

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
April 22, 1981

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

NOTICE OF MOTION

MR. ALLEN: — Mr. Speaker, I give notice that I shall, on Tuesday next, move:

That this Assembly acknowledges and commends the actions taken by the Government of Canada in December 1980, joining 73 other member nations of the United Nations opposing foreign intervention in El Salvador, and now calls upon the Government of Canada to clearly reiterate Canadian opposition to all forms of foreign intervention and coercion in El Salvador, including any supply of arms and ammunition or the training or use of military advisors. And further, this Assembly believes that the people of El Salvador should determine their own economic, social and political future without interference from the outside.

INTRODUCTION OF GUESTS

HON. MR. TCHORZEWSKI: — Mr. Speaker, it is my pleasure to introduce some very special guests to this Assembly this afternoon. Seated in the Speaker's gallery is a group of 15 midget hockey players from the home of Wayne Gretzky — Brantford, Ontario. They are the Brantford Mohawk Pontiac Warriors. They are here to take part in a tournament of some 142 hockey teams. They arrived yesterday by plane and my wife and I had the privilege of meeting them here. They are accompanied by their manager, Bryan Herbert; their coach, Dave Keilbiski; and his wife, Linda Keilbiski, who I am told is the stick boy. Also, along with them are some of the parents: Ms. Shirley Vey, Mr. Roy Case, Mrs. Jema Romamy, and Mrs. Recine. I know that the members of the Assembly will join me in extending a welcome to this fine group of young men. We wish them well in the tournament and an enjoyable stay in the province of Saskatchewan and the city of Regina.

HON. MEMBERS: Hear, hear!

QUESTIONS

Reference to Supremacy of God in Constitution

MR. LANE: — I would like to direct a question to the Deputy Premier. I am sure that the headlines of today's paper make the good Lord feel a lot better to know that Pierre Trudeau is offering a better deal for God. I am a little curious what the Deputy Premier's position is on the reference to the supremacy of God in the constitution and what his personal position is on that reference.

HON. MR. ROMANOW: — Mr. Speaker, I believe the position which I have taken in the

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past is that this is a very desirable objective. It has been, of course, a part of the Diefenbaker Bill of Rights and I don't believe it was objected to at any time, certainly not by our party provincially.

The merit of it is obvious. However, one also has to be somewhat careful as to the potential for legal interpretation of the term, considering the variety of provincial and federal legislation against which the charter of rights will obviously have to be judged. Therefore, there is that other aspect of it which needs some thought as well.

MR. LANE: — I am going to refer to an interview of the . . .

MR. SPEAKER: — Order. May I just remind the House that, while the personal views of the Deputy Premier may be of interest to some, they are not the prime interest of this Chamber. I think the members, in questioning, should not seek the personal views of ministers, because they are speaking for the government.

MR. LANE: — I would like to ask a supplementary to the Deputy Premier. In a recent issue of *Canadian Lawyer*, in the April edition, he publicly states that he would not like to see it there, that is, reference to the supremacy of God. So it is a bit of a yes and no situation. If I may quote:

I think, on balance, if we are looking about black and white law my argument would be that it should not.

He is referring to the reference to the supremacy of God in the Canadian constitution. I wonder how the Attorney General can reconcile his position stated earlier, with the interview that he gave in the *Canadian Lawyer* and whether or not the province of Saskatchewan has taken the position that the supremacy of God reference should be in the constitution — a position which would be diametrically opposed to that of the Deputy Premier.

HON. MR. ROMANOW: — Well, Mr. Speaker, the hon. member (I don't say this in any inflammatory or accusatory terms) quotes the last sentence of the interview. I believe the first portion of the interview, in effect, repeats what I said in response to the first question — that as a concept, as a notion, I certainly would favor it. I believe the Government of Saskatchewan would favor it. The hon. member opposite, as a lawyer, knows as well that favoring it conceptually and applying it in legal, constitutional terms with the impact that it may have on the variety of provincial and federal legislation is another thing. Many lawyers have expressed some reservations about it in the sense of a legal document. It may very well turn out that some of the provisions which are desirably sought by the insertion of the word "God" in the constitution, can be negated subsequently by court rulings and decisions. It is that kind of position that I'm in. One needs to incorporate the principle. The question is whether or not incorporating it can achieve the objective that is sought by its insertion.

MR. LANE: — The Attorney General seems to be taking both sides of the issue. I wonder if the Attorney General would be prepared to urge his federal counterparts to support the reference to the supremacy of God in the Canadian constitution, and change their position publicly stated.

HON. MR. ROMANOW: — Mr. Speaker, I don't believe that I have very much jurisdiction over the activities of the federal New Democratic Party which will be obviously making

the decision in Ottawa according to their vested judgments; no more than the hon. member has any influence or control over the position of the Progressive Conservatives in Ottawa, who will also be making their best judgments. All that I can indicate is our position which is, as I said, a position of general acceptance. The notion is worthwhile, desirable and it's in every way essential except that one must measure it against the legal impact of the word and the subsequent interpretations of it, with respect to provincial and federal legislation.

Designation of "Persons" in Constitution

MR. TAYLOR: — Mr. Speaker, my question is to the Premier. Mr. Premier, I noticed in the latest rounds of constitutional negotiations that an amendment by the NDP has been accepted by the Liberals, and this amendment has to do with the designation of the term "persons." I think the judicial interpretation is that the fetus is not designated as a person. Mr. Premier, in view of this NDP motion, will this not eliminate the rights of the anti-abortionists in this country and do you support that position?

HON. MR. BLAKENEY: — Mr. Speaker, the Government of Saskatchewan has not taken a view on the issue which the hon. member raises. Our position is reasonably well-known. We do not wish that provision in the constitution because we do not wish the charter of rights in the constitution. That has been the position of the Government of Saskatchewan. It was reiterated by the eight premiers who wished that we do not proceed in that way. I find myself in agreement in this regard with premiers Lougheed, Lyon and Buchanan and Peckford and the others. Our position is that the constitution ought to be patriated with the simple amending formula that all eight agreed upon, and that the charter of rights and all outstanding issues with respect to the charter of rights (including its contents) ought to be dealt with in Canada by Canadians.

MR. TAYLOR: — Supplementary. But it may well be as time is closing in, that there will be a charter of rights, and what stand will you have on this resolution at that time? Mr. Premier, you state as the leader of the province of Saskatchewan, you have not stated your position. I will ask you today in this Assembly. You can see the rose which is on my lapel and I've seen a few on your side, but not very many. Will you tell this Assembly what the position of the government opposite is toward abortion in Canada?

HON. MR. BLAKENEY: — Mr. Speaker, our position with respect to abortion is that it is dealt with by the Criminal Code of Canada, and doubtless will be dealt with by members in the House of Commons in the way which they feel is appropriate. I do not care for the Government of Canada legislating in provincial areas and I do not think the Government of Saskatchewan would be attempting to legislate in federal areas. With respect to the specific provision in the charter of rights to which you refer, I do not wish that provision or any other provision of the charter of rights to be included in the constitution of Canada at this time.

MR. TAYLOR: — Final supplementary. I take from your remarks, then, Mr. Premier, although you are opposed to it, if there is a charter of rights in the constitution you will vehemently oppose this section which I have alluded to?

HON. MR. BLAKENEY: — Mr. Speaker, nobody who was listening could draw that conclusion. He asks a hypothetical question: "If it is in there, what would your position be?" Our position is that it ought not to be there. And, our position is that we will continue to state the point of view that it ought not to be in the constitution. Accordingly, we favor the elimination of the provision which the hon. member objects

to from the constitution.

MR. LANE: — A question to the Premier. Would the Premier join with the opposition in an immediate telegram (after this session) urging the federal Liberal Party and the federal New Democratic Party to withdraw their support of the provision which has just been referred to, so they will have an expression from this Assembly of our opposition to that proposal?

HON. MR. BLAKENEY: — Mr. Speaker, I do not wish to give to the charter, to which I object, and particular credence by saying that I object to this comma, or that comma. I object to the whole charter.

Uranium Mining in Cypress Hills

MRS. DUNCAN: — My question is to the Minister of the Environment. SMDC (Saskatchewan Mining Development Corporation) in a joint-venture operation has to date spent \$838,000 studying the development of a uranium mine in and around the Cypress Hills Park area. I believe the mine they are studying is a solution mine. I ask you, Mr. Minister, given the unique nature of the Cypress Hills, will you give me your commitment today that your department will immediately implement an environmental study on the impact that a resource development would have on this area?

HON. MR. COWLEY: — Perhaps I could respond to the hon. member by saying that I think the question arises out of a discussion which came about in Crown corporations this morning. I want to say that the work which has been done to date has been exploration work. We are not in the process of developing a mine; we have yet to find the uranium. I say that's unfortunate; I wish we had been a little more fortunate in what we have uncovered there. The work which has been done to date has certainly conformed, I am sure, with any environmental rules or provisions, etc., that there might be.

In the event that an ore body is uncovered which is commercially viable, then I think SMDC would be approaching the Department of the Environment with its thoughts with respect to how it might be developed, indeed if it were solution mining. There are similar mining operations in Wyoming. I suspect that the Minister of the Environment has not been involved. Usually, before we approach him with respect to the development of a mine, we try to have found the ore body first.

SOME HON. MEMBERS: Hear, hear!

MRS. DUNCAN: — I would thank the minister for his comments, but my question was to the Minister of the Environment. You have several bills in place which are supposed to protect ecological fragile areas, and Cypress Hills happens to be one of them. Given the feasibility of development in that area, will you give me your commitment today that you will undertake a study of the same type which was done in the Great Sand Hills on resource management and land use.

HON. MR. BOWERMAN: — Mr. Speaker, the Department of the Environment does not do environmental impact studies. That is up to the proponent of a proposal for either a major development, or a development which will be of some significant public interest. The Department of the Environment does not, therefore, conduct the environmental impact assessments. If it were going to be done, it would be done by the Saskatchewan

Mining Development Corporation, or any other proponent of a major development. I can assure the hon. member that if there is a major proposal coming as a result of SMDC's exploration in Cypress Hills, there is no question that the Department of the Environment will be calling upon the Saskatchewan Mining Development Corporation to prepare for the public, and to prepare for the Department of the Environment, an environmental impact assessment, and its statement resulting therefrom.

MRS. DUNCAN: — A supplementary to the minister. That is basically the same answer that you gave me last year when I asked if you would do a study in the Cypress Hills, given the gas developments going on there, and the proposed highway that was to go through there. At that time last year, you gave me the very same answer, but you also added that doing an environmental impact study puts you in a conflict of interest position. The very next day, Mr. Minister, you sent this over to me — “The Great Sand Hills of Saskatchewan” done by your department — a report on the ecology and archaeology and resource management and land use in the Great Sand Hills. What I'm asking you, Mr. Minister, since the Cypress Hills is a very unique area in Canada — there are flora and fauna which can be found no where else in the world — will you go in and do a study on resource management and land use in that area?

HON. MR. BOWERMAN: — Mr. Speaker, that is quite a different proposition and question than was raised by the hon. member the first time. Yes, indeed.

The hon. member tried to look for the words “environmental impact assessment” in the report which she was holding up for view by the members of the Legislative Assembly. That is not an environmental impact assessment. There is no question about the fact that it is an environmental study, but there was no proposal under way, or being suggested when this study was undertaken. The department goes in and may well do so in the Cypress Hills, for example, and do a land use study. But an environmental impact study is done on the basis of whether a proposal, be it a power dam, or a power line, or a Saskatchewan Mining Development Corporation mine, or any other major proposal will have an impact on the environment, and what impact there will be, and what they will do to mitigate those impacts. That's the object of an environmental impact assessment. This is simply a report on the environmental conditions of the Great Sand Hills area — one of the unique areas in the province of Saskatchewan.

MRS. DUNCAN: — A question to the Premier. Mr. Premier, given the active involvement of your government in the development of many of the resources of Saskatchewan, do you not agree that it is imperative that a permanent and independent environmental assessment board be established in Saskatchewan to take away the conflict of interest alluded to by the Minister of the Environment?

HON. MR. BLAKENEY: — Mr. Speaker, perhaps I missed the inference of “conflict of interest,” made by the hon. minister. I think the position taken by the hon. member is an interesting one, but so far as I can understand, she suggests that there ought to be a permanent board dealing with environmental impact matters which would not be responsible to the Government of Saskatchewan. I very much doubt if that were set up, whether members opposite would accept it. I very much doubt whether they would allow me to come in here and say that that is a matter for the environmental impact board; it's not responsible to our government. I think, Mr. Speaker, that members opposite simply would not accept that, nor should they, since it is very clear in my judgment that the government of the day must take responsibility for policies of environment as they must with respect to economic development.

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We do, however, whenever a specific problem arises, appoint independent boards, headed by such people as Mr. Justice Bayda, soon to become (or now is, I guess) Chief Justice Bayda, and others who are similarly reputable. We have had, I think, reports from such boards which are second to none in Canada and we, for our part, are proud of the opportunity citizens have had to contribute to the resolution of environmental issues in this province and proud of the calibre of the reports given.

SOME HON. MEMBERS: Hear, hear!

Borrowing Money on the European Market

MR. ROUSSEAU: — A question to the Minister of Finance.

A question to the Minister of Finance. Mr. Minister, yesterday in reply to a question put to you by the member for Kindersley respecting the \$125 million loan that you're contemplating on the European market, your reply at the time was, and I quote:

There is no specific reason at the present as to why we might be borrowing money, but we have to know where the best market is and therefore we are exploring them all.

I refer you also to an article in today's newspaper stating that the money would be used to finance an undetermined project of the Saskatchewan Mining Development Corporation or SMDC.

Mr. Minister, this morning in answers to questions put to the minister of SMDC, he advised the Crown corporations committee that the money, in fact, was being borrowed to pay the debts of SMDC amounting to \$90-some million on current bank loans, as well as another \$23,258,000 (to be exact payments of loans from his customers. My question to you is: which one of you is right? Will you either withdraw your reply as being incorrect, or get together with the minister of SMDC to find out just what you're borrowing the money for and are you, in fact, going to borrow the money?

HON. MR. TCHORZEWSKI: — Mr. Speaker, to answer briefly for the member opposite — we're both correct. There is, as I indicated in the presentation of the budget, the intent by the government to borrow certain sums of money for various Crown corporations, including SMDC. The questioning yesterday revolved around an order in council that would give authority to officials of the Department of Finance to borrow on the European market, and that's the only extent to which there is authority. There is not, at the present time, any arrangement for the borrowing of money on the European market.

I want to point out to the members that the situation has changed from previous years in the European market. There was a time when there was up to two weeks in which an order in council could be arranged and passed, spelling out the terms of any debenture issue. That has now changed; there is only a matter of four or five days. Therefore, an order in council has been made necessary by us to provide the authority for arranging this kind of a loan if we should decide to make such a loan — something which we, at this point in time, have not decided to do in the European market.

MR. ROUSSEAU: — Supplementary question to the minister. Did the minister of SMDC request the Department of Finance to borrow \$125 million? I don't care where you were going to get it; I don't suppose he cares. But did he, in fact, make the request of your department to get \$125 million for his Crown corporation to pay off the debts that

he is talking about?

HON. MR. TCHORZEWSKI: — Mr. Speaker, the Saskatchewan Mining Development Corporation (as has the Saskatchewan Power Corporation, and as have other Crown corporations) has indicated to the government and the Department of Finance the amounts of borrowings which will be required on its behalf throughout the year. So to that extent, indeed, there is a request indicating there will be a need for borrowing. But at the present time, that borrowing is not being arranged beyond the borrowing which was done roughly four weeks ago, which we did on the Canadian market.

MR. ROUSSEAU: — Supplementary, Mr. Speaker. You have still evaded my question to the point. I put it specifically: did the minister in charge of SMDC request \$125 million from the Department of Finance? Did the Department of Finance agree to borrow the money on behalf of SMDC for the specific reason of repaying bank loans and loans from the customers of SMDC? Were those specific reasons spelled out in the request from SMDC to the Department of Finance?

HON. MR. TCHORZEWSKI: — I am not aware whether those specific reasons have been spelled out or whether there has been an indication at the present time that the borrowing is necessary, Mr. Speaker. All I am aware of is that there indeed will need to be an amount of money borrowed on behalf of SMDC; I have indicated that. If the minister in charge of SMDC in Crown corporations committee has indicated what the money will be borrowed for, that's well and good. I think that is the appropriate place for those kinds of answers to be given on behalf of SMDC. I see nothing inappropriate with that.

Orthodontist Services in Swift Current

MR. HAM: — Thank you, Mr. Speaker. A question to the Minister of Health. A month ago tomorrow, I asked you a question regarding orthodontist services in Swift Current. I am wondering if I could have an answer to that question now.

HON. MR. ROLFES: — Mr. Speaker, I think I could take three fingers off my left hand in the last month for the days that the member has been here so that I could give him the answer. In respect to his question, Mr. Speaker, I have had conversations with the members of the Department of Health and with the members of the Department of Government Services. We are still wrestling with that particular question and we have not come to any conclusions at this particular time. I would like to make absolutely certain that the city of Swift Current will not lose those services, and therefore we are still carrying on the negotiations.

MR. HAM: — Supplementary, Mr. Speaker. Could the minister assure me that he has had contact with the orthodontist in question in this regard?

HON. MR. ROLFES: — No, I have not directly and I have not been able to pay a visit to the United States lately.

MR. HAM: — Are you aware, Mr. Minister, by virtue of the letter this gentleman forwarded to your office, that he intended to curtail services at the end of this month?

HON. MR. ROLFES: — No, it is not my understanding that he is going to curtail his

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services at the end of this month. It was my understanding from the letter which I received from the orthodontist that if the services, as far as facilities were concerned, were not continued, then he would like to start some negotiations with us to start curtailing those services, so that at the end of two years he would be able to finish with all those people whom he presently has some dealings with.

Location of Heavy Oil Upgrader

MR. ANDREW: — My question is to the Minister of Mineral Resources, who is responsible for SaskOil. On a previous occasion in the House, Mr. Minister, I asked you for the position of SaskOil as to the location of the heavy oil upgrader, construction of which has been announced to commence in Saskatchewan in the very near future. I wonder, in view of the fact that Husky, Gulf and Shell have announced their preferences for various locations, whether you would be prepared to announce the preference of SaskOil as to location of that proposed upgrader?

HON. MR. COWLEY: — Saskatchewan.

MR. ANDREW: — Could you be more specific than the province of Saskatchewan? I believe Husky oil announced in its paper to the National Energy Board that it preferred Lloydminster. I think both Gulf and Shell have announced in meetings at North Battleford that they would prefer the location to be North Battleford. Of course, we hear rumors that the Premier is bucking to have the upgrader built in Regina. My question to you is: in view of the position of those three companies as to their stated preference, would you advise the Assembly as to which town or city in the province of Saskatchewan you would prefer to have the location of that upgrader?

HON. MR. COWLEY: — Mr. Speaker, I think the only position we have taken, as a corporation and as a government, with respect to the upgrader, is that we want to make sure that we have the maximum amount of upgrading of our oil in the province and, if possible, to see it refined in the province as well.

In terms of the location, I think we need to see the results of the study with respect to the availability of oil, with respect to the size of the upgrader, and with respect to what we might do.

Indeed, just yesterday afternoon I met with representatives of Husky. Certainly, depending on the configuration of an upgrader, etc., I think their views, with respect to location, are subject to the study as well. Obviously, if it is a certain kind of an upgrader there is preference because of their locus of operation and their supply of crude oil which is in Lloydminster area. It is an understandable position for them to take.

If the upgrader was changed significantly, I think their view of the location might change as well. I think it is premature for us as a government, or, indeed, for any of the members of the consortium (and I think they would basically agree with that) to make a decision with respect to location until we know how big it is going to be, what it's going to do, and what the sources of the crude oil are going to be that are going to go into this upgrader.

So, at this point in time, the Department of Mineral Resources and the Crown corporation of SaskOil have no particular preference in terms of places. Where we would like to see it is in the place which makes the most sense.

MINISTERIAL STATEMENTS

Agriculture Appreciation Week

HON. MR. MacMURCHY: — This week, April 19 to April 25, 1981, is Agriculture Appreciation Week here in the province of Saskatchewan, when we salute the province's farmers.

The farmers are the backbone of the Saskatchewan economy and the number one industry in the province. Saluting them, Mr. Speaker, is our way of recognizing their part in developing Saskatchewan.

Saskatchewan Agriculture, in co-operation with the Saskatchewan Weekly Newspapers' Association, initiated Agriculture Appreciation Week last year as part of Celebrate Saskatchewan. The event was such a success that it was decided to continue celebrating the part Saskatchewan farmers play in this province's socio-economic development.

This year, the Department of Agriculture is co-ordinating an interdepartmental salute to farmers with the message: "Where would we be without farmers?" We appreciate the response of these departments and we encourage others to celebrate this week by recognizing agriculture and by recognizing Saskatchewan farmers.

I'm sure all members of this Assembly are proud of Saskatchewan farmers and proud of the part they play in world food production.

MR. BERNTSON: — I wish to join with the Minister of Agriculture in recognizing the agricultural community of Saskatchewan. Indeed, where would we be without farmers? They are the hardiest breed of individuals anywhere in the world. They have survived (we have, I am one) Hazen Argue; we have survived Otto Lang; we have survived land bank; we have survived droughts.

MR. SPEAKER: — Order, order. There are usual strictures on the ministerial statement, and the same strictures apply to the response. The response must be brief, factual and specific. No debate can be engaged in. I suggest to the members that some of the terms and words the member used, as the Leader of the Opposition, could certainly be construed as debatable.

MR. BERNTSON: — Mr. Speaker, I don't know how anyone could dispute those facts I stated. They are beyond debate. Simply put, Mr. Speaker, I would just like to join with the Minister of Agriculture in the salute to the farmers of Saskatchewan. Indeed, where would we be without them?

SOME HON. MEMBERS: Hear, hear!

INTRODUCTION OF BILLS

Bill No. 80 — An Act respecting The Medical Profession

HON. MR. ROLFES: — Mr. Speaker, I move first reading of a bill respecting The Medical Profession.

Motion agreed to and ordered to be read a second time at the next sitting.

ORDERS OF THE DAY

GOVERNMENT ORDERS

SECOND READINGS

Bill No. 71 — An Act to amend The Public Service Superannuation Act

HON. MR. ROBBINS: — Mr. Speaker, this deals with The Public Service Superannuation Act. Essentially, the amendments are housekeeping amendments. The first amendment applies to section 11 of the act which deals with extensions of service. Employees who are not subject to The Public Service Act can include their salary while on extension in the allowance calculation, but employees subject to that act currently cannot. This was never intended, and the amendment makes the extension provision apply equally to both groups of employees.

The second amendment, Mr. Speaker, applies to section 60 which deals with the Anti-Tuberculosis League employees. The amendment does two things. It ensures that the definition of league remain valid in the event that it becomes incorporated under The Non-profit Corporation Act. We are given to understand that they want to take that approach. Secondly, it permits payments out of the league employees' pension fund where an employee terminates employment with the league but continues in other employment subject to the act.

The third amendment has the new section which applies to the Saskatchewan Transportation Company employees who are included under the old plan. I think members are familiar with the fact that the old plan was the defined benefit plan, and the new one is the defined contribution plan. At the time these employees were included, there was no legislative authority to deal with STC's pension fund. The primary purpose of this amendment is to provide for the transfer of the Saskatchewan Transportation Company's pension fund to a new fund established by this section which will be administered by the board and held in trust by the Minister of Finance. Investments in the fund are in accordance with established procedures for the operation of pension funds administered by the government. Any pension, refund, or other payment required to be made with respect to an STC employee or beneficiary will be charged to this fund. This includes any pension being paid under the former Saskatchewan Transportation Company pension fund with respect to employees who retired or died before the Saskatchewan Transportation employees were included under the public service superannuation plan. The fund transfer will be effective as of April 1, 1981.

Mr. Speaker, the contributions and benefits for Saskatchewan Transportation Company employees are the same as for the public service employees under the old plan, that is, the defined benefit plan, which worked on a 2 per cent times five years times years of service not to exceed 35. New employees of the company participate in the Crown investments corporation pension plan, which is in fact a defined contribution plan. For the general information of the Assembly, I want to point out that this involves 250 employees of the Saskatchewan Transportation Corporation. Their fund is approximately \$6 million, and their current pension pay roll to 50 people who have been superannuated is \$180,000 annually. Any future deficiencies which may occur in that fund, if that should happen, would be charged to the consolidated fund.

That, Mr. Speaker, briefly covers The Public Service Superannuation Act and the proposed amendments to it. As I said at the beginning, these are essentially housekeeping amendments.

Mr. Speaker, I move second reading of the bill.

MR. KATZMAN: — Mr. Speaker, before the minister takes his chair, would he permit a question?

MR. SPEAKER: — Would the minister permit a question?

HON. MR. ROBBINS: — Yes.

MR. KATZMAN: — Mr. Minister, you are saying that the fund is completely and presently solvent as far as unfunded liability goes? That was your comment?

HON. MR. ROBBINS: — I can't say for certain if that is true. I am willing to check that out for the member. I simply point out that there is about \$6 million in that transferred fund, that it covered 250 employees, that there were 50 employees currently on superannuation, with an annual pay roll of about \$180,000. I did qualify that remark by simply saying that if there were insufficient funds to meet the liability later on in relation to that particular fund, it would become a charge on the consolidated fund of the province.

MR. KATZMAN: — Mr. Speaker, basically as the minister has outlined the bill, the opposition has no argument against it. I think what you are doing is bringing everything up to par as we did with everybody else about a year ago, if I remember correctly.

There are one or two statements you made that I would like to check with you and with other groups affected. My one concern, of course, is the unfunded liability that we may be picking up. I am wondering if there is an actuarial study of this pension fund to show the position of it, and if the actuaries believe it is in good, solvent condition.

I will adjourn debate on it, Mr. Speaker, and request that the minister please send me, if there is one, the latest actuarial study. This would alleviate my concerns and we could proceed.

Debate adjourned.

COMMITTEE OF FINANCE

CONSOLIDATED FUND BUDGETARY CASH OUTFLOW

AGRICULTURE

Ordinary Expenditure — Vote 1

Item 1 (continued)

MR. PICKERING: — Thank you, Mr. Vice-Chairman. Mr. Minister, we were planning on finishing agriculture estimates today, but the land bank annual report is not out. Would there be any possibility of tabling that report today?

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HON. MR. MacMURCHY: — Mr. Vice-Chairman, in response to the hon. member, Mr. Wesson reports to me that it has just now come from the printers. Copies will be coming over and we can table them today.

MR. KATZMAN: — It is interesting to note, Mr. Minister, that legislation says 90 days, plus 15 sitting days. It seems like land bank takes it right to the limit every year. It never seems to come in early with its report.

Mr. Minister, one of my pet things in agriculture is a racing commission. I spoke with members of your staff and laid out a suggestion or two. I am wondering if the Government of Saskatchewan is considering (as is every other province in Canada, to my knowledge) at the establishment of a racing commission? Therefore, the people involved in the breeds who wish to have horse racing will at least have a chance to control their destiny and not just by the two exhibition boards as it presently is now.

AN HON. MEMBER: — Hey, Ralph, they know how you scuffled with Sunday racing last year. They know all about it. It is a good way to make amends.

HON. MR. MacMURCHY: — I think the member for Saskatoon Centre is an expert on horse racing and would like to get into this debate. Mr. Vice-Chairman, we have always been interested in the idea of a racing commission. One of the difficulties of getting it implemented is that the priorities of the people we talk to have been more in the funding end of things, rather than the establishment of the commission. Therefore, it has not been an item high on their priority list. I am wondering if the hon. member, who has been talking to them also, would agree with that, and whether he can see a change in priority in so far as the horse people are concerned?

MR. KATZMAN: — Mr. Minister, the groups which refer mostly to the financial end are the two groups which now have the benefits of pari-mutuel racing. They are, of course, the thoroughbred and the standard-bred associations. The Saskatchewan Jockey Club, which is owned by the two exhibition boards, Regina and Saskatoon, seem to talk to your government the most. Let me suggest to the minister that not only are there groups of people within the standard-breds and the thoroughbreds who wish to race and do race in this province, but there are other groups which have horses which are racing. There is an honest concern with government assistance for the opportunity to be allowed to run under supervision; therefore, their official times will be legally documented and acceptable within their own organizations.

In Alberta, they have quarter horse racing; they have the appaloosas and Arab horses racing. That is done through a racing commission, because the federal government allows pari-mutuel dates, or racing dates, or assigns the veterinary teams that are available, but the commission decides who is allotted the number of races. That being the case, each of the organizations has a representative on that commission and, therefore, can lobby so it gets something.

Under the present system, the only two getting any track space in Saskatchewan are the thoroughbreds and the standard-breds, and that decision is made by the Saskatchewan Jockey Club and is based solely on financial return. As you see, the thoroughbreds get more racing days than the standard-breds because the pari-mutuel handle is higher on the thoroughbreds than the standard-breds. Because the quarter horses, appaloosas and Arabians are something new, neither of the tracks wishes to gamble, unless it is put in the position: "You want so much of this, you try a little of this

too; if it doesn't work, well, fine."

But also, places like Prince Albert which, since 1949 has given up its charter on racing and allotment of pari-mutuel days under the federal government regulations, will never have a chance to get back into the field unless there is a change in the system of allotting the dates within Saskatchewan. The only way that can be done is through a racing commission, which will have some authority to represent the breeders and the people who are supplying the animal.

I suggest that your department take upon itself (or if the new rules committee suggestion comes forward, where nine members can investigate something), striking a committee to talk with all the horse people of the different organizations, and let those organizations come to you with a suggested policy for your government to correct this problem. I am not referring, of course, in this case to what dates they race, but to the allotment of racing. I think this is a more admirable way to handle it, and from all my knowledge of dealing with horsemen, they would very much appreciate it.

The presentation that several horsemen made to our caucus discussed two things. One was Sunday racing, and we all have our opinion on that. The second one was a racing commission, which your department, of course, would be involved with, if it came about. So I suggest to you, Mr. Minister, perhaps you should investigate, or strike a committee (if the new rules come through) to make some recommendations to your department to allow that process to start by looking at other provinces' legislation.

HON. MR. MacMURCHY: — Mr. Vice-Chairman, the hon. member for Saskatoon Centre is attempting to convince the hon. member for Rosthern with respect to support for Sunday racing. He can go right ahead, but he is certainly not going to convince me. Our information is that the commission will cost anywhere from \$100,000 to \$200,000. The question is: who is to pay? If it's to be the province's money, then that's going to have an impact on other moneys made available to the racing programs.

They're saying that their priority, in terms of money available, is to improve the breeding. They, in terms of whom I've been dealing with, have not been the jockey clubs, but rather have been the representatives of the standard-bred, thoroughbred, and exhibition associations. They were all gathered together in a group when I met with them early in the new year, and they were asking for 100 per cent of the pari-mutuel tax, and Sunday racing.

The hon. member knows very well the position of the minister on Sunday racing, as does the member for Saskatoon Centre. That is where they have their priorities at the present time. Our response, in terms of funding this year, was to continue with the 80 per cent, but to renegotiate with that group (the four assembled) a new arrangement, possibly like the old arrangement — something over a five-year period. Those negotiations will, in fact, be getting under way. Certainly, from our point of view, because we have an interest in the commission idea, we will see if we can build that in to the negotiation.

We have provided, in this budget, 80 per cent, which is roughly \$1,300,000 to the racing, plus a one-time \$200,000 grant for improvement of the betting equipment to make it electronic. I suspect that money will go to the Regina Exhibition Association, and the Saskatoon Exhibition Association.

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The hon. member makes a good point with respect to the quarter-horse people, and so on. I indicated earlier, in response to a separate issue raised by the hon. member for Indian Head-Wolseley, my intention to establish a committee representative of the rodeo people, the quarter-horse people, chariots (as the hon. member for Moose Jaw suggests) to advise us on the policy direction here, because the thoroughbred and standard-bred people have a very strong lobby they are well heard — but the other people, in fact, do not have that, and it's a growing industry.

MR. KATZMAN: — Mr. Minister, you're back into a pitfall that I was scared you were going to get into. Let me suggest to you that in the horse industry there are two branches. There is the breed, which is the improvement you speak of, be it thoroughbred, standard-bred, quarter horse, Arabians or appaloosas, which should be on a strictly agricultural base and the function of that breed — racing, or rodeo, or those type of functions.

The other group in which you are going to involve yourself, from the comments you have made, is in the youth and culture section. I would advise you to be careful, when you start to do some work, that you realize that the horse people find there is a fine line (a very difficult fine line) between the breed, the agricultural interest, and the recreation and sport interest. When you put your committee together, make sure that you look at the two basic needs because the concerns are different. The workings of the function through youth and culture for the rider, or the person, is the best function and it is working well after many years.

The function of the breed through Saskatchewan livestock, and through the Department of Agriculture, is working fairly well. There are problems, I agree. You would have to do one of two things: do like Alberta has done, and that is to put the horses into a separate area, and they handle both with the youth and culture portion and the agriculture portion, or leave them separate as they are now. It's functioning fairly well.

The racing area and the commission area is the breed area. The chuckwagons and that group are run on a different principle than the thoroughbred, quarter horse, appaloosa and standard-breds, which are concerned with the ratings they receive. This is because of the track and the value of the animals, because of the speed index they receive, or because of the purses which they win at the track.

Mr. Minister, I didn't hear your comment about the committee, but I'm glad you made that comment. I hope the rules committee suggestion comes about and we have a small committee to investigate this type of thing. I hope you will use that means for a very selfish reason. As a member from this side, I would like to be involved and give some input. I know the minister is aware that I have been involved in the horse industry for many years and I have some experience. I may not have as much experience at the race track as some of the members over there have, but I do have involvement in the horse industry. You're going to give us a committee; that's find. Hopefully, you'll consider the means which was suggested by the rules committee, once that rules committee thing is approved in this House. Hopefully, within a very short time we can make a recommendation to your department for legislation to allow a commission representing all the groups which have an interest, including the exhibition board, in the racing area. This would give every group an equal opportunity to have their just reward.

HON. MR. MacMURCHY: — Mr. Chairman, I appreciate the hon. members comments and suggestions. I know he brings them forward sincerely and they are based on

experiences which he has had. Our effort is to at least hear from the group that is not now heard from in an organized kind of way. The problem is how do you separate? I would hope that the horse people, when we get together, will talk to us about separation. It may well be, as the hon. member seems to argue, that there should be quarter horse races and so on. We don't get that message now, because there is no vehicle for delivering that message. We only hear from the people who are racing, and they don't give a hoot whether the quarter horse races are operating or not. In fact, they probably, without knowing, prefer it the way it is. The field is closed for them, and that's understandable. At least we're going to make a start.

The hon. member has made a suggestion with respect to a legislative committee, and I think that is a valuable suggestion and should be noted.

MR. KATZMAN: — Mr. Minister, I am going to switch to another topic. I don't know if you have it with you, but you made a release about farm machine custom and rental rates for 1981. This is the brochure and this is the short form. Do you have them with you? Could you give me the basis of how you have formulated these suggested custom rates and rentals? Let me pick one as an example so we're both on the same line. Looking in the small brochure, you have: rental rates, machinery, truck (three-ton) at \$31.73 per hour. How do you get that basic amount? What does that include? Does it include the driver and fuel at that suggested cost?

HON. MR. MacMURCHY: — Mr. Chairman, these are guidelines, one. Two, they are arrived at by using samples of farm business records, and a sampling of about 50 to 60 in that rough area. So that's how the figures are arrived at — just by looking at the samples and arriving at the figure.

MR. KATZMAN: — Mr. Minister, what it doesn't tell me is this: for \$31.73 an hour for a three-ton truck do I get the driver with it? Do I pay the gas? If I'm going to rent that, what comes for that \$31.73?

HON. MR. MacMURCHY: — Mr. Chairman, if the hon. member will look on the second page of the large booklet. Up in the right-hand corner it talks about the custom rates table, and it provides the information that basic custom work costs are calculated by summing the total costs of the powered unit, or machine if applicable, and the labor allowance per hour. There is a margin to cover risk, profit, management, and an incentive for the operator as calculated by multiplying basic custom costs times 15 per cent. The custom rate is then determined by adding the basic custom work costs and the margin. In all cases, a basic labor rate of \$7.75 an hour is used.

MR. KATZMAN: — Mr. Minister, I've seen the last couple of years and I've watched very carefully as you produce this particular booklet, and the figures included in it. I have yet to find people out in the country who agree with your final figure. When I hire somebody to do some work for me because I'm sitting in the Legislative Buildings (I have to hire somebody to put my crop in) they never seem to come with the figures that your people seem to indicate. In fact, they are usually much lower. Yet they tell me that you are making sufficient money return because of the additional land they get to do work on. These figures they think are wrong also. I'm challenging your basics for your figures because I don't think they are correct.

HON. MR. MacMURCHY: — Mr. Chairman, I think the hon. member makes the point that farmers think that these figures quoted are too high in the hon. member's area. I think that's likely because farmers tend not to figure in all of the costs as pointed out by the

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information in the introduction. The depreciation, etc., are all figured in to these costs and, therefore, they would appear to be, in many farmers' minds, very high because they just don't figure in those kind of terms.

MR. KATZMAN: — Well, just look at your page 3 in your big book, and you get to the same three-ton truck again. The annual hours of usage are now put into it, and look at the way you come out with three figures — the 100 hours, the 120 hours, and the 140. Not one of the figures indicated on page 3 is indicated as that three-ton truck that you indicate in the small one. So that figure does not verify with any of the three. The figures at the end don't basically work out.

HON. MR. MacMURCHY: — I think we've lost you in terms of the statement, "The figures don't work out." Is the hon. member looking specifically at the large booklet which I have in my hand — this one? Is he looking on page 3 — the three-ton, 35 miles an hour, original cost, \$18,000? If you chose 100 hours, 120 hours, 140 hours, you get a different set of total costs per hour. What specifically is the question that the hon. member wishes me to attempt to answer?

MR. KATZMAN: — In your little sheet, you show \$31.73. In the big book you show \$35.50. I would assume that the \$31.73 would be in this big book somewhere. It doesn't seem to jibe.

HON. MR. MacMURCHY: — Mr. Chairman, we're under a handicap, since we don't have with us the little booklet. Perhaps if the hon. member would send across the little book, we could make comparisons and answer the hon. member. We could perhaps come back to this issue if the hon. member wishes to raise an additional issue. We have the big book; there's a little book.

MR. KATZMAN: — My concern is that they don't jibe. Mr. Minister, while he is checking that, could I ask how many copies of *Guide to Farm Practice in Saskatchewan* are produced each year, and the distribution of them?

HON. MR. MacMURCHY: — We print it every three years with 70,000 per printing. It costs about \$93,000.

MR. KATZMAN: — I assume, Mr. Minister, the majority of them are distributed. In my own home I have two of them now. I find they are an excellent reference. My concern is: are there sufficient numbers being produced over the three year period? Is the distribution good enough?

HON. MR. MacMURCHY: — Mr. Chairman, it's 70,000 so there should be one available for every farmer, and they are provided to the ag rep offices and the farmers pick them up there.

MR. HARDY: — I have one or two questions. I see with your returns for 1979-80 on the agricultural returns stabilization fund, that the only one left in that fund at the present time is the SHARP (Saskatchewan Hog Assured Returns Program) — the hog marketing.

Could you tell me if you are going to put the beef stabilization program in with the SHARP?

HON. MR. MacMURCHY: — Mr. Chairman, so far as the estimates are concerned, it will be in the same subvote, but it will be a separate fund from the hog stabilization fund. You will be able to identify the hog fund and the beef fund.

MR. HARDY: — You are saying there are going to be two separate funds and yet they work within the same program. Do I understand you correctly?

HON. MR. MacMURCHY: — Mr. Chairman, the beef stabilization program will be established under separate legislation from the SHARP and, therefore, the fund will be a separate fund. There will be a separate administration for the beef fund. You will be able to identify it each year as part of the same subvote, but there will be two items involved — the hog one and the beef one. So, you will be able to identify them very, very clearly.

MR. HARDY: — How many hogs were sold last year under the program and how many do you expect this year?

HON. MR. MacMURCHY: — Mr. Chairman, last year about 600,000 hogs were sold. About 200,000 hogs were under stabilization. We expect the same level of sales for 1981, give or take, and we expect that 350,000 hogs will be under the SHARP or under stabilization. So there has been a significant increase in the last few months in farmer participation in the SHARP, for obvious reasons.

MR. HARDY: — Could you tell me what last year's support price per hog was?

HON. MR. MacMURCHY: — Mr. Chairman, in response to the hon. member, it was paid on a quarterly basis. For the last quarter of 1980, \$75.76 was the stabilized price. There will be a payment coming for the first quarter of 1981. We are not quite ready to make the announcement. The figure is still being worked on, but we will make the announcement shortly. I will make the announcement in the Assembly.

MR. HARDY: — Basically, all year, did your support plan stay at \$75.76, or was it lower or higher in the first three quarters of the year?

HON. MR. MacMURCHY: — It was lower in the beginning of year. It is done on a quarterly basis, not on a yearly basis. It was lower at the beginning of the year and increased toward the last quarter of the year, because of the market price and increased cost of feed for the producers.

MR. HARDY: — Is that set on the cost price to produce a hog? What was the cost price last year of producing a hog?

HON. MR. MacMURCHY: — The hog stabilization formula is 100 per cent of operating cost (to use a term), which includes labor plus 85 per cent of capital (or fixed) costs. That is the formula which applies. It applies on the quarterly basis, as I pointed out. About \$3.6 million in total was paid out in 1980 under SHARP. As I indicated, it was done on a quarterly basis, with the highest amount in the last quarter.

MR. HARDY: — I see last year, on your statement of revenue and expenditure, that you show interest of \$114,000. Did that come from the previous year? Also, I notice you have a balance of \$363,000. Did you not consider paying out an additional amount, at least this year, because I think many of the hog producers are having problems staying in business? Have you considered raising your cost of production this year to account

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for the escalating price of everything?

HON. MR. MacMURCHY: — Mr. Chairman, the figures the hon. member is quoting are figures taken March 31, 1980, before the problems with the hog industry began. What was there was the accumulation of the fund plus the interest which accrued. The fund now is in deficit by \$2.6 million. Of course, under the terms of the stabilization program, the provincial government is guaranteeing the fund. Therefore, the province has provided, so far, \$2.6 million.

MR. HARDY: — I think that pretty well answers my question on the hog producers. Back to the beef producers — how much was paid out last year in your fodder transportation program in 1980?

HON. MR. MacMURCHY: — Mr. Chairman, perhaps the best thing to do for the hon. member is to give him a breakdown of the key items in the program. He asks a question about the fodder transportation assistance program. This figure goes up to about March 1, 1981. It is not complete in the fiscal year, but the information is provided up to about March 1, 1981: \$1,971,000 for fodder transportation assistance; \$14,000 for feed grains transportation assistance; cattle transportation assistance — that's moving the cattle — it's not a big item. There were 121 applications — \$16,000. The third item was the temporary fencing program, which received a lot of applications — 2,600 applications to that time — \$617,000.

MR. HARDY: — Is that temporary fencing program still eligible for producers to apply for?

HON. MR. MacMURCHY: — Yes, it was extended for the months of April and May.

MR. HARDY: — On that fodder program, have all the claims been settled that have been applied for?

HON. MR. MacMURCHY: — Mr. Chairman, we are caught up to the end of the fiscal year — that's the end of March. Of course, the applications are still coming in, and I don't think there is any big backlog, but it was a big program. We took awhile to get organized. Now that we are organized, I don't think there are any problems in getting the processing through.

MR. HARDY: — Well, it is apparent that there could be another drought in 1981. Has your department prepared or is it in the process of preparing anything for fodder or any other thing that may come with the drought in '81?

HON. MR. MacMURCHY: — Mr. Chairman, the hon. member will recall that the extensions came as a result of a meeting of the drought committee on March 26. It was decided then, before a new program for June, July, August, and so on, that the committee would meet, and the meeting is set for April 28. Following that meeting we will look at what our programs should be for beyond April and May. We've announced extensive water programs. The hon. member will recall that we talked about it in the House last evening. So those are in place.

The issues of grazing, fodder and hay are issues that right now are a little bit early to be addressed, and closer to the first of May will be important. Additionally, we hope by then to know where the federal government stands with respect to their drought assistance programs and whether we can co-ordinate with them an effort for this year.

MR. TAYLOR: — Mr. Minister, when I hear this talk of “in May is a little premature, and we have to wait until the federal government makes their stance,” it puts into my mind shades of last year. I think about exactly the same time I heard the same comments from the same minister. Judging from the fiasco of last year in the herd maintenance policy brought in by the federal government, with the poor way it was administered and set up — the criteria on rainfall per area — with this, the second year of an impending drought in a good part of Saskatchewan, I don’t think that you should stand in this Chamber, Mr. Minister, and say, “Well, it’s a little premature.”

I think as a responsible Minister of Agriculture . . . (inaudible interjection) . . . If you keep the canaries quiet, we’ll keep going. As a responsible Minister of Agriculture, you should be looking at the fallacies of last year’s program that the federal government brought in, as well as certain shortcomings in your own program, because each and every stock producer out there, regardless of the size of his herd, regardless of the area that he’s living in, considering what is facing him right now, is perhaps going to need some type of assistance. In this past year, it was discriminatory; it wasn’t administered well, and some people have suffered under this. So I don’t think we should be standing here. I think we should be making representation at this time. and certainly talking to those fellows. I’m not putting all the blame on you. But certainly I think you must agree with us on this side of the House that the herd maintenance program was a fiasco.

Secondly, let’s deal with the transportation of the pellets that we brought back in, that we’ve been urging should be produced here in the prairies. My colleague for Thunder Creek has been speaking on this for some time. I think it is a worth-while venture. I know of constituents who had to wait a long time for their repayment on that. Some who were lucky and were able to get the subsidy at the point of delivery, even when it was \$72 rather than the \$102, were fortunate. Those pellets served the need. But those who had to wait for it to be recycled through to your department had to wait a considerable time.

I’m saying it looks bad out there this year again. Let’s not sit around like Nero and fiddle while Rome burns and then put some hastily developed and shoddy plans into practice. Let’s take a constructive view on this. Start now. There’s no harm in putting the machinery in place. I hope you don’t have to use it, but let’s get it in place; let’s get it well thought out so it helps these people and so that they won’t have to get loans from the bank to buy pellets and then have to wait some time to get their payment. Get it in place before they face a worse horror story than that, thinking they are going to get a herd maintenance payment, and then finding out they don’t get any, and they borrow money and have to pay the interest on that. So I say, let’s have a little prevention rather than the band-aid treatment afterward.

HON. MR. MacMURCHY: — Mr. Chairman, I think the hon. member for Indian Head-Wolseley knows that in every step of the way in our programs last year we involved the farm organizations. As a matter of fact, in making a presentation to the Ottawa government calling for some kind of ongoing program that would automatically cut in in case of a situation such as we face this spring (and could face in other springs or during other periods of the year), we had the representatives of the farm organizations with us.

In terms of the policies we’ve announced, they’ve come as a result of representation from those farm spokesmen. I report of the hon. member that it was March 25 that Dr. Gartner, accompanied by Boyd Anderson of SARM (Saskatchewan Association of Rural Municipalities) and Hans Seitz from SFA were in Ottawa making the presentation on

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behalf of some kind of stability for the livestock producer in case of weather and drought problems. We asked for their response. They have not yet responded. It was felt that we should give Ottawa a chance to respond to this proposition, and get a better picture of the grazing and the hay situation before sitting down to meet again. The meeting has been set for April 28. That was agreed to by all concerned, and I suspect that if there is no response from Ottawa by that time, then the committee, along with the department, will plan the program without the involvement of the Ottawa government.

The hon. member will note that we weren't able to negotiate an arrangement with PFRA in terms of the deep-well program. We had to build on top of their program; there was no room for co-operation there. The hon. member will note that with respect to the community well program, which had been a program involving the province and the federal government through PFRA and had been cost shared 50-50, they did not extend that program, and the province is picking it up. So, very clearly, if we don't get the co-operation of the federal government, we will have to deal with the issues as best we can. We plan to do that. But surely we should be calling on the federal government to co-operate in the situation that producers face because they have a responsibility, as well as the province, and I would hope that the hon. members opposite will share in our efforts to get co-operation from Ottawa.

MR. TAYLOR: — I certainly agree that there is a responsibility on the part of the federal government, but you mentioned that last year you had the co-operation of farm groups (and I agree we need the co-operation of farm groups). The hard facts of the matter are that last year there was a rather serious drought; we were lucky we had the rains that brought in a second cutting of hay, and we were able to get hay from the north regions. I'm talking about the southern part of Saskatchewan; we were able to bring some down from the Melfort-Nipawin area.

At this point in time, to any thinking person, the situation looks worse. We may get the grazing land; I don't know, but that's possible. I am looking at the wintering feed and if conditions continue the way they are, it looks very dismal.

The cattlemen, last year, had great hopes of herd maintenance; many of them were sold short. Mr. Minister, I fear that if they are put through this again, if there aren't adequate plans developed, you're going to see (and it has happened already) more and more people just say, "To heck with raising cattle in this province." When that comes, it's going to be a sorry day for agriculture and for the consumers in this province.

I'd like to cite another cause for distress with cattlemen, and that is the need for water. You know as well as I do that if you're going into stock, you need water. I was glad to hear it announced yesterday that you're doing something more in the deep well situation. I hope this is enough. I phoned one of the departments to talk about deep wells today, wanting to know how many deep wells there are. They told me somewhere around 60,000. I asked what was a deep well and they said anything over 100 feet. That's nonsense. What we have to be looking at is getting at the aquifers that are under this province.

I'll cite, for an example, the Hatfield aquifer that lies under the Qu'Appelle Valley. I can take you to farmers today, right along the top of the Qu'Appelle Valley, who have no access to water. There is virtually no place they can pump dugouts from because of the

drainage, being close to the valley. Those fellows are going to go out of livestock. To me that's a darn shame because you know, as well as I do, that those hills along the Qu'Appelle Valley are excellent grazing grounds and there's an awful lot of livestock along that valley. The only hope they have to get water for their stock is to go down into the Hatfield aquifer, which is 400 to 500 feet. The water isn't that good; there's mineral in it, but it's certainly satisfactory for stock. It can also be treated with modern technology to be used in the farm homes.

I say that's what we're going to have to do, or else we are going to see a tremendous reduction in the stock population in that part of Saskatchewan, with which I am rather familiar.

So in summing it up, let's get some programs into place (let's hope we don't have to use them, but get them into place), that take each and every livestock producer into consideration, that aren't administered on rainfall or some criteria that were changed, and have a real fiasco like we had in herd maintenance.

If we have to import pellets, let's give them the subsidy at the point of deliver, so that the fellow isn't out his money and has to pay interest on borrowed money. Let's get down to the ground water table, where we can assure these people that they will have a continuing supply of water. If they have that they are likely to stay in the livestock business. If they don't, you're going to see in this province a tremendous decrease in beef business, and it takes a long time to build it up again.

HON. MR. MacMURCHY: — Mr. Vice-Chairman, I am going to forward to the hon. member the items that we put forward to Ottawa March 25. In fact, I wrote to the hon. Minister of Agriculture prior to the meeting. I will just send them over to the hon. member for Indian Head-Wolseley, so he knows what we are attempting to do.

Secondly, in looking at the province, I think, while conditions in your area, Regina, Moose Jaw, Weyburn, up north into Last Mountain-Touchwood constituency are in fact worse than they were one year ago, a major part of the province is much, much better off. Unless there is a real turnaround in the weather, the area north of the Yellowhead has adequate moisture both for grazing and for a good start on the hay crop and for an excellent start on the cereal grain crop. There is no question that that is true. Our situation, in a sense, is much better than it was one year ago at this time. The hon. member will recall that one year ago we were in the midst of a heat wave which really wiped out the hay crop and the grazing crop. On top of that there was a frost. Anything that was left was wiped out. So the situation overall in the province is much better.

Therefore, I think we can address the feed supply from within the province much better than we could one year ago at this time. Perhaps the committee, when it meets, will give us a little bit different picture. But that is the way it appears to be.

I agree with the hon. member that the water program is an important one at this time. That is where the emphasis has been. The hon. member will recall, when we announced the update of drought, we announced the ground water search program, which is the E-logging program picking up half the costs of the search for water. If you are going to go down deep, you had better know what you are doing. That's really what that program will do. It is \$1.50 per foot, which is approximately half the cost of the testing.

We have now built on top of the PFRA (Prairie Farm Rehabilitation Administration)

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program, which I think is an important decision. I know that your seatmate, the hon. member for Souris-Cannington, took credit for it last night. I expect he will take credit for it today. That's fine. Who takes credit is not the issue. The issue is that, in fact, we have the program in place. I think the best way to describe it is that the PFRA program will assist farmers digging a well up to about 300 feet down. Our program cuts in then, picking up one-third of the cost without any ceiling. So if the farmer has to go down 500 feet, we will assist him for the additional 200 feet to one-third of the cost. If he has to go down 800 feet, likewise. There is no ceiling on it. We are picking up one-third.

The hon. member should know that there are not many wells in Saskatchewan drilled more than 300 feet; most of them are 300 feet or less. Therefore this results, I suspect, in the argument of PFRA, and the federal government's decision not to take the ceiling off. That ceiling should do it. The committee, while it wasn't enthusiastic about a deep-well program, the farm representatives said it may well be necessary. Therefore, we should have a program in case it's necessary. Our response to the committee is the announcement we made yesterday.

MR. PICKERING: — Mr. Minister, as you are well aware, as are all the members in the Assembly, the herd maintenance program has been in a complete mess and still is. I don't totally blame the federal Department of Agriculture. I think there was a lack of communication between the federal Department of Agriculture and the provincial department. You should have passed it down to all of the municipalities in the province.

Were you, at any time, asked by the federal Department of Agriculture to help it communicate to the producers of the province as to what was in this program, who qualified for it, and when they should apply?

HON. MR. MacMURCHY: — Mr. Chairman, the answer to the hon. member's question is no. We had no involvement with the federal herd maintenance program. It was clearly their program. They wanted it that way, and they kept it that way. We were glad to have them keep it that way.

I report to the hon. member that as early as September last year, my counterpart, the Minister of Agriculture in the province of Manitoba (Conservative Manitoba) and I met in Yorkton. By that time we could see the problems with the program. And at that time we suggested to them (a suggestion that was put forward by this Assembly later on), that what the federal government should do was to pay every producer rather than to get into the mess they were in. I suspect that if they had done that, it would have been (even though they had reduced from \$140 to \$70 for dairy cows and \$70 to \$35 for beef cows) an acceptable program and everyone would have been reasonably happy.

There was certainly a basis for them to do that, because, literally, there was no hay crop in Saskatchewan or Manitoba. Instead of basing it on precipitation or cereal grain crop, if they had based it on hay their troubles would have been clearly over.

So, we made the suggestion early. They ignored our suggestion and kept on tinkering and piling disaster upon disaster, spending piles of money on advertising on television, radio, and in the newspapers and they still ended up with a disaster. I put the blame right on the federal government. I don't care whether it is the Department of Agriculture, DREE (Department of Regional Economic Expansion), or whatever. It is clearly a job of the federal government and they did not address it.

MR. PICKERING: — I certainly agree with many of your comments, Mr. Minister. Do you

not think you should have taken it upon yourself, as the Minister of Agriculture, to help to communicate this to the producers so that they would know how to apply and when to apply? You say you want to keep the producers in our province, but you didn't do anything to help them in this respect. As a result, many farmers didn't get their names in by the deadline of October 31. Up to this date, I note in today's paper, there has been only \$36.5 million paid out of the \$60 million. That leaves \$24 million.

Have you made representation in the past couple of weeks to the Hon. Minister of Agriculture in Ottawa of the names which came in late and do qualify? They are sending them back and won't accept their applications.

HON. MR. MacMURCHY: — Mr. Chairman, I make the point to the hon. member that the agriculture minister in Manitoba and I, last September, suggested that the only solution is to pay everybody. That is the only solution. Now, the hon. member for Milestone is deviating from that position. He is saying they should pay the applications which are before them. I suspect there are a number of farmers who didn't apply because they looked at the criteria and said, "We don't fit into that criteria." Other farmers (I think by your encouragement and mine), when asked, said: "Pleased to apply," because we don't understand this program. I don't think they understand this program, and there may be a chance of your getting financial assistance. But I don't think responding to the hon. member's position is the solution. The only response, to be fair (and you have to try to be fair), is to keep calling for the federal government to clean up this mess, pay everybody, as we suggested should be done more than six months ago.

MR. HARDY: — Mr. Minister, I have been working on this herd maintenance program quite a bit, too. All appearances are that there are about 7,300 producers who have had applications go back to the appeals board and have been refused payment. It appears, reading the article in the paper, that May 1 is the cut-off deadline and they are not going to pay anything beyond that date. Again, it appears those 7,300 producers, plus another 8,000 or 10,000 are not going to get paid. A lot of those producers, and I am sure you are aware of it, had no crop and have borrowed money.

I just wonder what the provincial government will do to assist those producers if they do not get paid from this herd maintenance? I think that falls back on the provincial government. It may have been a federal program to start with, but when the federal program fails, it falls back on our shoulders. It becomes a problem within Saskatchewan. There are 18,000 to 20,000 producers out there who are going to be short of cash and maybe have to give up a good portion of their herds. By all appearances, this herd maintenance program is not going to pay any more. I just wonder what your department is prepared to do to assist these producers if they do not get this herd maintenance money?

HON. MR. MacMURCHY: — Mr. Chairman, our objective is to try to make sure that the federal program, which was announced and budgeted for, should be delivered in a fair and equitable way. The hon. member says that has not been done. I agree with the hon. member. Our efforts should be concentrated on getting the federal government to deliver its programs in a fair and equitable way.

The hon. member is suggesting in this Assembly that the Government of Saskatchewan should clean up a mess created by a Liberal government in Ottawa. I think that is ridiculous. I think it is ridiculous for him to make such a suggestion, and I am amazed that the hon. member for Kelsey-Tisdale should come in here and make such a

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recommendation.

MR. PICKERING: — Well, it sounds like you would like to see the producers all go broke, Mr. Minister, and that isn't the case on this side of the House.

At one time Senator Hazen Argue said that if all the \$60 million allocated wasn't applied for, he would distribute it in some way within the Department of Agriculture in our province. Will you now get in touch with the Minister of Agriculture in Ottawa and ask him if you can have the remaining funds, after the program is finished on April 30 — \$24 million — to pay these producers who indeed qualify?

MR. JOHNSON: — Mr. Chairman, I would like to indicate to the members opposite one of the reasons for the problems that have occurred in agriculture in Canada. If you care to look at the press gallery, you will notice the amount of interest shown by an urban press in agriculture (even in an agricultural province such as Saskatchewan). That is one of the reasons we are in a difficult situation. It is not considered very important across Canada.

I think it is one of the things the members opposite should realize and do something about.

MR. HARDY: — The member mentions that the press does not follow this. I don't think this is a press problem. I think this is a Saskatchewan problem. If these beef producers do not get the herd maintenance program, they are going to go broke. A good portion of them are on that road now.

I asked the minister a few minutes ago, what is the Saskatchewan government prepared to do to assist these producers if they do not get their grants? I looked back on one of your FarmStart programs and noticed that you gave them an interest rate of 6.75 per cent or 7 per cent; I think that was in 1976. There's a suggestion. Maybe, if nothing else, you can at least give them a low-interest loan which they can continue on for this year. Again, I ask the minister: what is the provincial government prepared to do if this program fails and these farmers do not get their grants?

HON. MR. MacMURCHY: — Mr. Chairman, I understand that there's at least \$20 million left in the budget which is allocated for this . . . (inaudible interjection) . . . \$23.5 million — the hon. member has the figure. I think we should pursue, with the federal government, the payment of that money. I think we should pursue it, not just on behalf of the present applicants, but also on behalf of other farmers who have not applied, because they felt they weren't qualified to apply, but with adjusted criteria are likely qualified to apply.

In order to address the issue to see what can be done, I suggest that the hon. member opposite, whoever it may be, contact the Conservative government in Manitoba (I'm certainly going to put it forward to our Premier) and suggest that the item be part of the meeting coming up next week in Manitoba. It's not just a Saskatchewan problem. It's also a Manitoba problem. They're involved in the herd maintenance program. The two provinces should address the issue in terms of how to deal with the federal government to make sure that the farmers are compensated. I think that's a wise and legitimate suggestion, and certainly we will be asking that it be added to the agenda from the point of view of Saskatchewan. I would hope the hon. members would encourage the Conservative government in Manitoba (since their relationship with it, I would assume, is likely better than our relationship with it) to do the same.

MR. BERNTSON: — Mr. Chairman, getting back to your own home-grown Saskatchewan drought program, the minister talked about providing transportation assistance to get feed to where it was needed — fodder and feed grain, etc. I want to relate to you a little story which happened down in my corner of the province. Finally, last week, we resolved it successfully, but the hassle and the red tape which we had to go through was mind-boggling.

Some resourceful farmers down in my corner of the world found that many farmers in the Sherwood area of North Dakota trucked their grain to Duluth. They had no haul-backs so it was a rather expensive proposition. They found in Duluth that there were about 100,000 tons of corn screenings. They thought that if they could get a haul-back, they could do it at a reasonable rate. These same resourceful farmers worked on Paterson grains to be the drop-off spot and the weighing point, and to distribute it by rail, truck or any way that was wanted. The problem we ran into was not having somebody to front all of this to get it through customs with the least amount of hassle and that kind of thing. It was suggested by these same resourceful farmers that perhaps the government could front it and get the corn landed in Paterson grains. It was a beautiful distribution system: the elevator sits right by the railroad track. It would have provided an excellent source of feed for the people in the drought-stricken areas. As it turned out, there were about five people who took advantage of this, because of the red tape and hassle. There were five people who took advantage of the back-haul from Duluth, bringing the corn screenings in, and not knowing (they understood, at the time, through a telephone conversation) that they would get the transportation subsidy. But then as time went on, it looked more and more like they weren't going to. I commend the department for finally seeing it their way and paying the subsidy. I just think that your drought committee should look at (we may be facing another drought) this very thing because my understanding is that today there are tons and tons of corn screenings in Duluth. They have excellent food and nutritional value. The back-haul situation is the same. I am sure that Paterson grain, Sask Wheat Pool, or anyone else would gladly allow their facilities to be used for the benefit of the Saskatchewan farmer. That is one positive suggestion I have for the minister.

Farmers are rather resourceful types when their backs are against the wall. Last year, when there were no spring rains, there were no silage crops. They just didn't grow without the rain. In West Germany, they have a thing called oil radish. It looks quite a bit like rapeseed, except it has a white blossom. It is high in protein and has good nutritional value. They use it as silage to feed their dairy herds over there. Now, they don't have enough land, the growing season, or the climate over there to mature this particular variety to seed. So they contracted some people in Canada to grow this oil radish to get seed so they could grow their silage crops back home. Some of us learned about this, so we tried to get some seed. We were successful until plant products found out about it. But by then, we already had it in the ground, and it was a little tough getting it back. Plant products caused a big hue and cry about this foreign, unlicensed seed being used here in Saskatchewan. I suppose, by the letter of law, they had every right to. The fact is, when you plant this oil radish for silage, you knock it down at full bloom, so it has a very short growing period. You get a late summer rain and you can go sock it in and still get a good, healthy silage crop.

I wonder if the minister would make some representation to the federal department to see, because of our drought condition, if we couldn't be allowed to get some of these offshore seeds, if you like. I don't care what you call them, but oil radish is the one, in particular, which I am familiar with. I know of four people in Saskatchewan who grew it last year with excellent results. I know that several more are trying to get it this year. I don't know if they are having any luck. There are others, as well. There are flat peas,

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special barley strains which are being used in West Germany for silage, and several other crops.

I wonder if the minister would, firstly, make his department familiar with these alternative feed supplies and, secondly, see if he could put a little pressure on plant products to allow us to get these things in here and use them.

HON. MR. MacMURCHY: — Mr. Chairman, I will ask the hon. member the question with respect to the last item which he raised. Did his ag. rep. take a look at this product growing in his particular area? If so, can we get some information, not just from the farmer but from the agrologist, as well, to take to the federal government, because that will strengthen arguments? Does the hon. member have some seed he plans to grow?

MR. BERNTSON: — No, I don't have any seed right now, but I'm still trying to get some. I can tell you where it is. It's at Northern Sales in Winnipeg. Plant products told them they can't sell it. I don't know if the district ag. rep. saw it first-hand or not. He was aware that it was growing. There were samples sent to the lab for nutrition analysis, etc., and the only short-coming in oil radish — the yield was excellent, the protein was excellent, everything was excellent — was that it was a little high in nitrogen content. They blamed that on its being grown on heavily manured soil. It has worked well in Germany for decades and decades. It probably doesn't lend itself to our particular climate in a normal year, but in a drought year when you're trying to make the best of it in a short growing season, when you get a late rain you just go out and sock it in. You almost have to sow it in road gear to keep it from growing up through the drills.

Anything that I have on it I'll be more than pleased to provide to the minister.

MR. KATZMAN: — Mr. Minister, do you have the answers to the question that I asked about an hour ago? Could I have my books back?

HON. MR. MacMURCHY: — I thought if I kept them here the hon. member wouldn't ask any more difficult questions. I will send over also the answer as prepared by the staff member here, Mr. Pearson, who has joined us today to attempt to clear it up.

MR. ANDREW: — My question to you, Mr. Minister, is about the brief reference to yesterday by one of the members with regard to the Saskatchewan Federation of Agriculture calling on the provincial government to dovetail some of their programs into the farm credit corporation. Now you have repeatedly refused to go into that program. Are you prepared now to relook at that, given the high interest rates, and perhaps put some money into a program that dovetails into farm credit so that you can help the young farmers buy their own land?

HON. MR. MacMURCHY: — Mr. Chairman, my mind may not be clear, but I don't think the brief (perhaps the hon. member will correct me; I could be wrong) says specifically that we should dovetail into a particular program. I think the recommendation was that we dovetail into federal programs. We just had a discussion about how we're dovetailing into PFRA well programs. Clearly the purchase of hopper cars is dovetailing into a national program and there are many of them. We have not considered, in a serious way, dovetailing into farm credit corporation as a program. I can suggest to the hon. member that we're watching very, very closely the operations of the farm credit corporation. We see some concern in the direction that that program seems to be taking, a direction that started not just with this government, but the previous

government, and that is in fact looking to privatizing farm credit corporation.

I think that suggestion is around. I think certainly we wouldn't want to dovetail into a privatized (to use the term that was used a while ago) farm credit program, but to say that we are now planning to dovetail into farm credit — we do not have any plans in place for that.

MR. ANDREW: — Mr. Minister, you seem to be philosophically opposed to assisting farmers by providing them with a subsidized loan so that they can buy the land. You would rather buy the land yourself and make the capital gain as a government, instead of allowing the farmer to make the capital gain and own his own land.

I think the province of Ontario announced yesterday that it is going to proceed with a program into which it is going to be putting money for the farmer so that he can, in fact, borrow from the provincial government to complement the money he can borrow from FCC (farm credit corporation). Of course, Alberta has had that for a number of years and it has been very successful.

My question to you, Mr. Minister, is: do you reject outright the concept of the provincial government making available to the young farmers of Saskatchewan money which can be used for the purchase of land at a lower or subsidized interest rate?

HON. MR. MacMURCHY: — Mr. Chairman, obviously we are not opposed to that. We take the position that there is a national program in place, a subsidized interest program for the purchase of farmland, and that's the farm credit corporation program.

I think every provincial government of Canada should be focussing its attention on making that program a better program because it is national in scope, and any time you can build a national program that touches every province and touches them reasonably equally, that's the approach to take. Therefore, our efforts are focussed in a legitimate way, attempting to improve that farm credit program.

Clearly, there is a history of the provinces having to move into fields which are federal fields. We have been doing our fair share of that. It is not without concern. Many of the programs which are in the budget this year are clearly programs which should be national in scope rather than provincial in scope — for instance, the stabilization program; for instance, the massive research program in which we are becoming involved, because the implications of research are far reaching and are not just for Saskatchewan.

I think we should exhaust our efforts with the federal government before introducing provincial programs, because there are trade-offs between provinces. I don't think there is any question that there are provinces which are not as well off as other provinces. Manitoba is an example. I think we must, in our considerations, take into account the province of Manitoba, and discuss such issues with the Government of Manitoba before embarking on new programs. This is what we have to do. We make our positions clear to them. I think in terms of the discussion I had earlier with the member for Kelsey-Tisdale in relation to the herd maintenance program, a discussion with the province of Manitoba, pursuing it from a joint point of view is the way to go.

I think our efforts should be on the federal program. Clearly, they are looking at that federal program, and it may be hopeless to attempt to have them make it a viable program. I have not given up on that, nor do I think the hon. member opposite should,

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nor should the Government of Ontario, nor should the Government of Alberta.

MR. ANDREW: — Mr. Minister, that's fine, but you are not really right back to your old position of passing the buck to the federal government. That's basically what you're saying.

I think that the Canadian Federation of Agriculture indicated yesterday that the money in the farm credit program is probably only half as much as is needed to really cover the demands or the needs of the farm credit corporation. As you are fully aware, with the way the federal government has spent money in the past, they are probably in a position where they are not going to pile a lot more money into various programs. They have a sizable deficit, so they are simply saying: "Okay, you have the resources." It is also the argument of the Saskatchewan Federation of Agriculture that you have the resource revenues coming in and surely there is some obligation on your part to give some assistance as well.

You are simply saying that you have to put it into the federal sphere, that it's the federal government's fault. It's their jurisdiction and you are not going to put any money into it. I would rather put the money into the land bank program where you own it, because you don't want to see additional money going to the young farmer, so he can get in there and buy his land at less than the going interest rate. We need that little shot in the arm to preserve those young farmers and to put them on the land.

HON. MR. MacMURCHY: — Mr. Chairman, I don't think we are here to debate the economic situation of the federal government. But I do think that if we are going to have a national government and provincial governments, it's time to sort out what should be delivered nationally by the national government, which would cover all provinces, and what should be done by provincial governments. It's getting all mixed up. The hon. member opposite, without any concern for that issue, says that we should strike out with wild abandon, that it doesn't matter. I think it does matter. I think it is time to sit down (and I suggest this to my colleagues in other provinces and to the federal minister) and sort out which jurisdiction should deliver certain programs. Maybe we need to rehash the jurisdictions, but clearly it needs to be done.

I become alarmed when provinces move into fields which are clearly federal fields, and I take blame for being involved in that. At this time, I make the point that we are simply not ready, nor have we given up on seeing a good national program for providing low-cost loans to farmers who want to buy land. That's the purpose and the intent of the farm credit corporation; that's the reason why it was established. Surely we should attempt to keep that before the federal government and call on them to deliver the program right across this country.

MR. ANDREW: — That's all well and good, Mr. Minister, but you know what the progress is with regard to the constitution between the provinces and the federal government. You're aware of what is happening with regard to the question as it relates to oil pricing; you're aware of what happens with regard to federal-provincial addressing of the entire question of equalization. And it's not going to happen; you know full well that it's not going to happen in the immediate future.

The problem is that that young farmer can't wait for the governments to sort that effort out; it could take 20 years to sort that out. So it's one thing to say, "Well, I can't move, because I believe farm credit should be doing it." Farm credit isn't doing it; they haven't

done it for several years, and they probably won't do it for several years to come.

Because we live in a resource-wealthy province, you have money in this government, and it seems to me maybe there is an obligation for you to review whether you, as a government, can't take some responsibility in providing low-income loans to the farmers of Saskatchewan. I suppose you could use the same argument with regard to housing. Everybody is into the housing thing; the provincial government and the federal government are into it. Why can't they equally get into loans? It seems to me not to be a problem at all. If you have money available, it seems to me that's an obligation that you should be looking at. I think the real reason that you are against this type of thing is that you don't want to see that develop. You would rather see the provincial moneys going into the land bank program than going to help a farmer buy his own land. I think the farmers of this province want to own their own land, just like the residents of this province want to own their own houses. You seem to have a different philosophical view — that it is better for big brother to own the land than the young farmer.

HON. MR. MacMURCHY: — The hon. member simply does not listen. That's fine; I'll accept the fact that he does not listen. I would say to the hon. member and to all members opposite that we have the most progressive land policies of any provincial government in Canada. I say to the hon. member that we're not done.

With respect to the land bank program, hon. members opposite, who call it dastardly things, say that if they were ever in office they would do away with the land banks program. That is clear. They would replace it with their program of subsidized interest rates. The farmers of Saskatchewan heard a political party announce the program many years ago — the same as this program. That government was elected to office; some of them are sitting with you today in this Assembly. They are not here now, but we see them here; some of the voices are here still. But they didn't give one loan.

We were elected on the basis of land policy — land bank and farm ownership. Foreign ownership became resident ownership. I say those two programs are the most progressive land programs in this country. I am asked to other provinces to talk about Saskatchewan's land program — land bank and farm ownership — including invitations to go to the Conservative province of Ontario. Our effort is the land bank and the option to buy and, through the option to buy, asking the farmers to turn to a federal program which is the farm credit corporation program. Surely that's not philosophically bad. The hon. member is saying that we should do away with the land bank program and only have subsidized interest programs. I'm saying that the farmers of Saskatchewan don't want that; they want a land bank program. They want a solid federal farm credit corporation program, which we are out to achieve.

MR. ANDREW: — I think the young farmers of Saskatchewan would like to have the option of whether or not they will rent land owned by you, where all the capital gain on that goes into your pocket and not into theirs. I think they would like to have the option of doing that or of buying their own land. As you know, it's pretty difficult for the young farmer to buy his own land with present-day prices and present-day interest rates — it is almost impossible. The only way you are going to put that young farmer on the land, where he owns it, is to help him out. You can make reference all you like to what happened back in the 1960s — it doesn't matter to me. The province of Alberta has developed such a program, and it is being very well received. A lot of young farmers are buying their own land in that province. I might add that the province of Alberta has an average-sized farm which is far smaller than that of Saskatchewan. There are more

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farmers there on the same geographical area per square foot wherever the system works that way. So I suggest to you that it is a system the farmers of this province would like to see. All I say to you is give them the option. If they want to go to the land bank program, fine and dandy; let them go that way. If they want to go the other way, then give them the option to go that way as well.

But you won't do that. You can say, "The federal government can do the other part. We're only interested in owning the land ourselves under our program." I think the point that came up yesterday is exactly the same. If the father sells it to his son through the land bank mechanism (where the father sells to the land bank and the son rents it), and if he has to buy back in five years' time, it's the same as going to a bank and borrowing money at 60 per cent or 70 per cent interest. That's what you're asking them to do. That's the bottom line as to what that young farmer has to do, and that doesn't strike me as being a very benevolent way for a government to put that young farmer onto the land, and also give him the right to own his own land.

I think that's where you philosophically disagree with the members here and I think that's where you philosophically disagree with a lot of people in this province.

HON. MR. MacMURCHY: — The option for the farmer to purchase under land bank is clearly there. It is established by legislation, so the opportunity is there. The point of this argument is whether we should have a national farm credit program or whether provinces should break off individually and go their own route.

Our efforts have been (and I don't think they're exhausted yet and we don't feel we should exhaust them yet) to establish a viable national program which applies right across the country. In fact, the pressures on farmers in terms of buying land are higher in other provinces than they are in the province of Saskatchewan, because the cost of farmland in Saskatchewan tends to be lower than in any other province.

The hon. member says that this great program of Alberta is bringing the benefits to Alberta. The average size of farm in Saskatchewan is 970 acres. The average size of a farm in Alberta is 900 acres. Now that's an awful difference; it's about 70 acres. The hon. member says that this program which has been in effect has had a great impact in Alberta. The increase in the average size of a farm in Saskatchewan, from 1978 to 1979 to 1980, is lower than the increase in Alberta. I ask the hon. member why this great program in Alberta is not having the kind of impact which he describes in this Assembly. I ask the hon. member why the Saskatchewan land bank program, Saskatchewan FarmStart program and other Saskatchewan land programs are having a greater impact than in either the province of Alberta or the province of Manitoba (the Conservative provinces), which lives in a similar situation to which we do here on the prairies.

MR. ANDREW: — A question to the Minister of Agriculture. I wonder if the minister is prepared to advise this Assembly of all the land that is owned now by the land bank. What is the fair market value of that land today or the last time you could do a calculation? Have you ever determined what is the total value of the land you own, at fair market prices, and what the increase has been over purchase price to what the fair market value is now.

HON. MR. MacMURCHY: — Mr. Chairman, the answer to the hon. member's question is that we have about one million acres, and the average price of land today is about \$300 an acre.

MR. ANDREW: — You say the average price is about \$300 an acre. Are you saying that is the average price of land in the province or the average price of the land you own? Obviously, the price of land is far higher than \$300 an acre in many areas of this province.

HON. MR. MacMURCHY: — Mr. Chairman, we have to take the average from sales, and the figure of \$300 is not a conservative figure at all. The figure comes from the land titles office. That's not an NDP operation. The \$300 is a good figure to apply.

MR. ANDREW: — My question to you, Mr. Minister, is: given that you have a portfolio of one million acres of land, do you update the fair market value of that land each year? You see trades of land in the areas in which you're buying and selling. You must be able to arrive at a fair figure from that, and you can then tally the total asset value (fair market value) of all the land you own. Do you not have that figure?

HON. MR. MacMURCHY: — Mr. Chairman, I think we could arrive at a figure. The hon. member would be aware, and I should bring to his attention, there are 1.1 million acres in land bank, but there are almost 8 million acres of land in lands branch which are being farmed. I think, if we are going to apply the total value of the land, we would have to apply it to the 1.1 million and to the 8 million. If you want us to arrive at a figure (an estimated figure) for both areas, we would be glad to do that. I have given a rough estimate of the value of the land bank land.

MR. ANDREW: — So I'm not mistaken. You're telling me that you are prepared to put a value (fair market value) on all of the land that land bank owns. We are not worried about the lands branch; we are worried about land bank land. Are you prepared to put a fair market value on that property?

HON. MR. MacMURCHY: — Well, Mr. Chairman, I have given the hon. member, in the information I provided, a fair market value for the land, taking the average of what is being paid for land today and applying it to the 1.1 million acres. The land is scattered throughout the province, and we're not looking at it acre for acre, nor do I think the hon. member is asking us to do that.

The hon. member is asking us to give an estimate, and this is what we have done.

MR. ANDREW: — I think any farmer in this province knows what he has for land, and probably calculates the fair market value for that. If it's up to \$500 this year from \$450, he would be able to calculate the total value of land to be X number of dollars. My question to you is: given that you have far more staff than the average farmer, who has to do it himself, would you provide for this Assembly the total value? If you own a quarter section here, a given number of acres valued at \$600 an acre, then you multiply the \$600 an acre by the quarter to come out with the value, and you arrive at the total value that land bank is worth. Would you be prepared to provide that for us?

HON. MR. MacMURCHY: — Mr. Chairman, we can provide that information. The hon. member puts the question and the request forward. It is going to take a little while, given the staff we have in land bank and in the lands branch. I think, the hon. member is asking for an acre by acre, quarter by quarter value of all of the land administered by the land bank commission and the lands branch. We will attempt to provide that information to the hon. member as quickly as possible. It will be interesting to see how closely it comes, in terms of land bank, to the \$300 an acre which I suggested the value

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to be.

MR. ANDREW: — The one I am interested in is the land bank. What I would like is a quarter by quarter, fair market value of each quarter of land. Would you also then supply the purchase price, which I think you have through the whole thing. I am interested in what the capital gain has been by the land bank on the land which they have acquired. I think it is going to be pretty substantial. That is the information I would like. I take it you are prepared to provide that information. The Minister of Rural Affairs a couple of years ago was not prepared to provide that. I am glad to hear that you are prepared to provide that. I hope we can see that in the near future.

HON. MR. MacMURCHY: — . . . (inaudible) . . .

MR. ANDREW: — That is what the minister is prepared to provide for us?

HON. MR. MacMURCHY: — I answered the hon. member . . .

MR. ANDREW: — Okay. Would you give us some kind of indication as to when we might be able to see that statistical information?

HON. MR. MacMURCHY: — Mr. Chairman, I doubt you will be able to see that statistical information by noon tomorrow, because of the nature of the question. In answer to the hon. member's question, Mr. Wesson estimates, given the staff of land bank and the activity that is going on in land bank now, that it would take one month to six weeks. Therefore, we would not be able to table the information this session, unless the session is still operating (and, who knows, it may well be). But given that kind of time frame, we would likely be able to table the information in the Assembly by the fall session. Or I can provide the information to the hon. member, which I have done previously on questions of this nature which were asked during estimates, as soon as it is available. Perhaps the latter is a better suggestion.

MR. ANDREW: — I would appreciate the latter. So I can look for that in a month or six weeks. Thank you, Mr. Minister.

MR. HARDY: — When you are looking that up, I have a question here, too. I noticed on your land bank statement for 1980, "sold to lessees." Could you send me a list of what the land price was when you purchased it, and when it was purchased? You will find that on the second last page from the back.

HON. MR. MacMURCHY: — Mr. Chairman, the information is provided in the annual report. If there is something which the hon. member doesn't see in the annual report, and if he wishes to raise it with me, we will attempt to provide the information. We may want, depending on the information which the hon. member requests, to put the answers on the same basis as answers I provided to the Leader of the Opposition, sort of in the strictest confidence. But we'd be prepared to do that.

MR. HARDY: — Mr. Minister, so you would be prepared to give me a list of what the purchase price was? Thank you.

MR. KATZMAN: — Mr. Minister, you should never have given this piece of paper back to me. I agree with you. I would say 20 per cent of your figures on this little piece of paper and in the book are different. I've just been going through them, checking them off. I

calculate there are about 40 in a row and I have 25 different figures from what your book says. So the two pieces of paper that you handed out with your official name on it are different. And I wonder if you have those same kind of calculating experts in FarmStart.

HON. MR. MacMURCHY: — Mr. Chairman, the answer to the hon. member, and I think it is a very legitimate question, is the little pamphlet went out some time ago. The big one is the update, the most recent one, and is, therefore, correct. Because there are changes the little pamphlet will have to be corrected as a result of the updated big pamphlet.

MR. KATZMAN: — Mr. Minister, I wouldn't want to say that you are not telling me the truth, but I do not believe you. The fact is all machinery goes up in price. I think there was a little rise two months ago again. And, therefore, it would make all the figures in the little blue one not jibe with the big one, if that is the reason — machine cost increases. I'm saying it doesn't work out that way. I think somebody has just done some mathematics and wasn't careful when he moved his figures over. I really suggest that you throw the little one in the garbage can, as you suggest; take these figures out of this one which at least have some basis of explanation to them, and send them out in the small pamphlet. That looks like the simple way. I'll keep telling the figures. This is perhaps a printing error, and I could buy that a lot more than I could buy any of your other comments. But if the prices have changes, you would find that more of these figures would be out. I know that rock pickers have gone up, and yet the rock picker price stays the same. I know that certain diskers have gone up, yet the price stays right in the little book. So I can't buy your reasoning.

HON. MR. MacMURCHY: — Well, the hon. member makes a very good suggestion. His suggestion was to throw the little pamphlet in the wastepaper basket and come with the big pamphlet. That's in fact what we did. We didn't come with the little pamphlet. Mr. Chairman, it's unfortunate that the hon. member opposite saw the little pamphlet, or we wouldn't have had any confusion. I hope the matter is cleared up and no more will we have little pamphlets. We will have big pamphlets only, and no one will be confused.

MR. HARDY: — Mr. Minister, I have one more question on land bank. In fact it's a letter that was written to me dated March 19. It's in regard to a quarter of land that land bank owned, which is located in the Big River area. I'll read part of the letter he wrote to me. He said:

The north east quarter of 17-55-6 west of the third is land in which I have been interested for years. At that time the land was still with the Department of Agriculture, and rented by a Mr. Alfred Hyatt. When Mr. Hyatt no longer wanted the land, I went directly to him to make a deal to purchase it, but I was told the land had to go back to the land bank first. Then the land would have to be leased for five years before a purchase could be made. After the land went back to the Department of Agriculture, it was turned over to the land bank, which, in turn, made an agreement with a Mr. Armstead to farm it, without posting it in any way.

When I discovered this, I went to see the land bank at Prince Albert. The people there told me they would check into it. On April 9, 1980, I received a letter from the land bank in Regina informing me that the commission was investigating the matter. Later, in conversations on the phone, and in the Prince Albert land bank office, I was assured I would be informed when this

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land would be posted. however, I discovered recently that this land has been put up for lease and was posted in the *Western Producer* — a paper to which I did not subscribe at the time. Even if I had applied, I feel I probably would have had little chance of getting it. The lease was awarded to two brothers, James and William Stalwick. I feel the fact that Mr. Lawrence Stalwick, the father of the brothers, works for the Department of Agriculture in Prince Albert, makes it rather easy for them to get these leases.

I also applied for a lease on part of SW 17-55-6 to the Department of Agriculture last spring. The Stalwick brothers also ended up getting this. I don't understand why I did not get the lease. Would you inquire into this for me and ask the minister?

So, I am asking you, Mr. Minister.

HON. MR. MacMURCHY: — Mr. Chairman, I would appreciate a copy of the letter so that I can pursue the problem that the hon. member's constituent faces, dealing with a specific parcel of land with which other parties are involved. I would appreciate an opportunity to respond on the basis of the letter directly to the hon. member and the constituent who wrote the letter.

MR. HARDY: — I'll photocopy the letter and send it over to you.

MR. BERNTSON: — While we're on land bank, I have a couple of concise, precise questions. The first question is on the matter I raised yesterday, that of the subletting of land bank land. In one instance, with which I am familiar, the land bank phoned the R.M. office and said that tax notices now are to be sent to the individual who has the sublease. Of course, the R.M. office isn't going to quarrel with that. But, he did ask for something official. "Would you give me something in writing?" Land bank said, "No, this phone call is all the authorization you need. Now, go ahead and do it." Can you explain why nothing official would be forwarded?

HON. MR. MacMURCHY: — Mr. Chairman, Mr. Wesson reports to me that they always write to the R.M.s, not working just on the basis of a phone call. He will check into the matter.

You recall that last night I indicated to the hon. member that I would provide the information on the three cases which came to Mr. Wesson's mind. I will do that. He will also pursue this item and make sure a letter goes out — that is the practice of land bank.

MR. BERNTSON: — I have another land bank question. Have there been any parcels of land owned by land bank sold to tenants of land bank land prior to the five-year period having gone by?

HON. MR. MacMURCHY: — Mr. Chairman, the answer is no, so far as a general policy is concerned. There have been farmsteads sold before the five-year period. On land which was transferred from lands branch to land bank (there was some cultivated land transferred from land branch to land bank), the seniority of the lessee with the lands branch was, in fact, carried forward. These are the only two situations which have been reported to me.

MR. BERNTSON: — I may bring one more in for you tomorrow.

AN HON. MEMBER: — Is it Hazen Argue?

MR. BERNTSON: — Yes. That raises a whole new line of questioning, though. Okay, I'm going to now slide into lands branch. This, again, has to do with a half section of land down in my corner of the world. There were several applicants for that half section of land. It was awarded to a particular individual. Several of the original applicants felt that many of them would have qualified over and above the individual who received it. One of them did, in fact, appeal. When he appealed, the decision of the appeal board was that the original successful applicant would now only have a quarter section and the guy who appealed would get the other quarter section. I suppose they had some sound reasoning behind all of this.

The applicant who was successful initially had a 15-year lease on the half section which, I suppose, is standard. If he had a 15-year lease that would indicate to me that the land would be available for those full 15 years. The guy who got the quarter through the appeal process was granted only a five-year lease. When he pursued this matter on the telephone, he was told that the reason his lease was only for five years was because he was going to inherit some land from his dad in five years, and the land would have to be reposted because he would then be outside of the limits. I just wonder if it's common practice for your department to plan the economy to the extent that you know five years down the road that this guy's dad is going to die, even though he's as fit as a fiddle today. That may be a bit facetious, but I wonder if the minister could explain how that could happen, unless you had access to the guy's will. How can you possibly decide when the guy's going to die?

HON. MR. MacMURCHY: — Mr. Chairman, I think the decision, in this particular case, was the decision made by the lands appeal board. I follow the policy of leaving the lands appeal board to make its decisions. On occasions, I have requested that the lands appeal board review decisions which were made, but once they make them, they make them. I think that's the only way that this land operation can operate. I think there are cases, though, where lands branch, in allocating grazing land, has granted shorter-term leases based on the information provided. I think that likely the five-year lease was set so the matter could be brought up again before lands branch review. I think that has been a practice over a fair period of time. I will check that for the hon. member. I think it has worked fairly well.

MR. BERNTSON: — I'm prepared to give the minister the legal details and the names in confidence and I would appreciate it if the minister would ask the appeal board to take another look at this one, because it's my understanding that during the appeal process at no time did the guy with the short lease — the five-year lease — ever volunteer the information that he was going to inherit anything and, in fact, it's unlikely that he will (I know the family). Secondly, the information to the appeal board in this regard came from the guy who had the lease in the first place. He obviously had a vested interest and wanted to protect himself.

So, I wonder, when I have provided the minister with the legal details and the names, if he would ask the appeal board to take another look at this one, with the view to making the lease the same as it was initially in that 15 years.

HON. MR. MacMURCHY: — Yes.

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MRS. DUNCAN: — Mr. Minister, in the matter of leased lands in Saskatchewan, is your department going to bring about any significant changes in the present lease land policy?

HON. MR. MacMURCHY: — Mr. Vice-Chairman, there's a bill before the Assembly which significantly changes the lands branch policy. It extends the security of lease and also begins a policy of the option to purchase. I think it best to describe it as a start — the option to purchase the scattered parcels of grazing and hay lease. The bill has been in the Assembly for some time. We haven't moved second reading, but it's here and those changes have come about as a result of discussion with stock growers.

MRS. DUNCAN: — Operators will then be given a chance to buy the lease. Will each person have to apply to the Lieutenant-Governor in order to buy his parcel of lease, should he wish to? Who is going to set the price on that lease land?

HON. MR. MacMURCHY: — Mr. Vice-Chairman, they will apply to the lands branch which administers the lands program that we're referring to — grazing and hay. They will set the price of land and it will be calculated on a formula based on the present market value of the land.

MRS. DUNCAN: — I would just like to say, Mr. Minister, that presently, I think, the lease policy pits neighbor against neighbor and brother against brother. I have to agree with the member for Souris-Cannington that quite often in decisions which are made, in essence what the appeal board does is write a person's will. I know that in my area, in a case I brought to you fairly recently, the reason given for not allocating this particular piece of land to a particular applicant was that it was felt that there is some potential for him from his family unit. Is that a directive from your department? Is that part of the criteria set down by you for the appeal board? Who makes that decision?

HON. MR. MacMURCHY: — Mr. Vice-Chairman, I can table for the hon. member the points system which is used by lands branch in allocating the land. I point out to the hon. member that those are really the criteria which are used by the appeal board. They go down the point system and they probably request additional information. Based on that, they make their decisions.

MRS. DUNCAN: — Getting back to the opportunity that perhaps will be afforded to lease land operators to be able to purchase their leases, these operators have looked after the land fairly well and not overgrazed it and made, in quite a few instances, very significant improvements to it. Do you think it's fair that only the market value of that land is going to be taken into consideration and not the productivity of each individual piece of land?

HON. MR. MacMURCHY: — Mr. Chairman, the policy will be market value if they have made improvements on the land, which the hon. member suggests could have happened. If they have paid for those improvements, then that will be taken into account and (as the term is used) netted out in terms of the purchase price of the land.

MR. BERNTSON: — Mr. Chairman, we have about drawn to a conclusion in agriculture estimates, but we do have one or two more horror stories we would like to relate to the House. Rather than start them tonight, as we have very little time left, we would like to have a fresh start at it tomorrow.

The committee reported progress.

The Assembly adjourned at 4:58 p.m.