

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Second Session — Thirteenth Legislature
31st Day

Thursday, March 27, 1958

The House met at 10:00 o'clock a.m.
On the Orders of the Day:

GOVERNMENT INSURANCE

Mr. W.J. Berezowsky (Cumberland): — Mr. Speaker, before the Orders of the Day are proceeded with, I would like to refer hon. members to an editorial appearing on the back page of the Toronto 'Star Weekly', March 29th, with regard to our Government Insurance Office.

I would like to just read one little paragraph, if I may be permitted, which says:

"Compulsory insurance sold by the Government appears to be the most satisfactory on all counts. Disinterested investigators find that the coverage and rates of the Saskatchewan Government Insurance Office are superior to anything that can be expected from private companies."

FEDERAL-PROVINCIAL AGRICULTURAL CONFERENCE

The House resumed the adjourned debate on the proposed motion of Mr. Dewhurst:

That, in view of the continuing deterioration of the agricultural industry, this Assembly urged the Government of Canada to call a Federal-Provincial Agricultural Conference which would include representatives of farm organizations, and that the Provincial Government either at such Conference or directly upon the Government of Canada, be requested to press adoption of policies for agriculture including:

- (a) Parity prices for all agricultural products, using deficiency payments where necessary;
- (b) a comprehensive system of forward pricing;
- (c) National Marketing Boards for major agricultural products;

- (d) a program of full employment to maintain the domestic market for agricultural products;
 - (e) sale of agricultural products by barter arrangements, or in the currencies of the importing nations;
 - (f) a program of national crop insurance;
 - (g) a national credit program to meet the needs of agriculture,
- and the proposed amendment thereto by Mr. McDonald:

(1) That clause (c) be deleted, and the following substituted therefor:

"(c) marketing Boards for major agricultural products when requested by a large majority of the producers concerned;"

(2) That the following clauses be added after clause (g):

"(h) farmers be, given an opportunity to deliver, and be fully paid for, at least a normal crop in each crop year;

(i) lower the costs of marketing grain;

(j) deliver to the elevator of his choice;

(k) increase research into new uses for surplus agricultural products;

(l) bring wheat, oats and barley wider definite price supports;

(m) extension of the program to pay storage on surplus grain."

and the proposed amendment to the amendment by the Hon. Mr. Brockelbank:

1. That clause (1) of the proposed amendment be deleted, and the following substituted therefor:

"(1) That paragraph (c) be amended by adding thereto the following words: "where such products involve interprovincial or export trade."

2. That paragraphs (h), (j) and (k) be deleted, and the following substituted therefor:

"(h) the for farmers to deliver to The Canadian Wheat Board at least a normal crop in each crop year, and, in addition, to receive an initial cash payment through the Wheat Board on grain suitably stored in sealed bins on the farms;

"(j) distribution of box cars to country elevators

on such a basis that farmers will be able to deliver their grain to the elevator of their choice.

"(k) increased research into new uses and new markets for agricultural products."

3. That the following words be added to paragraph (m):

"to include payment for storage to the farmers when grain is suitably stored in sealed bins, and increasing initial payments during the crop year to encourage construction of farm storage facilities."

Hon. Mr. Fines (Provincial Treasurer): — Mr. Speaker, this has been on the Order Paper for some time now, and the hon. Leader of the Official Opposition (Mr. McDonald) indicated to me that he had no desire to say anything more on it, and he is ready for a vote to be taken on it. I feel we might just as well get it off the Order Paper, unless my hon. friends have some strong reason to wish . . .

Mr. Loftson (Saltcoats): — Mr. Speaker, I understand there are others who wish to talk on this further.

Mr. Speaker: — Is the House agreed to let this stand?

(Agreed)

MOTION FOR RETURN (No. 55)

The House resumed the adjourned debate on the proposed motion of Mrs. Batten:

That an Order of the Assembly do issue for a Return (No. 55), showing:

Copies of correspondence exchanged by the Department of the Attorney General of Saskatchewan and the various Bar Associations of Saskatchewan, namely the Benchers, The Law Society of Saskatchewan, and the Law Associations of the various Judicial Districts, and copies of the briefs and representations made by the said bodies to the Attorney General, in regard to proposed changes in the Judicial System of Saskatchewan since the date of the presentation of the Culliton Committee Report.

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Hon. Mr. Fines (Provincial Treasurer): — Mr. Speaker, the Premier asked that the debate be adjourned pending the return of the Attorney General.

Hon. Mr. Walker (Attorney General): — In rising to move the amendments, I would like to point out to the House that it has been the custom of the Government to protect people's rights and not table their correspondence unless they consent. In this case, of course, it is appreciated by all members that it is very useful and necessary for the public to make representation to Ministers of the Crown dealing with proposed legislation, and I would certainly not like to see the House do anything which would cause people to be reluctant to write to Ministers and offer advice and suggestions. I am sure this source of very valuable advice would be lost if the House did not respect their right to refuse to consent to the tabling of their correspondence.

I would therefore move an amendment to the motion:

That, an Order of the Assembly do issue for a Return (No. 55), the following words be added thereto:

That such Return shall only include:

(a) any letter, the inclusion of which has been consented to by the Benchers, the Law Society of Saskatchewan or the Law Association of the Judicial District on whose behalf it is written;

(b) any reply to such a letter for the inclusion of the letter to which a reply has been consented to, as provided in clause (a);

(c) any brief or representation to the Attorney General, the inclusion of which has been consented to by the Benchers, the Law Society of Saskatchewan, or the Law Association of the Judicial District on whose behalf it was made.

I would so move, Mr. Speaker, seconded by the Hon. Mr. Lloyd.

Mr. G.H Danielson (Arm River): — Mr. Speaker, I think this thing can stand over.

Hon. Mr. Fines: — Mr. Speaker, may I say this is a matter of courtesy, and it can stand over, but the point is we will not table any correspondence unless we have the permission of those persons concerned. We have always had the understanding

that the consent of the parties must be given. It is not right that any correspondence should be tabled unless the parties to that correspondence is willing. Otherwise, people would hesitate to reply to a Minister of the Government, if they thought it was going to be tabled without their consent. I feel we should pass this. There is no reason for adjourning it at all.

Mr. Ross McCarthy (Cannington): — Mr. Speaker, I think in view of the fact that the hon. member who moved the resolution is not here, I would suggest we adjourn it at least until she has time to look over the amendment.

Hon. Mr. Fines: — Mr. Speaker, I move then that we adjourn it and if she is not here the next day we'll put it through.

(Debate adjourned)

MOTION FOR RETURN (No. 58)

The House resumed the adjourned debate on the proposed motion of Mr. Foley:

That an Order of the Assembly do issue for a Return (No. 58), showing:

In each fiscal year since 1951-52 In the L.I.D.'s partly or wholly within the Turtleford Constituency,

(1) The amount spent by the Government for (a) road construction, (b) road improvement, (c) gravelling and maintenance, (d) bridge construction.

(2) Where were the projects located?

Hon. Mr. Fines: — Mr. Speaker, there is an amendment prepared by Mr. McIntosh, and in his absence I would like to move, seconded by Mr. Bentley:

That Motion for Return (No. 58) be amended by deleting all the words after the word 'construction', clause (a) part (1), and substituting therefor the following:

(a) would remain as it is, 'road construction'

(b) would be 'road maintenance'

(c) gravelling

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(d) bridge construction.

(2) Locations of these projects.

May I say, Mr. Speaker, the reason for moving this amendment is to clarify it and put it in the form in which we have the information and which we can make available. It gives all the information asked for except that we don't approve of 'gravelling and maintenance' into one group. The idea is to split it down, and I am sure that will be quite acceptable to hon. members.

The question being put, it was agreed to.

The question being put on the motion as amended, it was agreed to.

GOVERNMENT MOTION

Moved by Hon. Mr. Fines, seconded by Hon. Mr. Walker:

That, when the Assembly adjourns today (Thursdays March 27) it do stand adjourned until Tuesday, April 1, 1958, at 10:00 o'clock a.m.

Hon. Mr. Fines: — Mr. Speaker, the purpose of this is to enable all hon. members to be able to get home in time to vote. In some instances it is impossible leaving on Saturday to be there. This will enable all members to get home and back again to finish up business, we hope, next week.

Mr. Loptson (Saltcoats): —Mr. Speaker, what about adjourning early this afternoon to give members a chance to catch their trains.

Hon. Mr. Fines: — The only objection we have to that, Mr. Speaker, is that next week we have Good Friday coming up and I know that many hon. members would like to be home for Good Friday. That means if we adjourn early we lose two and a half or three hours tonight, and we run into the possibility that we won't finish until Thursday night and members would not be able to get home for Good Friday. I would think it would be better to sit tonight in order that we can get away two and a half hours earlier in order that we might be home for the Holy Day. I know a great many of the hon. members will want to be home on Friday. We can see how we get along this afternoon, and if we get along quite well we can, if there isn't too much business, probably adjourn at five. I certainly wouldn't want to see the hon. member have to stay in Regina over Good Friday.

Mr. Loftson: — Well I just suggested it. It doesn't affect me any, but I do know of a large number of members who would like to catch the 5:30 bus or 5:00 train.

Hon. Mr. Fines: — They could catch the midnight train. They have all day Friday anyway — trains going Friday and Saturday. But we'll discuss that later in the day.

The question being put, it was agreed to.

SECOND READING

Bill No. 95 — An Act respecting Steelman Gas Limited.

Hon. Mr. Walker (Attorney General): — Mr. Speaker, this Bill with respect to the Steelman Gas Limited refers to a company which has been interested in developing, and has got a permit from the Department of Mineral Resources to develop a flare gas plant in the Steelman area. It is a private company being financed by subscriptions or private capital and mortgage monies in the United States. The solicitors for the company advised the company that certain debt legislation existing in this province would render the lenders insecure in their debentures. The two Acts referred to are The Limitation of Civil Rights Act and The Land Contracts Action Act, both of which afford some benefit to debtors who give mortgages on real property in this province. The Limitation of Civil Rights Act, for example, makes it illegal to give a mortgage on real property in this province payable in United States funds and these mortgage debentures are to be payable in United States funds. For that reason the Government has decided to submit a Bill to the Legislature exempting this particular company from the provisions of those two Acts.

With those few remarks, Mr. Speaker, I move second reading of Bill No. 95.

Mr. McDonald (Leader of the Official Opposition): — Mr. Speaker, I wonder if I could ask the Minister if there are any other companies or corporations or individuals who have been given exemptions from the two Acts mentioned by the Attorney General.

Hon. Mr. Walker: — No, this is the first time this request has been made to the Government; there have been no others that I know of — not in our term in the Legislature.

Hon. Mr. Fines: — This is the first time that I know of, since this Bill was passed in 1939. I haven't any recollection, of course, of what happened in 1939 to 1944, but there have been no

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requests in the twelve years. There might have been between 1939 and 1914; but I don't think there were.

Mr. Loptson (Saltcoats): — I presume that this is the first company that is issuing debentures in the States with a provincial Charter.

Mr. McCarthy (Cannington): — The Minister explained his reasons as far as the first Act was concerned; if he explained the other one I didn't get it.

Hon. Mr. Walker: — The Land Contracts Action Act requires the consent of the District Court Judge, acting in the capacity of Local Master, before any action for foreclosure can be undertaken in this province; and that would apply to those mortgage debentures just as any other mortgage. That is considered to be a disadvantage by this company.

(Agreed to and referred to a Committee of the Whole at the next sitting.)

Bill No. 100 — An Act to amend The Crown Corporations Act.

Hon. Mr. Fines: — Mr. Speaker, the Bill to amend The Crown Corporations Act contains three or four items. The first one is to remove something which is more of a nuisance than anything else. When the Bill was passed originally it provided that the Corporations could lease or sell real property subject to the approval of the Lieutenant-Governor-in-Council. Now that means that if the Corporation wanted to lease a building for any purpose whatsoever they had to apply to the Lieutenant-Governor-in-Council. We feel that there should be some control over the purchase of real property, but we do not feel that the Crown Corporations should have to come to the Government every time they want to erect a shed, for example, at the Brick Plant. The shed would probably cost them \$200, so what we propose in this, is to amend the section to provide that where the purchase price and the sale price in any transaction exceeds the approval of the Lieutenant-Governor-in-Council would have to be obtained.

The next important principle — as hon. members know we always try to do what the Opposition wants us to do — during the sittings of the Crown Corporations Committee it was suggested that we should try to get the reports in at the same time. Well, ever since that suggestion was made I have taken it up with the different Corporations and most of them are quite agreeable. The proposed date is

September 30th. There is one objection to September 30th insofar as the Insurance Office is concerned. They have to, under certain Acts of this country and other states in which they do business, have their year ending December 31st, so it means they would have to prepare two sets of books. However, I do not think that is insurmountable. But all the other Corporations are agreeable to September 30th. As I pointed out before, ending at December 31st runs into a tremendous amount of danger. For instance, this year, we just about didn't get the Power Corporation books in time to be considered by this Assembly. They don't have to, under their Act, table them until 90 days after the close of the fiscal year, so there would have been nothing illegal if they hadn't tabled their reports, but it would have meant that the Crown Corporations Committee wouldn't have studied them and if the Legislature should decide to meet in January — and my hon. friend from Cannington (Mr. McCarthy) made this suggestion many times; obviously with a Corporation having its year end December 31st would find it almost impossible to get their reports in; so we are looking at September 30th. Now I am not going to guarantee at this time that we will fix it, but the present Act provides that the Government Finance Office year end shall be March 31st and what we are providing here is that the year end will be on a date to be fixed by the Lieutenant-Governor-in-Council. That is also the way all the other Corporations are.

Now the third principle is increasing from \$5,000,000 to \$15,000,000 the amount of authority we shall have to borrow. We feel that at any time a new industry likely will be applying for a considerable loan. We don't know how much it will be — it may be \$5,000,000. We feel that we would like to be in a position to have authority to borrow the money for this purpose. It will, of course, have to be approved by the Legislature in the form of supplementary estimates. It hasn't been changed since 1955, when it was raised from \$2,000,000 to \$5,000,000.

The last clause gives us the authority to guarantee the repayment of bonds of debentures issued by corporations or by municipalities. In other words, instead of us putting up the actual cash and raising the money by borrowing we would be able to guarantee their bonds which could be sold either privately to a bank, as was the case in the Cement Corporation, or sold to the general public. We would, of course, expect to receive in return for guaranteeing these bonds, reimbursement, as we are with the Cement Plant. I think all hon. members know that in the case of the Cement Corporation we receive 2 per cent per year, so that on the \$5,500,000, which was the original amount, the first we got \$110,000 for guaranteeing those bonds. Now with \$550,000 paid off this next year we shall not receive \$110,000, but about \$99,000.

Those are the chief principles in the Bill, Mr. Speaker.

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I do not want to talk, this afternoon, about the industry I referred to. I will be glad to talk privately to my friends; I think they may know what it is, but we seem to be getting close to getting an industry in Saskatchewan that, is going to require a fairly large amount of assistance. May I point out, also, that any assistance we give will, of course, be assistance which will follow after a considerable amount has been put up by the parties themselves. Normally, without Industrial Development Loans — and this refers to Industrial Development Loans — we will not put up over 50 per cent of the capital. We have made one or two exceptions but normally it is 50 per cent, and we would, of course, insist that before we made any funds available there would be a considerable amount provided by those who are sponsoring the industry.

I would move Second Reading of this Bill, Mr. Speaker.

Mr. McCarthy: — Could I ask the Minister a question?

Mr. Speaker: — I would appreciate it if anyone who has a question would ask it and then the Minister could answer them all at once.

Mr. McCarthy (Cannington): — I just wanted to ask why this \$15,000,000 came under Crown Corporations, if it isn't going to be a Crown Corporation. I just wondered why that was.

Mr. McDonald: — Mr. Speaker, I think I know. The \$5,000,000 that we are increasing to \$15,000,000 is for the Industrial Development Fund; at least I presume it is.

Hon. Mr. Fines: — That's right, that's what it is.

Mr. McDonald: — I am wondering if it is necessary for Saskatchewan to increase the amount of money available in this fund. It is quite true that in 1955 we increased it from \$2,000,000 to \$5,000,000; and now the Legislature is being asked to increase this to \$15,000,000. I have no objections to using all of the methods that are expedient to attract industry to Saskatchewan; but on the other hand our basic industry in Saskatchewan is agriculture. The Government of the day refuses to make any money available to the basic and best industry that this province has ever had. It seems to me that if the Legislature is prepared to vote \$15,000,000 and make that money available to attract industry here, I wonder why we haven't a similar amount of money available for the agricultural economy of this province. I think I know the industry that the Minister has in mind, and I am not going to mention it at this time but I wonder if the \$15,000,000 that is suggested in the Bill would be 50 per cent of the value of that particular industry. I think I had better get an answer to that before I say any more.

Hon. Mr. Fines: — I understand the Speaker has asked me to reply to all questions at the end. So if you have any more you might ask them.

Mr. McDonald: — No, not now.

Mr. Speaker: — It is my duty to inform the Assembly that the mover of the motion is about to close the debate.

Hon. Mr. Fines (closing debate): — Mr. Speaker, I think the member for Cannington now understands why it is under The Crown Corporations Act. It is the Industrial Development Fund we are referring to here.

Now, Mr. Speaker, as far as agriculture is concerned, I wouldn't want my hon. friend to think that we are not making any money available, this year, for agriculture. After the very harmonious relationship which existed, today, in the passing of the Estimates, and over the last few days . . .

Mr. McDonald: — Not a nickel for the poor old farmer .

Hon. Mr. Fines: — We have made provision for some \$6½ million for agriculture — rural electrification, which is a very important part, I think, of the life of the rural people of this province.

Mr. McDonald: — Peanuts!

Hon. Mr. Fines: — We have just passed an Appropriation Bill which provides for the sum of \$5,235,000 for municipal road assistance, to provide rural roads. In other words, His Honour the Lieutenant-Governor has just, within the last 15 or 20 minutes, given assent to tens of millions of dollars which will be spent for our basic industry — agriculture.

Mr. McCarthy: — That's nonsense!

Hon. Mr. Fines: — May I say that is one of the reasons why we are anxious to get additional industry into Saskatchewan — in order that we will be able to provide markets here in Saskatchewan for our agricultural products. Secondly, in order that we will be able to get additional revenue which will enable us to do more for agriculture.

May I point out, Mr. Speaker, that of these new industries that come in, many of them do provide a great deal of additional revenue, very directly, much more directly, may I say, than agriculture. Agriculture is our basic industry, but we do not get it back in the

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form of taxation as quickly or in as discernible a manner as we do from these additional industries.

Mr. McDonald: — That's debatable, too.

Mr. McCarthy: — You bet it is!

Hon. Mr. Fines: — For example, the oil industry, this year, will provide this province with approximately \$20 million that we will be able to get from an industry that really only started from three to five years ago; so that I feel these additional industries will be of real assistance to agriculture. I therefore would hope that we will get behind every move we can to try to get industry into this province whenever it is possible to do so, because it is going to result in improvement for agriculture, as well as for the rest of the economy.

I would therefore move second reading of this Bill.

(Agreed to and referred to a Committee of the Whole at the next sitting.)

The Assembly adjourned at 5:25 o'clock p.m.