before the tariffs are even implemented, I suggest to you that in itself is grounds enough for an investigation. These are special interest groups and you've just jumped in with them. They throw this propaganda at the farmers because some of these companies have outdated elevators out in the boondocks which can no longer even weigh a decent sized truck.

They have the investment out there and they protect their investment. They put forward the philosophy that these old elevators built in 1928 are the ultimate and they're going to continue to build them so they look that way. This is the sort of thing which goes on out there now and many of the companies have created the illusion to protect their investment. They are trying to say that what they have now is perfect; it's the ultimate. That's where I say your government has broken down in its philosophy.

Mr. Minister, as you tell me again that so many things are being done, I say the facts don't bear you out. I say the facts very clearly say that Canada continues to be viewed as an unreliable supplier of grain. I say that Canada still continues to lose its share of the export market through non-performance. You, yourself said a couple of minutes ago that the wheat board has had to turn down sales because the railway system couldn't handle it. Mr. Minister, that's true. Isn't that an indictment of the whole system right there? Probably you think it's a scandal; I think it's a scandal. Why? Obviously, the system doesn't work. If the Canadian Wheat Board is having to turn down sales they do a disservice to every single farmer in western Canada and particularly in

Saskatchewan. That is, if this is true, and we all know it is. Therefore, our system doesn't work.

The Hall report was a nice report. Why isn't it being implemented? It was a heck of a report; there was something in it for everyone. Everyone could be happy with the Hall report. Maybe this is why we haven't had many things happening as a result of the Hall commission report – because there were so many things in there for everyone that maybe there is nothing for anyone. Is that a possibility? I ask that as a rhetorical question. Because no matter what side of the fence you're on in this debate, you could find something in Hall to hang your hat on. But because it was so universally accepted by so many people – something for everyone – maybe there's nothing there for anyone.

Mr. Minister, I still have too much dust in my throat and I'm starting to lose my voice. You're the minister now, the new minister in a department I think had grown rather stagnant. There are some real problems in this grain-handling business and there are some things which just have to be done. The biggest stake in the grain-handling business comes from Saskatchewan.

Mr. Minister, you have to take the lead in making these things happen. It doesn't matter if the price of wheat goes to \$20. If the farmer can't get it out of his bin and get it out to the terminal to be loaded, it doesn't mean anything to him. Do you recall when durum went up to about \$7.50 four or five years ago? How many people actually realized that price? There were restrictions on how much durum we could get to market. How much of your durum crop did you really get marketed for that price?

Mr. Minister, it doesn't mean much sitting in a grain bin at Caron, or Hodgeville, or Holdfast, or Cut Knife, or anywhere else; you have to get it to that terminal. Mr. Minister, very respectfully I say to you that our system is not performing. Our system needs overhauling and some very unpopular decisions have to be made; they have to be unpopular because of some of the propaganda that has been forthcoming from some of the special-interest groups, one of which I indicated to you.

So I suggest to you, Mr. Minister, you have to take the lead in this. You have to take the lead because we can talk about uranium, we can talk about oil, and that the future in Saskatchewan is not necessarily with agriculture any longer, but every one of us in this Assembly knows that it is. I remember a comment from an old politician you may have heard of – Jimmy Gardiner, many years ago.

There are three issues in Saskatchewan in an election. When you cut it, when you slice everything away, there are three issues: wheat, wheat and wheat.

I really don't think it's changed all that much when things are rough. Mr. Minister, as the minister in charge I think it's time for you to do some unpopular things, but things which you know have to be done.

**MR. MacMURCHY:** — Like?

**MR. THATCHER:** — The Hall report simply hasn't been implemented. If you can make it work, then let's get at it, but the overall objective must be to market the grain. That's not happening so I say to you, Mr. Minister, you must take a look at what has happened so far; you have to make some changes in your direction.

## WELCOME TO STUDENTS

**MR. D.G. BANDA (Redberry):** — It's a pleasure to introduce to the members in the House a group of Grade 9 students, 48 in number, from Brandon, Manitoba, who are visiting the Chamber this afternoon. They are members of the Earl Haig Junior High School. I understand they are visiting Regina today and tomorrow. On behalf of the members of the Assembly, we certainly want to welcome you to Saskatchewan and particularly to Regina and the legislative Chamber. We're particularly pleased to have you here with us on this 75<sup>th</sup> anniversary of our province. We certainly hope that you enjoy your visit here in Regina and the visit to the Chamber. Just for the information of the students, we are in committee of the whole doing estimates in the Department of Agriculture. I hope you'll find it interesting. We certainly hope your visit is successful and educational and that you have a safe journey back to Brandon, Manitoba.

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

**MR. BIRKBECK:** — Mr. Chairman, I would join the hon. member on the government side of the House in welcoming the students from Brandon, Manitoba. I can assure you that you certainly had a proper route to travel, coming from Brandon to Regina. When you entered the Saskatchewan border you travelled on Progressive Conservative seats all the way to Regina, so I'm sure that you'll have a safe trip home since you'll be going back the same way.

But seriously, I would like to say that you are most welcome here in the Assembly. We are most pleased to have visitors from out of the province, in particular in light of the fact that we are celebrating our 75<sup>th</sup> year here in Saskatchewan. It is certainly a pleasure to have you here. And do have a safe trip home.

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

## COMMITTEE OF FINANCE – AGRICULTURE – ORDINARY EXPENDITURE – VOTE 1

### Item 1 (continued)

**MR. MacMURCHY:** — Mr. Chairman, I note that the hon. member for Thunder Creek, with whom I was having a very brief and lively debate, has gone for coffee, so I don't know how serious he is about this debate.

Mr. Chairman, I hope we're clear on our priorities, and I hope we're clear on the politics. I think indeed things have changed since the days of Jimmy Gardiner; there is more to agriculture than the politics of wheat. In fact, I've been getting beaten up by opposition members for something that was reported in some paper, saying that's all I thought about. I don't want the hon. member for Thunder Creek sharing this problem with me. Very seriously (we want to be clear here), I think that the problem is not the marketing process. The markets are there and the marketing vehicle is there. When the wheat board says there is a market potential of 30 million metric tonnes, or 50 per cent more by 1985, or up to 36 million metric tonnes by 1990, I'm sure there isn't anyone that denies that isn't possible. I have not heard anyone deny that, and I have sat down with federal government people and provincial government people and members of farm organizations, and the commodity groups, and the grain handling groups, and so on. Everyone agrees that the potential is there and the marketing vehicle is there. So I don't think we are arguing about that. I think what we're arguing about is setting up a

transportation system which will allow us to move the grain to those markets. That's what we are talking about. I think we have to think about the production side as well, but that is not the debate we're involved in.

I just say to the hon. member that I look at a list of expenditures, or commitments to expend, that have been made, and I say we are making significant improvements. I look at investment in hopper cars, purchased and committed, of \$670 million. Now that isn't all the hopper cars we're going to need, but, boy, that is a good start. I look at the commitment to diesel locomotives by both railways and it's over \$100 million. The orders have been placed. I look at the commitment on the country elevator system by Saskatchewan Wheat Pool – just that company. I'm more interested in that company, perhaps, than the hon. member is, but they have spent \$250 million on the country elevator system, and they are committed to \$450 million. I look at Prince Rupert with a commitment of \$150 million by the federal government by the consortium and an additional \$80 million into that port. I look at the commitment by the federal government, some of which has been spent, of \$750 million into the branch line system and I look at the \$400 million commitment by the railways, some of which has been spent, in mainline trackage, and I say to the hon. member, yes, it was a disaster but somebody is doing something about it. The people who are doing something about it are all those involved. I feel good about what has been accomplished. I'm not satisfied that everything is done. But I think it can be done and still protect the producer from the gouging that would take place by the rail companies if the Crow Rate were removed.

**MR. THATCHER:** — Well, Mr. Minister, that's an interesting term, the gouging on the Crow Rate. Let's just take that term a little bit further – the gouging, which you just used.

Mr. Minister, in the crop year, 1972 to 1973, elevator companies were permitted to charge 3.75 cents to handle a bushel of grain. You know, seven years have gone by since the new tariffs went into effect. Mr. Minister, you know exactly what they can charge now – 17.7 cents.

Mr. Minister, you talk about gouging of the railways. Let me tell you, if the railways have gouged our producers, the elevator companies have banditized them. And there they are in hard, cold figures. You know those figures are true – 3.75 cents to 17.7 cents. And I suggest to you, there's a prime example of the gouging that you're talking about.

But even more important, which I think is an indictment of your department, this is an area that you can do something about. It is an area you can investigate. It's an area these companies are operating in Saskatchewan. You can't do much about CP Rail; it just runs on through. Maybe you can't do much about Greyhound Bus Lines. Maybe you can't do the interprovincial.

**AN HON. MEMBER:** — They can't do much about CNR either.

**MR. THATCHER:** — But these companies are operating right here in Saskatchewan. I say that your government sat idly by while these grain companies took our farmers to the cleaners. In seven years they took them to the cleaners on their grain tariffs and I think I'm borne out very clearly by these figures. I want to say, Mr. Minister, where were you? Not one word of protest came from the Saskatchewan Department of Agriculture. Your government said nothing. Your government didn't put in a brief of protest. Your government didn't go up there to point out to the commission hearing that these companies are already announcing record profits shortly. They don't need an increase. Your people didn't even bother to attend the hearings. I suggest to you, Mr. Minister,

that is just a damn poor departmental performance at that juncture in time. I think it's a disgraceful performance. And at the same time you want to hold up the Crow Rate as the ultimate, when in seven years the grain companies have taken more from our producers than the Crow Rate. Your government sat on its hands. Maybe you didn't even know the hearings were being held.

Mr. Minister, you talked about all the things which are being done in the grain industry. A fair period to compare exports would be 1954 to 1957 with 1974 to 1977 (I think that is a pretty representative time). Canada's exports increased 63 per cent; it doesn't sound all that bad does it? It sounds fairly impressive, a 63 per cent increase in 20 years. Well, it doesn't look all that bad until you compare it with the American performance. The American performance was a 164 per cent increase in exports! In other words, they did three times as well selling grain as we did. You and I sell grain; we're on the same market. We are interested in the same thing. I just want to sell my wheat as quickly as I can; so do you; so do your neighbors. I think all your neighbors would like to take it right out of the combine if they could.

At the same time, Mr. Minister, while our exports went up 63 per cent in that time period, our share of the world export trade dropped 27 per cent. It would have been even worse, had it not been in the time frame of 1971, when the Americans had that West Coast dock strike and were simply unable to move any grain. Consequently, people did come to Canada. Feed grains . . . Well, anyway, we were dropping 27 per cent. You know what the Americans were doing as far as their share of the export market went? We went down 27 per cent; the Americans went up 36 per cent. Now, Mr. Minister, you cut it any way you want, but that is one heck of a lot of wheat. That is a heck of a lot of dollars being dropped by somebody. I suggest to you that it was the dollars of the Canadian farmers.

Our feed grains exports increased by about 4 million tonnes. That is an increase of about 100 per cent in that same time period. Unfortunately, when you compare it with the American performance, which was an increase of 572 per cent, they look pretty bad, almost six times as great as ours.

Mr. Minister, I am sure your people are verifying the figures I just gave, and I am sure you know they are accurate. They will tell you so. Again I say to you, the job simply is not being done. The performance is not there. It is laudable for you to stand up to defend the agencies which are not performing. The fact is, they are not performing. I plead to you, as the top man in agriculture in Saskatchewan, to make sure some of these agencies do perform. It is time to look at this in terms of 1980 standards.

**MR. MacMURCHY:** — Well, Mr. Chairman, I don't know whether we want to prolong the debate here. I just wish to make a point to the hon. member. In one of his earlier remarks, he said it was time, or it was necessary, for this government to give some leadership. He was saying to me, give some leadership. I don't think we can give leadership just by looking back at the past, saying you should have done this and should have done that. I think what we have to do is look at where we are now, where the weaknesses are, and attempt to give leadership to address those weaknesses. That's the job we have been attempting to do. We take some fairly strong positions in doing that job. The Crow Rate is one of them; orderly marketing is another one. That's well-known and surely that's accepted as part of the philosophy of this government.

I say to the hon. member we have given more leadership in seeking solutions to the problem than any other provincial government. It was the Government of

Saskatchewan which compromised on the recommendations of the Hall report more than any other government and we are the only government left in western Canada standing for it, or offering to share in its solution to the Crow Rate guarantee plan by putting money on the table. We didn't say, well if you are not going to implement that we are going to walk away. We said, if we have to have some hopper cars then we had better buy some. And Saskatchewan said they were going to buy some without a commitment from any other government to buy cars. I think that decision led to an additional 2,000 cars from the federal government and 1,000 cars from Alberta and 400 cars leased from Manitoba. I think that's what the debate needs to be about.

If he says to me, it is time for us to give leadership, then where do we go from here? How do we strengthen our opportunity to move grain both in improving the transportation system and, of course, dealing with the issue of production (which is a very serious issue) as part of this export opportunity? Now if he doesn't agree that the vehicle we have for exporting grain is not a good one, let's debate that. I think the Canadian Wheat Board is the vehicle. It is highly respected.

In the winter, at the SFA (Saskatchewan Federation of Agriculture) meeting, I released a report done by some people in the United States, which indicated this is a very good system; the Canadian Wheat Board is very highly respected. I think the hon. member shares that feeling. So let's build on the opportunity and let's build on the strength. That's where we are attempting to give some leadership.

**MR. G.S. MUIRHEAD (Arm River):** — Mr. Chairman, I would like to say to the Minister of Agriculture that I agree with the member for Thunder Creek that the minister is an honorable man and he is doing his job as Minister of Agriculture as well as he knows how. My points will be disagreeing with the government on their philosophy.

We have one important issue at stake, which we are not looking at. You people are hiding behind the real issue. We have one important issue, Mr. Minister, and that is to move grain and we are not moving it. In 1929 we moved more grain than we did last year. Check the figures! Why aren't we moving grain, Mr. Minister?

I heard the government say last year that hopper cars were the most important issue. Some elevator company said that a hopper car was the most important thing to move grain. Fiddlesticks! Hopper cars moving grain – we have to have a certain number of them; we have to replace the old ones and we need a few new ones, but let's not carry the hopper car part too far. I say it is just like trying to take grain from my combine to my bin. I have three or four old trucks in the yard and I can't get it there because I'm short of drivers. What do I do? Go buy some more old trucks or get some drivers to drive those trucks? There is only one main issue here and I am not blaming this government here entirely, but I am blaming you for not getting the federal government to get the CPR and the CNR moving our grain. They are the only ones that can move our grain. I don't worry about whether we talk about crow. That has nothing whatsoever to do with it at all. It has nothing. We have to get grain to the terminals.

Mr. Minister, is your government in favor of moving grain, or do they want to stick with the small commodity groups which you are talking about and which you are hiding behind? You can say it is fine that you take the position of the Saskatchewan Wheat Pool and the National Farmers' Union. But have you taken the position of the farmers who are with these groups?

I will tell you, in my community of Craik, 52 per cent of the grain happens to go to the

Saskatchewan Wheat Pool. I was at their annual meeting. I will tell you, they put it right to their men – we want grain moved.

The philosophy of this country is absolutely wrong when we have to go and say the problem is all crow. The problem has nothing to do with it. Someone has to get the CNR and the CPR to move those cars. What is the sense of buying thousands of cars if we are not going to get somebody to move them?

You can go and order another thousand cars and another thousand and another thousand but that isn't going to help unless somebody gets them in position to get out to the terminals. They have to get out there. Your government is against inland terminals. You said they were. Well, I could be for them; I could be against them. But if I ever knew of an organization, it had to be the inland terminals.

There was a group of farmers who organized to build an inland terminal (the same as my father did in the beginning of the Saskatchewan Wheat Pool in the Craik area). They formed an organization which would let them handle grain. The only difference here is that they want to clean grain on the Prairies. And you people are against this. Why don't you encourage cleaning grain on the Prairies? There is no sense going over it again. The member for Thunder Creek emphasized this. We need clean grain on the Prairies.

I have been out at the terminals in Vancouver. I have been through them all. They are cleaning our grain out there and shipping it back here to feed us. Does that make sense? Does it make sense that they send our screenings back here to us? Why don't we keep them here? Why doesn't your government do something to see that the screenings stay here in Saskatchewan?

The member for Thunder Creek remarked that the grain elevator companies were to blame for the holdup of grain movement. I will tell you of an incident on the CPR line at Holdfast. I had a complaint come from the farmers in the area that the elevators were full. It was almost the end of July and they couldn't get their quotas out.

I didn't realize what the problem was, but I finally went down to the CPR dispatcher right here in Regina. They told me it was not their fault; it was the fault of the elevator company itself for not pushing for these cars. They wanted to get paid for storage. Now, I am not going to say which elevator it was, but it was in the Saskatchewan Wheat Pool, in the towns of Simpson and Imperial. Now, this is serious, Mr. Minister. I will tell you, this is serious when elevator companies are keeping their grain and not taking orders for cars which they could have to move our grain.

**MR. MacMURCHY:** — I don't want to spend a long time, but the hon. member makes a very good point with respect to the problem which is faced in western Canada as it relates to moving grain. He said he looks at his farm; he has a couple of old trucks and poor drivers. What should he do? Should he get some more old trucks and no drivers or some poor drivers? No, he said. He didn't say what he should do but it seems to me he should get a new truck which has more capacity than the old truck and get himself a good driver. That's what we've been about, to get rid of those old trucks (which were bought in 1947 in the case of CN and in 1950 in the case of CP) and get some new trucks. Therefore I share with the hon. member the justification for what we are doing.

Now I doubt that we have caught up to the capacity of the old boxcars which have been going out of the system with the influx of the new hopper cars. I doubt that the capacity to move grain has changed from 1950 to 1979 or 1980. We will catch up and pass

with the addition of the rehabilitated cars and the new cars that are coming on stream. That will have some significant impact on the movement of grain without doubt. When you add 5,000 cars into the system, which is in the process of happening, it's going to have an impact.

Now what do you do about the good driver? Well, we've set into motion the possibility of doing something about the good driver through the grain transportation authority. We need to give that authority a little more clout than the authority presently has. But given that clout to the grain transportation authority, the cars and the investments, we're making a significant improvement and we can have a good truck and a good driver and get that grain to market. We can do it with the rate presently in effect. Anyone who says that the farmers should pay more, when they look at the profits of CN and CP last year, is not really speaking for the producers of Saskatchewan.

**MR. MUIRHEAD:** — I absolutely agree with you that the farmers, at the price of grain right now, cannot afford to pay any more for moving their grain today. But every farmer might be prepared to pay more if it could be provided to them the grain could be moved. I say this is the wrong time, when grain is down to maybe \$3.50 a bushel, to propose to the farmer that he's going to have to pay more for moving grain. I've heard the members opposite say we can't subsidize the railroads. Well the NDP government in Saskatchewan was the first to subsidize the railroads when it bought the hopper cars. It subsidized them right there and so the crow was partially broken right there. Subsidize them! Don't say baloney because that is what it's all about. Don't subsidize the railroads for moving our grain. That's what it's all about. You were guilty as soon as you bought the hopper cars.

Anyway, I was in favor of a certain number of hopper cars. I said so at the beginning, Mr. Minister. I say, you're right; we have to have a certain number but the main issue is now we have these hopper cars. I congratulate the government for putting these 1,000 cars on, but let's use them. That's all I ask you to do, Mr. Minister.

In this House today, it sounds like we're putting all the blame on you that the grain isn't moving. But we're asking you to be our representative to the federal government which is not for the West. They could care less about moving our grain. We know and you know that Don Mazankowski had a plan to move grain and you said the day after the election that it was a sorry day for Saskatchewan. You agreed and so did Mr. Turner from the Saskatchewan Wheat Pool that it was a sorry day for the Saskatchewan farmer and that was the first remark the day after the election. Don Mazankowski had it all in order but none of you would say it before the election. He had it in order.

Do you agree, Mr. Minister with Don Mazankowski and Dr. Horner's ideas on how to get the grain moving? Do you agree with their ideas? We're sitting in a position where we can do nothing. But we need you as the Minister of Agriculture of Saskatchewan to represent us in Ottawa to move grain. That's all we ask you to do and as an individual, I'm sure you'll do the best you can. My own feeling is not to worry about what happened in the past, about the old ideas that we have abided by; we have to look at new ways.

The new ways of just having new hopper cars — they were new in 1929 as you said. They were new cars then and there are new cars now. Somebody must improve the system but you people seem to be staying with the same old ideas. Now you know as well as I know it and so does the western farmer, and the election in February proved it, that the western farmer was behind Don Mazankowski with regard to moving grain. And we asked you . . . (inaudible interjection) . . . Well, it proves it by the vote. It was

proven right from Manitoba straight through to the waters that they were in favor of Don Mazankowski's idea of how to move grain.

Now, Mr. Minister, will you go to Ottawa to present something concrete that is going to move our grain regardless of whether it's more hopper cars or whatever or whether it's crow? That has nothing to do with it; it's getting grain to the terminals, getting the cash back in the farmer's hands so he can exist in this time of dire need in Saskatchewan.

**MR. MacMURCHY:** — Mr. Chairman, I don't agree with the hon. member, and it's obvious that our only objective is to move the grain regardless of what it costs. . . . (inaudible interjection) . . . Well, I'm sorry I didn't hear that. You know I listened on CBC radio to the Leader of the Conservative Party who said the producers can pay more . . . (inaudible interjection) . . .

**MR. CHAIRMAN:** — Order! The Minister of Agriculture has the floor and he's trying to answer a question.

**MR. MacMURCHY:** — I'm always very cautious as a person who grew up on the farm through the '30s and '40s to take advice from lawyers, particularly as it relates to farmers.

Just a comment to the hon. member for Arm River. The minute the Government of Saskatchewan supported the Hall report, we agreed that the railway should be compensated for the movement of grain. So he should accept that. The minute we bought hopper cars, we provided in a financial way for the movement of grain, a crow subsidy or a compensation to move the grain because the hopper cars are being provided to the railways for movement within western Canada at no cost. So we accepted that. But these old dogmas, these old positions that we share with that long list of farm organizations, I don't have any intention to change just because of the arguments put forward by the members opposite. Our position is to move the grain and retain the rate to the producer, and retain the equal rates for equal distance. It's an economic and a social position, and we stand by that. That stand is shared by the farm organizations, but I don't think we got into bed with the farm organizations on this. I think we share that position co-operatively.

**MR. MUIRHEAD:** — Well, I'm going onto another topic, Mr. Chairman, but if I didn't make it clear before, I meant we have to have profit go back to the farmers, whatever we have to do. I say to you, Mr. Minister, and these are my last remarks on this: you are our representative, and we just ask you to do the best you can to get grain moving and to get the profits back to the farmers. This is what we must have — the best you can do — because you are the only representative we have in this province, the Minister of Agriculture.

Mr. Minister, I must go back to a problem in my own constituency in connection with drought. It's getting really serious, Mr. Minister, in the pastures in my area. The northern part from Hanley to Saskatoon is not too bad; privately-owned pastures and community pastures there have had more moisture and the grass situation is not of serious consequence as yet. But in the southern part, the community pastures and the privately-owned pastures are getting really serious, so serious that they are taking their cattle out and selling them, and so far what has been going to market are the ones they cull out of their herds. I have been in conversation with the stockyards, Sask Pool in Saskatoon, Moose Jaw Pool yards, and Intercon, and also I phoned Regina. I have been

asking about the kind of cattle coming in and how many; so far, it's bologna cows, most of them, that people are culling out. But now people are coming to me saying, this is serious; the ones left to go now are our herds, our good herds that we have spent a lifetime putting together.

Now, I'm a grain farmer and a cattleman. And I can sow another crop next year if I don't harvest it. But if we have to sacrifice these cows, a cow herd which has taken years and years to build up . . . I am sure the people are prepared; they have to pay for feed, have to feed them in the yards or in the pastures. They are going to have to be fed in my constituency. If it's that way there, it has to be that way from there south because there has been no rain. And it's serious, Mr. Minister. And I want to have your ideas on what I can tell these people on what is coming from this government, and on what are they going to be able to do with their cow herds. Do they let them go? I can give you an instance of one farmer who has 175 head of purebred charolais cattle, and he has no pasture for them. He is willing to buy feed. But where will he stand? He can't wait any longer, Mr. Minister. We have been bringing these drought questions to you in this House for nearly a month. We can't wait on the feds. They are not giving us a concrete answer. We have to know what we can tell these people you are going to do. And are there any more community pastures which can take more cattle? I understand there are some in the North, where I phoned, that have lots of grass growing. Can some arrangement be made to move these cattle around? It's going to have to be done in the next few days or weeks, Mr. Minister.

There are two community pastures in the South that are now saying that even if it does rain the prairie grass will not come back. It's too late. There will be no pasture for those cows this year. They haven't even come to the problem of worrying about how they're going to get hay to winter them. They are concerned about how to get them through to winter time so they don't have to go to stockyards.

I've heard lots of them say, well I'm willing to sell a third or maybe half my herd but I'd like to keep my top-notch stock cows so I don't have to sell them.

I'm sure, Mr. Minister, I'm bringing nothing new to you that you haven't heard. I just want to know what we are going to tell the people about this most important issue.

**MR. MacMURCHY:** — I don't know whether the hon. member received a copy of the statement yesterday. I suggest that the farmer phone 565-4700 right away. Perhaps he can be helped out.

That's as far as we've come and it's fairly detailed. There are about 14 pages or 15 pages of it. At this point it's the best that can be offered. We may be able to uncover some more next week. But that's the situation.

I say to the hon. member that there's no question the hay crop is lost. But it's amazing (that's what this country is all about) what two inches or three inches of rain will do.

I was down at the Maple Creek country yesterday. A month ago they were saying you can't get into Cypress Hills Park. You should just look at it today. It's the greenest spot in Saskatchewan. That can happen to pastures if we get two inches or three inches of rain. We're not relying on that by any stretch of the imagination. That's what this statement, which I provided to the cattlemen yesterday, is all about. And if the hon. member doesn't have a copy of it we will gladly give him a copy.

**MR. MUIRHEAD:** — Mr. Minister, you say that down in Maple Creek the grass is turning green. I say they've had rain there several weeks ago. I've been experienced in raising cattle since I was a boy. In our area most of the pasture land is prairie wool on the valleys, to the Arm River and Squaw Valley which runs into Buffalo Pound.

The community pastures that have been sown to tame grass might come back if they get rain and provide some grass for these cows. Most of the community pastures are seeded grass.

But, Mr. Minister, I'm telling you, we're not getting the rain in this area. Several weeks have gone by. The Maple Creek area had rain. They had it in time to help them out. But in our area and to the southeast we're not getting it and it is a most serious situation.

If all the people in Arm River alone, just in my own area from Hanley south, had to have hay to feed those cows, you could not bring in enough feed because you don't have a plan for it. Where would you get the hay? You can say you can pay for transportation of hay but have you made arrangements? Where are you going to get it from? It would take an awful lot of feed just to feed the cattle in my own constituency.

The hon. member for Thunder Creek told you in question period one day, when you talked about the hay coming in from Alberta, that it was just enough to feed his cows. He is only a small rancher compared with some of the ranchers we have in the South.

If the rain comes, and maybe it will come tonight (we sure hope it does) . . . I'm hoping you have something in place in the next few weeks to be absolutely concrete for a real emergency, because it's coming, Mr. Minister, unless we get inches of rain immediately.

I'll move to another problem while I'm here, Mr. Minister. It is off the subject, but over at Outlook . . . The member for Rosetown-Elrose was talking about irrigation, but my problem is one which I brought up to the minister last year. It's the irrigation ditches. The farmers have been complaining to me of alkalinity, where alkali has been spreading out from the irrigation ditches into the good soil. It is affecting hundreds of acres now.

I asked the Minister of Agriculture this question last year, and I want to read you his answer. Mr. Chairman, this is what the Hon. Mr. Kaeding said one year ago:

We know that's a problem in the irrigation districts. 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 is not new to the Outlook irrigation area. That is a problem in most irrigation areas, and we are looking at a way that we can do it economically.

I say to you, Mr. Minister, I only had a few complaints a year ago, but in this past year farmers have taken me right down to their ditches to show me how it has changed in one year. They say it's a problem all over, except in Alberta. When they went into irrigation there, they lined their ditches years and years ago; they looked ahead when they built.

This government was warned, when they put the irrigation ditches in, that there had to be liners, or something, to control the water from spreading and turning into alkali, ruining good soil. The farmers who are really upset are those who do not irrigate but

have the irrigation ditches going through their area. They've lost acres and acres of good production land. I think these people must have something done immediately. Maybe they have to be subsidized, because they are losing good soil.

They are losing good soil, Mr. Minister, so that someone else can gain with irrigation. This is what we want, but something has to be done, or this is going to get out of hand. What I have seen, from one year ago to now, is most serious, and I ask for your ideas on it.

I read you the minister's statement of a year ago. Nothing has been done in the past year. Now I ask you for your ideas of what to do in the Outlook irrigation ditches.

**MR. MacMURCHY:** — Mr. Chairman, perhaps the easiest thing for me to do is to send over the copy of the policy relating to that Outlook irrigation area, which is in effect from April 1, 1980 to March 31, 1981. It involves grants to farmers for seed, maintenance, operation and subsurface drainage. I think the easiest thing to do then is to forward a copy of this to the hon. member, and he will have it available to give to his concerned farmers there.

**MR. MUIRHEAD:** — Thank you, Mr. Minister. I will look it over and maybe we can talk about it at a later date.

**MRS. J.H. DUNCAN (Maple Creek):** — Mr. Minister, I would like to spend a few minutes talking about the present lease policy. I know the lease policy is under active review by your department, and has been for quite a number of years. You indicated yesterday that you hoped to resolve the issue by the end of this year. Could you tell me which briefs have been presented to your department over the years by various interest groups, as to what they would like to see in the way of changes in the lease policies?

**MR. MacMURCHY:** — I have no problem in providing it. The only one which I have received that I can recall is the one that came from the lease committee of the cattlemen which we talked a little bit about yesterday at the meeting. In fact, Mr. Grant was a member of the committee who presented the brief to us. It occurred not long ago, but we'll happy to provide the hon. member with any briefs that we have. We don't have them with us; we could forward them tomorrow or next week.

**MRS. DUNCAN:** — Last year, during agriculture estimates, the former minister on a question along a similar vein said he had met with various interest groups, and that his department was studying the various proposals by the various groups he had met with. You haven't met with the same people he did last year, I take it?

**MR. MacMURCHY:** — There is a lease committee of the organization; that's the only group I met with. I had better correct myself; it may well be that I have had some discussions with Boyd Anderson about it. But in terms of a meeting to present a specific brief, that was it. I suppose the hon. member will say there is no problem so great that you can't review it.

As I indicated to the cattlemen yesterday, and I did it fairly deliberately, this brief contained a new wrinkle in terms of security of lease. Where it had been to restore the old policy of the Nollet era, we had a proposal for implementing land bank policies into land branch with respect to the leasing policy there. That was an interesting wrinkle, and I think one we would want to talk a little bit about. By raising it yesterday at the meeting, I was hoping it would get some reaction. It didn't at the meeting, but it may well

get some reaction later on. I am not sure that this committee, in making its brief to the government on this land bank idea, were speaking for the total membership. Maybe they were, and as a result of raising it yesterday, we may hear back from them. But that is a little bit of a different concept than has been the case in the past with respect to lands branch. It has some merit to it.

**MRS. DUNCAN:** — Mr. Minister, the former minister on a question on whether or not they would consider selling small parcels of lease land to the present holder, said in 1979 that his department was looking rather favorably upon implementing such a policy. Are you still reviewing that aspect of it?

**MR. MacMURCHY:** — That aspect is very much under review. Certainly if we were to implement land bank policies to lands branch land and if you went all the way, built into land bank policy is the option to purchase. That is a difficult one for our large grazing leases, but one that should be considered and talked about. So it is in fact under review.

**MRS. DUNCAN:** — I think they would probably be satisfied with one step at a time and have the same type of tenure as land bank lessees up to age 65, rather than a two-year, three-year or five-year lease agreement. The whole meeting yesterday, I thought went rather well. Cowboys looked rather favorably on the attempts being made by the government to help alleviate the crisis of the drought.

I think the overall view of the convention was that, though we immediately have to come to grips with the drought situation, the Band-Aid solutions that we as politicians come up with don't really project themselves into the future. They would like to see a more firm approach taken, I think, to alleviate these recurring conditions through increasing irrigation, and things like that.

I think that should they be able to have tenure a little longer than they have now, more operators would be probably more willing to invest a little more to ward off the effects of recurring drought conditions. Would you not agree?

**MR. MacMURCHY:** — I think clearly the term of the lease is important to them, and applying land bank policies would give them more security than they presently have, because it goes to 65. There's built into land bank the option to purchase every five years or re-lease, so you have both aspects taken care of. As well as security of lease, there has been a fair bit of pressure coming to purchase the grazing land. The thing would fit together. We had a fairly lengthy discussion earlier with the Leader of the Opposition about irrigation and I think that we have to look at it.

**MRS. DUNCAN:** — I think another factor affecting our ranching areas, and perhaps mixed farming areas, is the uncertainty at a time of sale, when the lease land has to go up for grabs, so to speak. It seems quite evident that there doesn't seem to be a uniform policy in granting lease rights when this lease land comes up, or when it is posted. Particularly in my area, where you'll have five, six sections posted, you might have 10 or 12 people applying for it. There doesn't seem to be any consistent pattern that can be ascertained as to how that present lease is allotted. Some people that are larger operators seem to get good chunks of it, and a smaller operator, who might apply for 1.5 sections, will be cut back. This causes great agitation within the area, because quite often you get neighbors and friends applying for the same lot of lease land. And like they say, there doesn't seem to be any uniformity in the way lease is granted to

applicants.

**MR. MacMURCHY:** — Mr. Chairman, I will forward to the hon. member the allocation policy. It provides for a point system and for an appeal process. I suppose if there is any real political problem in agriculture as it relates to lands, it is land allocation, whether it be lands branch or land bank land, because there is such a demand right now. I've heard of 20 applications for one parcel, so only one fellow was going to be happy, and you are going to have 19 guys mad. The MLAs and the minister bear the brunt of this problem but I will provide for the hon. member the point system. I suspect it is always open to review and improvement so if anyone has any ideas on how we might improve the point system, certainly the people who administer the program would be glad to receive them.

**MR. TAYLOR:** — Mr. Minister, relating to these land lease policies, I would like to ask a few questions. Is it always the policy of your department to interview people who have applied for lease land? Do they qualify for an interview? Is there a minimum age at which an individual can apply for leases?

**MR. MacMURCHY:** — Mr. Chairman, Mr. Polischuk reports that the three top candidates are interviewed, so you select a short list, then they are interviewed.

**MR. TAYLOR:** — Well, I think in some instances that doesn't always hold true, but there may have been other factors. I know of a case where there wasn't an interview. Other than this, Mr. Minister, I know one of the things which is looked at very closely is off-farm income. If a person has another line of work, if he is working in a geriatric centre or something of this nature, it is very easy to ascertain what his wages are, but what about an individual who has a backhoe for example, and is doing an awful lot of work grave digging, or putting in waterworks in towns? Is this type of thing scrutinized in your interview?

**MR. MacMURCHY:** — The answer to that is yes. They all have to indicate their incomes in their application. May I just correct my previous answer for the hon. member. There is the short list as far as lands branch is concerned in making their decision. The appeal committee may well interview a larger group than that. They interview all those who have made an appeal, so there may well be more than three or four.

**MR. TAYLOR:** — What about ownership of cattle? Do you ascertain if the person who is getting the lease owns the cattle himself? Take for example an individual applying for lease land with a number of relatives who are not employed in farming. Have you any way of proving that the cattle are owned by the individual applying for the lease, because they could be owned by a number of these other people.

**MR. MacMURCHY:** — I think it is very hard to prove and therefore, what the people do is rely on the word of the applicant. They place trust in the applicant. I don't know what else you could do in those situations.

**MR. TAYLOR:** — I realize, Mr. Minister, that in any situation there comes the point where you have the trust the person you are dealing with, but what I'm outlining here are situations which I think exist and maybe you could look at tightening this sort of thing up.

Getting to the appeal, I will just go through a little scenario here of a situation that happened with an appeal. Personally I don't think that is what an appeal should be. I had a constituent who appealed a case, Mr. Minister, a young fellow with a FarmStart loan

who was carrying a tremendous debt; he had about 250 head of cattle. He applied for a quarter section that had been part of the parcel of land he had bought. He bought three quarter sections, and this was a lease that was with the individual he purchased from. Now, the lease stayed under that individual's name until last fall when he gave it up. As I understand from conference with the member for Maple Creek, the person who purchases the land does not automatically get first chance at the lease; that is correct, is it? So therefore, the individual applies for this lease and it comes to the appeal board.

The kind of question this fellow was asked, Mr. Minister, I don't think was right. He was asked: how much money do you make from rodeos? He is just a kid; I taught him in school; he went to about three rodeos last year. That was one of the questions the appeal board asked him, while some of the people he was appealing against have a lot of off-farm income. There was not one question asked about how many head of cattle he has. He didn't have an interview; he is taking on a bunch more cattle in the spring; but those questions weren't asked.

It so happens this individual's father and brother are very successful grain farmers. But they are separate entities entirely. There is no corporation; they have nothing to do with it and he runs his own show. The questions were: how much farmland does your father have? How much farmland does your brother have? Mr. Minister, I don't think that is the type of appeal which should take place. I think these young fellows (especially in this year of drought) certainly need every type of assistance they can get. In an appeal board, whether a guy is rodeoing or his father owns half the township shouldn't affect his right to that lease land.

**MR. MacMURCHY:** — Mr. Chairman, I can only take note of what the hon. member has put forth. I have not interfered with the operations of lands branch in the allocation of land, nor have I interfered in any way with the operations of the appeal board in their decisions. I will be honest here, when an MLA has come to me (and they have come to me from both sides of the House) I've asked for the appeal board to review the case. I have not gone beyond that. In some cases they have reviewed and in some cases they haven't; but the decision making and their operation I have left entirely to them. I point out to the hon. member that the appeal board is well represented with farmers. I can't give any arguments to the hon. member as to why this or that question was asked. I think I have to keep it that way as far as the ministry is concerned.

**MR. TAYLOR:** — Mr. Minister, I have no intention of asking you to interfere. The appeal was made. I was trying to indicate though that maybe one should look at how the leased lands are meted out, that maybe there is a need for a little more investigation.

Secondly, maybe there is a need to look at what is really taking place in the appeals board. That is the reason I cited this example, Mr. Minister.

**MR. BERNTSON:** — Mr. Chairman, the next area which I was going to get into was the whole matter of poultry raising and processing in Saskatchewan. It is going to take a while, I am sure. Rather than having an interruption in about five minutes, I wonder if we could call it 5 o'clock.

The Assembly recessed until 7 p.m.