

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fourth Session — Fifteenth Legislature
27th Day

Tuesday, March 14, 1967

The Assembly met at 2:30 o'clock p.m.
On the Orders of the Day

WELCOME TO STUDENTS

MRS. SALLY MERCHANT (Saskatoon City): — Mr. Speaker, there are two groups of students from the city of Saskatoon today and I would like to introduce them to you and through you to the Members of the House. I know that the Member for Hanley (Mr. Walker) will want himself to welcome the students since he is in his seat today. They are the students from Sutherland and they come from within his constituency but school children are not always conscious of the constituency in which they live whereas they are very conscious of the city so while Sutherland is in a different constituency, I as a Member for Saskatoon, feel that they are a part of our entity and would like to welcome them here. They are seated, Mr. Speaker, in the west gallery and in the east gallery, a group of students from Prince Philip school. Both of them I know, you will want to make welcome in this Assembly.

SOME HON. MEMBERS: — Hear, hear!

MR. T.M. BREKER (Humboldt): — Mr. Speaker, I would like to introduce to you and the Members of this House a group of grade eleven and twelve students from Muenster. They are accompanied by their teachers, Mother Amadeus, Ed Prokopetz, and Norman Dewar and also their drivers, Ben Vogelsang, Joe Greenen, Mark Painter, Don Barlage, George Sherman and Oscar Trueby. Muenster is a relatively small town and is probably known well for its St. Peter's College. It's the only college that can beat Wilcox. It's our sincerest wish that your trip has been educational and will be informative and we certainly wish you a safe journey home.

SOME HON. MEMBERS: — Hear, hear!

MR. R.A. WALKER (Hanley): — Mr. Speaker, I want to say on your behalf and on behalf of all Members of the House how much we welcome the Sutherland School here this afternoon. I also want to express appreciation to the junior Member for Saskatoon for having taken it upon herself to welcome constituents of mine in this House. The Sutherland School of course is the school with which I have been most closely and intimately connected. Since I stopped going to school myself, my oldest children commenced school there and went through their public school there and one of them is now teaching on the staff at the Sutherland School, so I'm always very happy when Sutherland is represented in the galleries of this House. So on behalf of yourself, Mr. Speaker, I want to express a welcome to these good constituents of Hanley here in the House and to hope that they have had a profitable and pleasant day and to express the wish that they will have a safe and happy journey home.

SOME HON. MEMBERS: — Hear, hear!

HON. G.J. TRAPP (Minister of Education): — Mr. Speaker, I want to introduce to you and to the Members of the House a very fine group of grade eight students from Dysart School. They are sitting in the Speaker's gallery. I do hope that they have had a very enjoyable day and that they will have a very safe journey home. I have some memories from this area. Many of their fathers and mothers I taught in the early thirties so I am very pleased to see this group of fine students here this afternoon.

SOME HON. MEMBERS: — Hear, hear!

TRIBUTE TO MR. J.H. BROCKELBANK: GEOGRAPHICAL FEATURE NAMED

HON. D.G. STEUART (Minister of Natural Resources): — Mr. Speaker, before the Orders of the Day, I'd like to draw the attention of the House, and publicly in this House to pay a tribute to one of the Members of this House. Some time ago, it was my pleasure as the Minister of Natural Resources to take the final step in naming a geographical feature in this province after one of the Members of this House and I refer to the Hon. Mr. J.H. Brockelbank, the member for Kelsey.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — While it's been noted in the media, newspapers and radio, I think that all too often we fail to pay a tribute to people who serve in our legislatures and in our parliaments — in public life generally. We battle here pretty vigorously from time to time. This is the way it should be in a democracy. We hold strong opinions and no one holds stronger opinions or voices them more vigorously and straightforwardly than the man to whom we are paying a tribute today — that is Mr. J.H. Brockelbank.

I'd like to describe this outstanding landmark. It is a massive hill some 1,300 feet above sea level near the base, and rising quite sharply on the northern face to almost 2,700 feet. The top is five miles wide and it's undulating with four lakes probably due to the cooler atmosphere at that elevation. The entire area is well wooded. The top of the hill is accessible by a road part of the way, and then by a trail for one and one-half miles. It is located in the Kelsey constituency which that Member has represented in this House since 1938. Mr. Brockelbank, as we all know, is the Dean of the House. He served his nation in the First World War in the famous Princess Pats and he has served in this House for longer than anyone else sitting in the present Legislature. As I say, he holds strong views and he expresses them strongly. I think he has served his community, his province and his nation in a most outstanding manner for a very, very long time. The naming of this geographical feature, which started I might say before I became the Minister of Natural Resources, is just a small token of the real esteem in which this gentleman is held by his colleagues in this House, by people in this Government, and by the people of the Province of Saskatchewan.

SOME HON. MEMBERS: — Hear, hear!

HON. W.S. LLOYD (Leader of the Opposition): — Mr. Speaker, the general idea

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of naming geographical features in the province after persons who have made a contribution to the development of the province, is certainly one which merits approval and which I'm sure people of the province applaud generally. In this particular instance as the Minister of Natural Resources (Mr. Steuart) has said, those of us who are in the Legislature have a special, and many of us a personal, reason for applauding this particular program. May I say, Mr. Speaker, that all of us indeed are gratified at the opportunity to endorse the decision of the Government to favor a geographical feature of our province with the name of our colleague, the long-term Member from Kelsey (Mr. J.H. Brockelbank). It's particularly appropriate it seems to me, having in mind his background and his service in Government, that a geographical feature of this nature should be chosen to carry his name, Brockelbank, in the records of our geography and our history. Most appropriate of all is the fact that this particular feature is located in the midst of the constituency which he has served so long and so well. It seems to me that there is an appealing kind of symbolism in the fact of naming this particular feature after the Member for Kelsey. Like the hill which will carry his name, he has indeed stood very tall in the eyes of those of us who have been around him. Being tall, he has had vision beyond that of others of less height, and his horizons have been extended by that fact. To many of us personally as well as a group, he has in more ways than one been like a hill, indestructible and ageless. At all times it has been reassuring and comforting to have him among us. So, Mr. Speaker, on behalf of his colleagues and his own political party in particular and on behalf of many associates who can't possibly be here today, it's gratifying to congratulate him on this occasion. It is indeed a fortunate constituency and a fortunate hill that will carry his name into the continuing records of the story of our province.

SOME HON. MEMBERS: — Hear, hear!

MR. M.P. PEDERSON (Arm River): — Mr. Speaker, I don't want to take more than just a moment or two of the House, to add to the thoughts and the comments that have been expressed in connection with the naming of this hill in honor of our colleague, Mr. J.H. Brockelbank. I might say, Mr. Speaker, that the naming of geographic features, as has been mentioned, has always been a custom; and I was very pleased with the description, given by the Minister of the hill, to note that this was a hill that was well wooded over the top. Because I recall when Mount Eisenhower was named, that the comment of the then President of the United States was that there was a great deal of similarity in that Mount Eisenhower was bald on top and so was he. The Hon. Member for Kelsey has sustained more vigorous growth on top through the debate than most of us have. I wanted to express the appreciation of the people that I represent, if in fact not the appreciation of all people in this province, with the tremendous contribution that has been made by this outstanding Member, and to count myself honored and privileged to be a Member of this House on an occasion such as this when this type of distinction is accorded a very senior Member and a fine gentleman.

SOME HON. MEMBERS: — Hear, hear!

MR. A.M. NICHOLSON (Saskatoon City): — Mr. Speaker, as a former constituent of the Member for

Kelsey when he was first elected to this Chamber, I'm sure on behalf of those who have known him in Kelsey all these years, I should say on their behalf how delighted we are that the Member for Kelsey is being recognized by the Government of the day in such a fitting manner. The Member for Kelsey gave distinguished service to his country during the First World War. He came to northeastern Saskatchewan as a homesteader, and teacher, when so many veterans were settling in the bush country. We will be forever grateful that he liked the North sufficiently well to give up other very attractive careers which might have been his, to throw in his lot with the people in this pioneer settlement. He was married there and the family have been very highly regarded wherever they have lived. I would like to join his many friends in the Kelsey and McKenzie constituencies who will be honored in having a place called after the distinguished Dean of this Assembly.

SOME HON. MEMBERS: — Hear, hear!

MR. J.H. BROCKELBANK (Kelsey): — Mr. Speaker, this is one of the most difficult times when I have risen in this House to make a speech and at the time one of the most pleasant. I got the letter from the Minister of Natural Resources (Mr. Steuart) some time ago. I couldn't help but be pleased, and I want to thank all of the Members who have spoken for their very kind words that they have said today. When I listened to the kind words of the Minister of Natural Resources, I said to myself that I'll have to watch that I don't get soft on Liberals after this. I'll try not to. But it is . . . Really I don't see why I deserve this kind of honor which has been conferred upon me, and certainly if it is true that I deserve it a little bit, then there are scores of thousands of people in this province who deserve the same consideration because all I have done is undertaken the tasks that were at hand. I have had a lot of good fortune. I have had a lot of privileges. If I had the chance to decide all over again, I don't think I could pick a more interesting, challenging and exciting life than I have had in connection with representing the people of my constituency over these years.

Now it wasn't necessary but when it is done, I can't help but like it because I love the country. No place could have been picked to please me more than that place up at the top of the Porcupine Hill, as it is beautiful country. You know there's one danger when we get these compliments that we might believe them. But you have been so profuse in the compliments in your kind words today that it removes from me a great deal of the temptation to believe them, because I know it can't be that good.

But I do want to say something to all the people who are Members of this Legislature, all the people who aspire to be Members of this Legislature and that could include quite a few of the people, Mr. Speaker, who sit in the galleries today. Politics in our country is an honorable calling. Politics is the one place where we are called to serve, and I think we should take the stand that we are willing to serve our country at any time. Those who would serve, if they do so with the greatest of integrity, the greatest intelligence that they have, and with the greatest industry that they have, will find the calling interesting, challenging, exciting and also bringing a good deal of satisfaction, because we are able to take part in doing some of the things that we believe are worthwhile. I

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again want to thank the Minister and the Government for the honor and to thank all of the Members in this Legislature for the recognition that you have given to me today.

SOME HON. MEMBERS: — Hear, hear!

SECOND READINGS

HON. D. BOLDT (Minister of Highways and Transportation), moved second reading of Bill No. 56 — **An Act to amend the Automobile Accident Insurance Act.**

MR. STEUART: — Mr. Speaker, in the absence of the Minister, I first would like to thank the Opposition for allowing us to move this business ahead, because there is some urgency. I'm sure the Minister, had he been here — he is ill today — would have a very fine speech to make on second reading. I'm, just going to say a few words. I think this is an important principle which is involved in the passage of this Bill and contained in this Act; and that is, that we are trying to place some of the financial burdens of our automobile insurance against those people who have caused the rates and the cost to go up. That is, those people who are responsible for the accidents. Now in this Bill we will be making a surcharge of \$25 for any operator certificate or renewal thereof, if the individual has been more than 50 per cent responsible for an accident. Now we all are concerned, I am sure, about the ever mounting accident rate, with the toll of damage, cost to human life, cost of property damage. Many steps are being taken, and I hope more will be taken, to do something about this tragedy, the tragedy that is happening on our highways. One of the side-lights of the ever mounting toll of automobile damage is in the cost, the financial cost and the fact that we have a Government-operated insurance program that insures all drivers. It has meant that over the years of this insurance plan, the premiums have gone up and up almost relentlessly year in and year out, and they just followed the cost. Often they haven't even kept pace with the cost. Again this year the costs are going up, and we anticipate, or I suppose it could be anticipated, unless the drivers become more careful and accidents are reduced, either we will have to see the end of this Government Insurance Plan, which I think most people want, and want to maintain, or we have to try to do something about it. In an effort to do something about it, we all feel — I think most people feel — that the innocent driver, the careful driver should not continually be penalized, which has been the case of the last number of years, but we should try to place the penalty on those people that cause the accidents. Now we don't pretend that this Bill answers this problem one hundred per cent. We know it might be called an imperfect instrument, but it is a step in the right direction. It is our hope that as we refine our technique and find better ways to isolate and identify those drivers who cause the accidents, we will be able to place more and more of the cost on them and less of the cost on the innocent, careful driver who is in no way to blame for the mounting toll of accidents and the mounting cost of the insurance program. So, Mr. Speaker, this is one step I think in the right direction. I hope Members will support it. I realize that they can find fault with it, and they can pick it apart, because as I say it probably is imperfect. But it is a step in the right direction. The Minister, I'm sure, will be here when it is taken into Committee. I am positive that Members will want to have a great many questions to ask about how we implement it, when we come to the clause by clause discussion of this Bill.

But, Mr. Speaker, since it is a new principle, it is an effort to lay the financial cost upon those people who cause the accidents. I would urge all Members to support it.

MR. E. WHELAN (Regina North): — Mr. Speaker, I beg leave to adjourn the debate.

Debate adjourned.

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion of Mr. T.M. Weatherald (Cannington) that Bill No. 08 — **An Act respecting Group Medical Services** be now read a second time.

MR. W.E. SMISHEK (Regina East): — Mr. Speaker, the Hon. Member for Cannington in introducing this Bill gave no explanation as to why this Bill is needed at this time and what may be the effects of this Bill if it were passed. Group Medical Services is one of the two largest approved health agencies under The Medical Care Insurance Act. It has a large membership and as such there will be many persons who may be affected by the Bill. Its enactment may have serious effects on the Medical Care Insurance Plan. In view of this, I first ask the question: Why was this Bill not introduced as a public bill?

My information is that Members of Group Medical Services, if not all, at least some, are not aware that this Bill is before us. I further understand that one of the major reasons, Mr. Speaker, why Bill 08 is being sought by Group Medical Services is to give them authority to dispose of surplus funds of which apparently the majority were accumulated prior to 1962. But in studying the Bill it seems to me that it goes far beyond this and in fact it seems to contradict its very purpose. The Bill under the general powers grants the agency all kind of authority to acquire additional assets. It may purchase and lease property. It can sell, exchange, mortgage, improve, property. It can borrow and raise money and it can even issue debentures. In other words it can do almost anything to acquire additional assets.

It is my understanding that the Health Services Act under part 5, makes provision for the establishment of non-profit insurance agencies for the purpose of providing health insurance services. This Bill makes no reference whatsoever that Group Medical Services hereafter shall continue to operate as a non-profit agency. No reference is made whatsoever that Group Medical Services hereafter would be required to comply with Sections 47 to 52 of The Health Services Act and Sections 35, 36, and 37 of The Mutual Medical and Hospital Benefit Association Act which they were required to up until now.

I also like to draw the attention of this House to Section 51 of The Health Services Act. It requires that at least one-third of the members of the Board of Directors of agencies of this nature shall be persons who are non-medical persons or not medical practitioners. This apparently no longer will be required under this Bill. In fact in this Bill, Mr. Speaker, there is no requirement whatsoever that there shall even be a Board of Directors who would be responsible to the membership

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at large or be elected by the members. Nowhere do I find that Group Medical Services would hereafter be required to submit an annual report of activities to its membership. Nowhere is it required that the agency would have to call an annual meeting for the purpose of electing a Board of Directors or do other things that an annual meeting previously required them to do.

Under Section 10, the Bill specifically excludes the previous requirement of compliance with The Saskatchewan Insurance Act and The Companies Act. Group Medical Services were incorporated, Mr. Speaker, as a non-profit organization under Section 10 of The Companies Act. They had all the protection and obligation of The Companies Act.

When Group Medical Services submitted a descriptive document to the Advisory Planning Committee on Medical Care of which I was a member, in their introduction they said this, and let me quote:

Group Medical Services is a voluntary non-profit Association providing a prepaid medical care plan. It was founded by the amalgamation of Group Health Association Limited and Medical Services Incorporated (Regina) in 1949. Group Health, a co-operative movement which originally bore the name of Regina Mutual Benefit Association Limited, and Medical Services Incorporated (Regina), a plan organized and sponsored by the medical profession, had both offered medical and hospital care programs for nearly ten years.

Following the implementation of the Medical Care Insurance Plan, Group Medical Services became an approved agency under the Act. Bill 08 no longer assures that GMS shall continue as a voluntary non-profit organization.

Under Section 6 of this Bill, GMS would have unlimited authority to make conditions upon the membership including classes of membership, membership expulsion, fining of members, terms of contracts and complete freedom to determine their own fees. I may be wrong, Mr. Speaker, but fees and premiums would no longer be subject to the approval of the Minister of Health (Mr. Grant), previously a requirement under The Health Services Act. The Bill in clear language guarantees that the enactment of bylaws would be a private matter and no longer a matter subject to the approval of the Minister of Health, a previous requirement under The Health Services Act.

Members will recall when Bill No. 79, an Act to amend the Trade Union Act was enacted by this Government last year. It stripped the trade union movement of the rights to make many of its rules previously enjoyed. Since Bill No. 79 became law, the trade union movement has become subject to a set of rules established by law in terms of membership admission, expulsion, voting procedures, requirement to accept a Queen's Bench judge for purposes of arbitration, and so on. This was done apparently to protect the individual member and the public interest, yet GMS has a membership larger than the total trade union membership in the Province of Saskatchewan. Under this Bill, they will be given complete freedom to determine their own set of rules, including the method of arbitration of any disputes.

True, the Bill does require that GMS would have to comply with the provisions of The Saskatchewan Medical Care Insurance

Act, but the medicare act does not make any rules for voluntary agencies. The only reference is that the Medical Care Insurance Commission shall approve an agency in order to be a collection agency or a post office under the provision of The Saskatchewan Medical Care Insurance Act.

Mr. Speaker, there are additional reasons for concern. I have a copy of a letter written to a person, a member of whose family was in the hospital. The letter reads this way, and I'm going to file a copy of that letter, Mr. Speaker. Let me quote:

A member of your family has been admitted to our hospital. Please advise if you hold the added benefits of group B type of coverage with Group Medical Services or Medical Services Incorporated. If not, we would suggest this coverage be taken out immediately as there may be special drugs administered which are not covered by the Saskatchewan Hospital Services Plan and are your responsibility for payment.

Charges for extended coverage are \$9.00 a year for a family or \$4.00 a year for a single person. Group Medical coverage commences on the date of payment, while Medical Services Incorporated coverage commences on the first day of the following month that application is made.

Please contact the writer immediately. Contact the local office by phone or by letter and advise if coverage is held.

Arrangements can be made for this coverage at this hospital by visiting the business office between 9:00 and 5:00 p.m. each day or by contacting a representative of Group Medical Services or Medical Services Incorporated in Regina or Saskatoon.

Signed, Yours very truly . . .

Mr. Speaker, I want to file a copy of this letter. I have blocked out the name of the person for his individual protection. I'd like to file this letter and refer it to the Minister. It would appear, Mr. Speaker, that GMS as well as MSI have arranged with hospitals to act as their salesmen. There are those who choose, very deliberately, not to take out the insurance coverage provided by these agencies. They should not be subject to this kind of high pressure salesmanship. Bill 08 states in Section 4, sub-section 3, and let me quote:

A corporation may dispose of funds surplus to its own requirements other than a surplus arising from the operation of the approved health agency service of the corporation as the approved health agency, etc.

To the best of my knowledge, the premiums that are paid to GMS are single premiums. There is no specific division of premiums for the operation of the specific MCIC services and other benefits provided or at least it would appear difficult to make differentiation.

If the issue is one of the disposal of funds accumulated by GMS prior to 1962, prior to the implementation of the Medical Care Insurance Plan, then it seems to me that the Act should specifically deal with that particular problem. It would appear to me that it would require a relatively simple

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set of rules for the disposal of those funds. In fact I submit, Mr. Speaker, that this is possible now. There is nothing in our laws prohibiting a reduction of premiums for the purpose of using up those surplus funds that have been accumulated. The Act here goes far beyond dealing with this problem. It gives the agency authority to enter into new areas of health insurance services. It would give them authority to co-operate with other organizations whose objectives may only in part be similar to the objectives of GMS. What does this mean, Mr. Speaker? Could it be interpreted or could mean that they could enter into campaigns against the extension of health services in the future?

We must remember that the voluntary health agencies were not entirely neutral during the periods when the Province tried to establish the present public medical care program. Could funds be used to sponsor campaigns to dissuade people from the value of public health services? You will note that while the authority is given to GMS to enter into new areas of insured health services under the proposed Bill, yet they would not be subject to the Saskatchewan Insurance Act. I pose the question of why is this being proposed. They would be free to make their own rules without being required to comply with sound insurance principles. There are additional doubts that I have in regard to this Bill, but they can probably be best dealt with in the Private Bills Committee, when the Bill comes before that body later.

Some of the doubts I reflected, I have already discussed with the Minister of Health (Mr. Grant). I would hope that someone on the Government side could give us a detailed explanation as to the necessity of this Bill. I would also ask them to consider the problems this Bill could create in the future, if it was passed, particularly for the Medical Care Insurance Commission.

I am satisfied that the public is demanding the extension of public health services in the area of drug care, optical and dental care, etc. I am satisfied that the public programs should be extended and that private services and authority in the health field should probably be narrowed.

Would other voluntary agencies come next year and ask us to enact similar legislation? Mr. Speaker, GMS have been able to operate effectively and efficiently under the former set of rules. There appears no good reason to pass this legislation unless someone could show us good cause why it should be enacted.

HON. D.T. McFARLANE (Minister of Agriculture): — On a point of order, Mr. Speaker, did I understand the Member to say that he was quoting from the contents of the letter or the nature of which he wasn't in agreement with or he didn't know that this Bill was coming into the House and was blocking out the name of the person for his own protection. Is that allowed in this House, Mr. Speaker? Do you accept full responsibility for the letter?

MR. SPEAKER: — The Member can't table anything if the name is blocked out, but I'm informed by the Clerk that it's not so. That's it. It's tabled as a signed document or a signed letter whatever it is. Let me have a look at it. It's a photostatic copy of the letter and it's certainly signed, that is, a photostatic duplication of the signature appears, and as such it is in order for

him to table it. Though, I haven't read the letter, or the contents, that's it.

MR. WEATHERALD: — Mr. Speaker, I introduced this Bill under my name as a Private Member's Bill and I have spoken with the Group Medical Services about this Bill. As customary in this House I felt at the time that it was not necessary to give an introductory speech as usually under the circumstances no introduction is given, though on listening to the Member's remarks I am quite sure that the counsel for Medical Services will be able to answer all these questions. However, I'll readily admit on listening to his remarks, I wasn't quite sure whether it was a war against the Group Medical Services that was being precipitated or a group of questions. I rather felt that it was somewhat of a retaliation for something they may have done on a previous occasion. Mr. Speaker, as I mentioned at the beginning, I'll close this debate and the counsel for Medical Services can answer any further questions.

Motion agreed to and Bill read a second time and referred to Select Standing Committee on Private Bills.

ADJOURNED DEBATES

RESOLUTION NO. 9 RE: PRICES REVIEW BOARD

The Assembly resumed the adjourned debate on the proposed Resolution, moved by Mr. Lloyd (Biggar).

That this Assembly seriously concerned by the sharp increase in consumer prices in Saskatchewan, fearful of the impact of price increases on the real wages of working people and on living and production costs of farmers and particularly on the well-being of those on fixed incomes, urges the Government of Saskatchewan to initiate immediate discussions with the Government of Canada with a view to establishing a Prices Review Board to determine the extent to which price increases are not justified and to take appropriate steps to reduce such prices accordingly.

MR. W.A. ROBBINS (Saskatoon City): — Mr. Speaker, Members will recall that this Resolution dealt with cost of living and urged that the Assembly be concerned with the sharp increases in consumer prices in Saskatchewan. Mr. Speaker, I would like to make some remarks with respect to this particular Resolution as I feel that it is of major importance to every person in this province, and particularly at the present time when the impact of inflation has been a very serious problem for all people living in the province.

Mr. Speaker, inflation and deflation are probably not very meaningful terms to the average consumer. Yet inflationary or deflationary measures and tendencies in the economy exert a vital impact on the consumer. Inflation will destroy the purchasing power of his savings and deflation may well usher him into the ranks of the unemployed. We have all experienced in the past, I am sure, to a greater or lesser degree, the economic devastation which can be inflicted by a prolonged deflationary economic period. We are all currently experiencing the erosion of purchasing power, depletion of savings and prostitution of pension probabilities through the impact of inflation, commonly referred to as the rising cost of living.

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Mr. Speaker, the Dominion Bureau of Statistics, conservative as they are in relation to the total price and cost-of-living picture, confirm our suspicions that real gains in terms of purchasing power are being depleted or eroded by the rising price spiral. Inflation is, in reality, a technique for stealing money, without the embarrassment of identifying the victim or too closely pointing out the beneficiaries of the theft. If a man cannot save a month's wages or income with a firm and reasonable belief that it will provide him with a reasonable equivalent when he needs it, then his incentive to save is gone. Remove incentive to save, Mr. Speaker, and the wherewithal for capital expansion and improvement is also gone. If you remove these fruits of his labor then you destroyed the basis of economic stability and of growth and industrial development. An atmosphere of inflation, Mr. Speaker, breeds on itself.

In any economic society there are those who, placed in positions of power, will abuse that power and secure unfair advantage. The Economic Council of Canada asserts in its third report that we have readily definable national economic goals, namely (1) full employment; (2) a high rate of economic growth; (3) reasonable stability of prices; and (4) a viable balance of external payments and an equitable distribution of rising incomes.

While it is reasonable to assert that Canadians have achieved some success in the first two, it is readily apparent that we have not attained even a moderate measure of success in the last three. A lack of reasonable stability in prices is perhaps the key to the problems which arise in failing to attain a reasonable balance in our external payments position and an equitable distribution of rising incomes. Why are we unable to achieve these desirable primary objectives? Economists debate the demand pull and cost push factors which appear on the economic scene, but rarely achieve any unanimity with respect to them.

We would probably all agree that consumer purchasing power is a major factor in maintaining a healthy economic climate. We on this side of the House contend, Mr. Speaker, that this sector of the economy can be immeasurably improved by taking steps publicly to eliminate, at least in some measure, some of the massive waste which is so readily apparent in our modern day economic society. The consumer is subjected to exploitation in his everyday economic experiences, and exploitation, Mr. Speaker, is not too strong a word to describe his position. Bombarded by advertising and bewildered by, buy now — pay later offers, more and more Canadians are borrowing themselves into serious economic trouble. Credit grantors must ultimately be held responsible for keeping consumers from over-extending their credit. However, the consumer should at least, have readily available, in easily understandable form, information with respect to the costs to which he commits himself. The law should require full disclosure of interest charges. Many credit grantors contend all the consumer requires is the dollar cost. This is a demonstrably false assumption. A consumer may purchase a \$100 item on time with a dollar interest cost of \$12 spread over six months. He may purchase a similar \$100 item at a second establishment on time with a dollar interest cost of \$18 and payments over 12 months. Clearly he is paying a much higher interest cost in the first instance although he pays a lower dollar cost for the extension of credit. Providing the dollar cost only, Mr. Speaker, actually misleads the consumer in his attempt to purchase credit prudently.

We may be critical of the consumer and his gullibility, but if you reflect on the matter you cannot logically put the whole blame on him. After all, he lives in a society that measures achievement not by inner standards but by material objects. Daily, there are voices — sometimes very respectable voices — Mr. Speaker, warning him that he has achieved nothing if his car merely gets him from here to there but does not look like a musical juke box, if his plumbing merely flushes but is not orchid colored. These pressures destroy reasonable economic approaches by large numbers of the members in our economic community. Like the man who mortgaged his house to buy a car, and got a loan on his car to build a garage. When questioned as to how he could buy gasoline for his care, he remarked anyone who owned their own house, garage and car should be able to buy gasoline on credit.

I have touched briefly on the overall economic impact of the rising cost of living on Canadians, increases which are particularly damaging to those on fixed income such as pensions. As a pension administrator I am constantly confronted with this problem. We do our best to alleviate situations but in the final analysis overall control of inflationary trends is the responsibility of governing bodies at provincial, national and international levels. Monetary and fiscal controls are required to contain inflationary tendencies and pressures. Utilization of one without the other, as is now apparent, merely adds, at least in some instances, to the inflationary pressures. The classical Gladstonian economic theories simply do not hold up in such a situation.

While no one with any training in economics will contend wage increases are not a factor in price increases, they are not in themselves, as the Premier so often implies, a factor. Any wage increases granted should, I agree, be related to productivity. The November 7th, 1966 issue of U.S. News and World Report, a newspaper which is not unfriendly to the antediluvian Gladstonian economic theories of the Premier and his Government provides some interesting statistical data on this particular subject. Of nine industrialized countries analyzed for the period 1957-64, percentage changes in unit labor costs in the manufacturing industry indicate increases from five per cent in the U.S. up to 34 per cent in the Netherlands, with one exception. That exception is Canada, where unit labor costs in this period in manufacturing actually declined by nine per cent. Mr. Speaker, I am always amazed by the arguments put up by people in relation to this sort of thing. If we took a look at the automobile industry this would give us good guidance in this particular field. In the year 1954 we produced about 354,000 automobiles in this country and we did it with a labor force bordering on 40,000. In 1966 we produced 758,000 automobiles and commercial vehicles, more than double, with 15,000 less persons in the labor force. Obviously these people had higher wages, but the unit labor costs in terms of the production of automobiles and commercial vehicles declined appreciably.

There is no doubt some price increases are justified. Economic catastrophe could occur for any business or industry which could not increase or raise the prices of its products or services when its costs have risen to a level which consistently exceeded returns realized on the operations of that particular business or industry. But, Mr. Speaker, there is also little doubt that price increases are at times totally unjustified. Inflation breeds inflation. The unscrupulous may well take

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advantage of the general trend. A Canadian Prices Review Board, as this Resolution envisages, would analyze price increases which were instituted. If they were justified the price increase of course, would be permitted. If not, they would be revoked. This, Mr. Speaker, would be at least a means of placing some reasonable control on price increases and on the inflationary trends. Mr. Speaker, I urge every Member of this Assembly to support the Resolution now before us.

Motion negatived.

RESOLUTION NO. 13 RE: APPROPRIATE EDUCATION FOR EXCEPTIONAL CHILDREN

The Assembly resumed the adjourned debate on the proposed motion of Mr. Nicholson (Saskatoon City):

That this Assembly believes that every child has the right to develop his potentials to the maximum, and recommends that the Government of Saskatchewan give consideration to encouraging school boards, through the grant structure, to accept the responsibility of providing an appropriate education for exceptional children; and further, this Assembly believes that because of the importance of this type of education to Canada, the Government of Canada should be urged to share with local and provincial authorities the costs of education for exceptional children, be they mentally, physically, or emotionally and socially exceptional.

MR. D.W. MICHAYLUK (Redberry): — Mr. Speaker, since adjourning debate at the time when the Hon. Member for Saskatoon (Mr. Nicholson) brought in this Resolution, I have given it some thought. On looking over and checking the address made by the mover and the speech that I made on a similar Resolution a year ago, I found that I have very little more to add. Last year's Resolution to which an amendment was added to the effect that through the grant structure, school boards be encouraged to accept the responsibility of providing appropriate education for exceptional children. There is little difference to the Resolution that was brought down in this Legislature and amended last year and passed by this House. This Resolution, Mr. Speaker, has one and that is; —

This Assembly believes that because of the importance of this type of education to Canada, the Government of Canada should be urged to share with local and provincial authorities the cost of education for exceptional children, be they mentally, physically, emotionally or socially exceptional.

This is the difference, Mr. Speaker, to involve the Federal Government in providing assistance to our school jurisdictions in Saskatchewan through a grant structure which would make it possible for the schools to provide education to those students who fall into this category. In other words to take the financial burden from the local governments. It is my opinion that no one in this Legislature need or would quarrel with this principle. As I mentioned a year ago that many of our school units, many of our school districts and city boards were providing this type of education for the handicapped students. I further mentioned, as was mentioned by the mover of this Resolution in moving the Resolution, that costs for the education

of this group are high. Therefore I think that we should agree, as we did last year, that due to rising costs more assistance in the form of grants from the Provincial Government should be made available to the local governments providing this type of education. One other fact, Mr. Speaker, mentioned at the beginning, is that this makes request to the Federal Government to assume a share in the cost of this type of education. Therefore, Mr. Speaker, I need not mention more. I'm sure that this Resolution will and should receive the wholehearted support of every Member of this Legislature. So with this, Mr. Speaker, I would support this Resolution.

HON. G.J. TRAPP (Minister of Education): — Mr. Speaker, the Members may recall that in this Assembly last year, the Hon. Member from Saskatoon (Mr. Nicholson) introduced a Resolution which urged legislation which would make it mandatory for school boards to provide specialized services for the education of the mentally retarded. Speaking to the Resolution introduced a year ago, I supported the philosophical view that every child has the right to develop his potentials to the maximum. At the same time, in view of the fact that school boards were faced with the need to provide specialized services of various kinds and because the supply of trained teachers for the mentally handicapped was very limited, I stated that I could not support the suggestion of mandatory legislation. I also pointed out that the Resolution was too restrictive in that it gave no consideration to other kinds of handicaps, the physically handicapped, the emotionally disturbed, and those who were hospitalized. Accordingly, at that time we moved an amendment to the Resolution and I quote:

That this Assembly believes that every child has the right to develop his potentials to the maximum, and recommends that the Government of Saskatchewan encourage school boards, through the grant structure, to accept the responsibility of providing an appropriate education for exceptional children.

This amended Resolution was supported.

Turning now to the Resolution before us, you will note that the first part of the Resolution merely restates that which the Assembly approved last year. At this point, it would be appropriate to report on examples of the types and enrolments of special classes for exceptional children in Saskatchewan, the majority of which are operated by school boards, and all of which are supported by Provincial funds. the statistics are taken from the Annual Report of the Department of Education for 1965-66:

<u>Type of Class</u>	<u>No. of Teachers</u>	<u>Enrolment</u>
Pre-Vocational	21	400
Home Arts	2	30
Special Remedial	4	60
Educable Mentally Handicapped	65	1135
Trainable Retarded	56	460
Academically Talented	16	450
Deaf	21	149
Emotional Adjustment	1	6
Pre-School Deaf and Hard of Hearing	2	10
Crippled Children	1	10
Hospital Classes	5	varies

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I would like to point out to this House that during the year 1965-66 there were 194 teachers employed for exceptional children leaving out those in hospitals because there is a variable number from time to time. There were 2,710 students having classes. I might say that in the current year, we haven't the figures in, but I'm sure that it is much above this level at the present time. The Department of Education has encouraged school boards to provide more services for exceptional children. The results have been gratifying.

For example, in the year 1959-60, 12 school boards were operating classes for the educable retarded, while in 1965-66 the number of board-sponsored classes was 65. From 1959-60 to 1965-66 it grew from 12 school boards offering classes to 65 school boards offering classes. For the trainable retarded in 1959, eight school boards were operating classes while in 1965-66 18 school boards were operating classes. These comparisons indicate that increasingly school boards are accepting more and more responsibility for the education of exceptional children.

Some of the factors governing the number of board-operated classrooms for exceptional children relate to the problem of obtaining teachers with special qualifications that are necessary for working with exceptional children. Canadian universities have not yet found it possible to offer complete sequences of courses in the various specialties and in the many areas of special education. Consequently, the supply of qualified teachers for exceptional children is very limited. You may be interested to know that the College of Education in Saskatoon has established a Department of Special Education, which should be of considerable help in training teachers for Saskatchewan classrooms for exceptional children.

Mr. Speaker, I want to make special reference to a new program for adolescent slow learners which was introduced in 1965. In co-operation with the Saskatchewan Association for Retarded Children, my Department has developed a Co-operative School Work Training Program, a program in which these young people are placed in many different work experience situations under supervision, and a special curriculum related to their vocational interests is provided for the in-class portion of their instruction. To date 12 school boards have implemented this new program and 12 school boards are expected to make a start before the end of the year. With 12 more, that would give us 24 school boards giving young people an opportunity to spend part of their time in work situations and the other part of the time in a class situation where their work in the class is related to the work in the field they are working in.

Mr. Speaker, may I also remind the Members of this Assembly that Bill No. 27, an Act to amend The School Act, contains an amendment to Section 122 which is relevant to the Resolution No. 13, which is before us. Formerly, The School Act permitted school boards to provide special classes of instruction for children who were physically or mentally handicapped. The proposed amendment would permit boards to establish special classes for all types of exceptional children or to provide financial assistance to any person or organization conducting such special classes.

All of us are aware that it does cost more to educate an exceptional child than it does to educate a normal individual. Some of these special classes, for example, for the emotionally disturbed must be very small. Some classes demand special and

costly equipment, for example the hard of hearing. For some children with certain types of handicaps, transportation to and from school must be provided.

The Government of Canada has to some extent, made a contribution in this area, grants to our University for its teacher training program and support for certain kinds of training programs for the handicapped under program six. You will be pleased to learn that my Department has just given approval in principle to the building of a special vocational school by the Regina Board of Education, under the terms of the existing Federal-Provincial Agreement. This school, to accommodate approximately 700 students from Regina and vicinity who cannot profit from the regular academic program, will offer for these exceptional children special vocational courses, many of which will be of the school-work training variety.

While the Government of Canada has been making some contribution to the cost of education for exceptional children, the need for greater assistance is evident. Mr. Speaker, I am certain that Members on this side of the House support this Resolution fully.

SOME HON. MEMBERS: Hear, hear!

Motion agreed to.

RESOLUTION NO. 7 RE: INCREASE IN OLD AGE SECURITY PENSION

The Assembly resumed the adjourned debate on the proposed motion of Mr. Whelan (Regina North):

That this Assembly is of the opinion that any increase in the old age security pension by the Government of Canada should be payable at age 65 without a means or income test.

And the proposed amendment moved by Mr. Mitchell (Bengough):

That all the words after "Assembly" be deleted and the following substituted therefor:

"congratulates the Federal Government for implementing the Guaranteed Income Supplement so that all people in need over the age of 65 will receive up to \$105 per month."

And the proposed sub-amendment moved by Mr. Blakeney (Regina West):

That the following words be added to the amendment:

"but regrets that the level of assistance is not adequate and the manner in which it is to be provided is inconsistent with the dignity and respect which should be accorded to our senior citizens."

MR. A.M. NICHOLSON (Saskatoon City): — Mr. Speaker, I wish to thank the Hon. Members for passing unanimously Resolution No. 13. And I promise I will present my very best arguments in the hope that the Resolution which was presented by my desk mate (Mr. Whelan) could eventually pass this Legislature unanimously. I would like to thank

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him for his Resolution. Had a Legislature that has a Liberal Government, decided to pass this Resolution unanimously, the Federal Government would probably change its mind. This is a move that is going to come some day and I can think of no better year than the year 1967 when we are celebrating our 100th birthday. The proposition we are debating as it presently stands would read as follows:

That this Assembly congratulates the Federal Government for implementing the guaranteed income supplement so that all people in need, over the age 65, will receive up to \$105 per month but regrets that the level of assistance is not adequate and the manner in which it is to be provided is inconsistent with the dignity and respect which should be accorded to our senior citizens.

I'm indebted to the Member for Regina West (Mr. Blakeney) who added this last amendment so that the House should have an additional alternative available. Mr. Speaker, I'm sure that the 1,200,000 senior citizens of Canada who have been receiving benefits under the old age security legislation will be very unhappy to know that the Government Members in the Province of Saskatchewan wish to commend the Federal Government for rejecting the universality of this very popular legislation and its proposal to turn the clock back and introduce the income, or more familiarly known means test.

Mr. Speaker, when the Minister of Public Works (Mr. Gardiner) adjourned the Debate when this Resolution was first before the Assembly, he made some critical comments about the legislation introduced by the CCF Government during the years 1944 to 1964. He had some critical comments about the administration of the various programs involving our senior citizens. I think it's significant that while he was sitting on this side of the House some six years ago, he didn't make the criticisms that he made the other day. If he really has some information to support the charges he made, I suggest that he pass these complaints along to the present Minister of Welfare (Mr. MacDonald) because the Minister is relying very heavily on the Deputy Minister who was the civil servant responsible for whatever was done that was offensive to the Minister of Public Works. Mr. Speaker, I am very proud of the fact . . .

HON. J.W. GARDINER (Minister of Public Works): — Mr. Speaker, on a point of privilege, the Hon. Member has referred to remarks I made the other day and he has charged that I never made these when I sat on the other side of the House. I could go out and bring exactly the same speech I made here the other day and the same statements and indicate to you that those statements were made when I sat on the other side of the House.

MR. J.H. BROCKELBANK (Kelsey): — You're not on a point of order either!

MR. NICHOLSON: — Thank you very much. Mr. Speaker, there's an amendment before the House and if the Minister has speeches that he wishes to make, he'll be quite in order to.

MR. GARDINER: — I'm in order to bring up a point of business.

MR. SPEAKER: — I would just point out that the debate is now on the sub-amendment not on the amendment.

MR. NICHOLSON: — I understood that we are in order in discussing the various propositions which are before us and one is not out of order I understand to refer to anything said in the original Debate. Mr. Speaker, I'm very proud of the fact that during the 20 years that there was a CCF Government in Saskatchewan, this province established a reputation of introducing and carrying out the best programs for elderly people in all of Canada. Saskatchewan was the first Province to introduce supplementary allowances for old age pensioners. Saskatchewan was the first Province to take advantage of the Federal funds under Central Mortgage and Housing Legislation to provide hostel accommodation in connection with low rental housing. I'm sorry to say that very few provinces in Canada have yet taken advantage of the funds that have been available for more than 15 years by Central Mortgage and Housing. I'm delighted to know that the present Government is still showing pictures with a good deal of pride of the facilities at Swift Current, the geriatric centre at Swift Current, Mount Royal Lodge in Saskatoon, and senior citizens housing at Yorkton, North Battleford and Assiniboia. It is significant that the present Government after being in office three years has very, very few original ideas of which they can boast.

Mr. Speaker, I really do not think it's very useful to go back 20 or 25 years to compare what was done in the 40s with what's happening in the 60s. but since the Minister of Public Works took time to refer to the past, I took the trouble to consult the Journals. I realize we have to go back a long time to find evidence to indicate what the Liberals did when there were in office before. But in the Journals for 1942, I found that the Member for Kelvington at that time asked an interesting question. It's found on page 149 of the Journal. What is the total amount collected from property of deceased old age pensioners, in each of the fiscal years since the Old Age Pension Act came into force in this province? I should explain that there were pensions of \$20 a month made available after one had gone through a very, very rapid means test, but it wasn't really a pension, but pre-death loan. After you died, if you had any assets, the Liberal Government of the day in Saskatchewan and the Liberal Government of the day in Ottawa, in the midst of war, had inspectors who roamed the province trying to recover a few dollars. And here's the answer to the question.

MR. STEUART: — No!

MR. NICHOLSON: — Yes, in a period and these figures can be checked in the Journals.

MR. STEUART: — And they should have!

MR. NICHOLSON: — Yes, in a period of 14 years up till the year 1941-42, they had collected on these pre-death loans, an amount of \$80,130 or an average of \$5,723 a year. Now the question was asked, "What was the total cost in each of the above years in connection with the collections?" The answer was in the typical bureaucratic answer, "No special department has been set up to handle the estates so work in connection with the collections"

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is a part of the office routine and is covered by administration costs of the department." But these were the days when there were political inspectors that were roaming the province.

MR. STEUART: — No!

MR. NICHOLSON: — And this was one of their assignments to try to recover an average of \$5,000 a year. Why this wouldn't begin to pay the salary and expenses of these high-priced inspectors who were roaming around.

MR. H.H.P. BAKER (Regina East): — The legislative secretaries!

MR. NICHOLSON: — Mr. Speaker, I went to an impartial tribunal, the Federal Bureau of Statistics. This was for the same period and I'm quoting from the Canada Year Book, page 719 for the year 1942. I am sure that Hon. Members are not surprised when I tell them that the Province in western Canada that chiselled from the old people was the province in which we are living, Saskatchewan. Here is what they paid, as found on page 719. Saskatchewan paid an average pension of \$17.08 per month to the old age pensioners.

MR. STEUART: — How much?

MR. NICHOLSON: — \$17.08. in Manitoba, \$18.70; in Alberta, \$18.62; in British Columbia, \$18.97. All I'm saying was that even when the pension was \$20 a month, the Saskatchewan record during those years indicated that the Administration in Saskatchewan took \$2.92 per month, every month, from the elderly people of this province. I should explain that initially the legislation provided that these pensions be paid on a fifty-fifty-basis by Federal and Provincial Governments.

MR. STEUART: — You gonna tell us about your means test, Sandy?

MR. NICHOLSON: — Beg your pardon.

MR. STEUART: — You gonna tell us about your means test?

MR. NICHOLSON: — The means test that we had was the test which was required by a Federal Liberal Government before anyone could get a pension.

MR. STEUART: — Supplementary allowance.

MR. NICHOLSON: — No. They required certain tests if we were to share under Federal programs. I hope that the Deputy Leader will take part in this debate . . .

MR. STEUART: — Things were better in Ireland, that's where I was!

MR. NICHOLSON: — . . . and indicate that there is a change in attitude in Saskatchewan that we really do not like to return to these rough days. After having established in 1951, an old age

security program that has been the envy of all countries in the western world, now in our Centennial Year we are being asked to repudiate the universality of this legislation. For 15 years it was a very simple procedure for people in this age group to supply proof of age, information as to how long they had been in the country, and before the end of each month, they received from the Department of Health and Welfare, a cheque for the balance of a lifetime. Now, each year the individual who wants anything more than \$75 will have to complete an application declaring his income for the previous year. Grandparents are in considerable demand as babysitters. How many times during 1966 did grandma receive 50 cents or a dollar acting as a babysitter? At the end of the year, if she wants to get any or all of the \$30, she must itemize her income from every possible source. She then must sign, and here I have the application that everyone must sign before getting anything extra.

I hereby apply for a guaranteed income supplement and declare that to the best of my knowledge the information, given in this application, is true and complete, and I understand that such information may be checked by the Taxation Division of the Department of National Revenue. (Anyone who knowingly makes a false statement or a misleading statement in an application is guilty of an offence under the Old Age Security Act).

And, Mr. Speaker, what are the penalties?

MR. STEUART: — My mother is still alive.

MR. NICHOLSON: — Anyone who obtains a pension payment under false pretenses is guilty of an offence and is liable on summary conviction to imprisonment to a term not exceeding six months or a fine not exceeding \$500 or to both fine and imprisonment.

Mr. Speaker, there are many elderly people in Canada who have been living on \$75 a month. This is something of which most Canadians should be ashamed. And I think that, having decided that everyone can have \$75 a month when you reach the given age, it is most reasonable that this group of people should be given the additional \$30 a month provided in the legislation without reintroducing this very offensive income test. I believe that the language used in this legislation for the introduction for the income test is offensive. I hope that Members will change their minds and support the original wording of the Resolution.

Mr. Speaker, it is not surprising that Mr. Diefenbaker, the Leader of the Opposition, speaking in the House of Commons on December 15, on page 10713 of Hansard said:

Sir, what has been done here will bring about a new bureaucratic apparatus with snoopers on every hand since it cannot operate otherwise. The resolution states that there will be a provision for appeals by pensioners against decisions or determinations made under the Act. That is something what was not dealt with by the minister. Since you set up an appeal procedure you indicate that a full and careful examination be made, that snooping will be in effect and that the individual, on bended knee, will have to establish his needs in order to get the added amount.

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These were the words used by the previous Prime Minister in debating this question in the House of Commons.

Mr. Speaker, the snooping has already commenced. This form I was speaking from states in bold type, "Old Age Security Pension and any similar Provincial payment do not include any of these; do not include War Veterans' Allowance."

Well, Mr. Speaker, two form letters have recently come to my attention from the Saskatoon office of the Department of Veterans' Affairs. These read as follows:

We have received confirmation from the Regional Director of Old Age Security, Department of National Health and Welfare, Dominion Government Building, Scarth Street and Victoria Avenue, Regina, to the effect that you have submitted an application for the guaranteed income supplement. When you receive word from Regina to the effect that your application has been approved, will you please let us know the monthly rate and the effective date of approval. This information is required in order to adjust the rate of your allowance as the guaranteed income supplement approved, will be considered income from the War Veterans' Allowance purpose, thus necessitating a reduction in your allowance.

Signed by the District Authority.

Mr. Speaker, one of these letters has come from an 85 year old whose husband gave the best years of his life in service of his country during World War I as did the Member for Kelsey (Mr. Brockelbank, Sr.). when he returned from overseas, the type of employment that was available in those days, the type of benefits differed from benefits after World War II. Consequently he was never able to provide adequately for the evening of life. It is almost 60 years since he and his wife came to this country. Now at 85, she has been told that the War Veterans' Allowance is going to be reduced by whatever amount she gets from the supplement.

I submit, Mr. Speaker, that those who have lived so long and have worked so hard and who are in poor health, should be excused from the embarrassing position of completing these forms every year, setting up books to indicate what sort of work they have had and the income each week.

And this brings me to the Minister of Welfare and his responsibility. On page 10,712 of Hansard, December 5, Mr. Douglas had two questions to ask the Minister. "First, do I take it that supplementary payments received from provincial governments would not be considered as income?" Mr. McEachern said, "Yes, I am certain that the answer to the first question is Yes." "In the second place, is it correct to say that contributions from the families of old age pensioners would not be considered as income?" And Mr. McEachern said, "The answer to the second question is, definitely, Yes."

But as I predicted in my remarks some time ago, the major portion of what the Federal Government is giving the people who have been receiving supplementary allowances in the province, will be taken away by the Provincial Government. Under terms of the guaranteed income supplement to the Old Age Security Act, up to \$30 is being made available to those currently

receiving \$75 monthly for old age pension. The Provincial Government rather than raising the schedule of allowance under the Saskatchewan Assistance Plan, has chosen to leave the schedules virtually unchanged. Since the \$30 guaranteed income supplement is considered as income for purpose of the Saskatchewan Assistance Plan, the province can expect a considerable reduction in expenditures under the Plan. For example, if under the needs test the person required \$150, the extra \$75 would be paid half by the province and half by Ottawa. Now, here has been upward revision of about 10 per cent in the food allowance and this would bring the amount under the needs up to \$153.90, taking into account the \$75 old age security and the \$30 from the guaranteed income supplement and the additional \$48.50 would be paid half by Ottawa. The maximum saving to the Government of Saskatchewan would be about \$13.05 per senior citizen a month according to my calculations. And on the basis of 9,000 people that receive this amount, it would appear that the Provincial Government is saving about \$1,400,000 at the expense of the elderly people that we are supposed to be honoring in our Centennial Year. Now I am aware of the fact that the Minister has said that this \$1,400,000 isn't going to go into highways. It is going to be used to improve the welfare of everybody else in the province. I think that everybody is agreed that the needs of everyone must be given fair consideration. I think that it will be difficult to justify in the country that the Members on the Government side of this Chamber want to have the income test introduced and the people who have had such a rough time for so many years in the position where they are only very slightly better off. As I said, the Minister proposes than an increase in the food schedule of about 10 per cent for an adult and this will mean about \$2.40 per month. This will apply to all people on assistance not just to the old age pensioner. The Government recognized the need to increase payments under the Saskatchewan Assistance Plan, but they are increased at the expense of lower payments to pensioners rather than permitting them to retain the extra \$30 per month.

The increase for personal allowance for adults doing their own housekeeping is from \$1.75 to \$3.25 a month, an increase of \$1.50. but this means a magnificent allowance for personal expenditures of about 13 cents a day. This is very generous, isn't it.

For those senior citizens looking after themselves and doing their own housekeeping the increased benefit will be the \$2.50 more for food, the extra \$1.50 for personal allowance. At the same time the Provincial Government expects to save \$13.05 out of the amount that the person who has been getting assistance will be penalized for. Single persons who live in rooms and eat out, will receive a rental allowance based on the actual amount paid, plus \$2.70 a day for meals. Previously a flat \$60 a month was paid and now \$81 plus the rental will be payable. But the real beneficiaries under the increase will be the Nursing and Special Care Homes. For those requiring supervisory and limited care who are now receiving \$125, will be receiving \$180. The persons requiring extensive care now receiving \$235, they will be receiving \$260. The increase in allowances under the Saskatchewan Assistance Plan will affect all those eligible for Saskatchewan Assistance payments and not just the senior citizens. The Minister of Welfare claims that the province has to include the guaranteed income supplement as income or the Federal Government would share in the Provincial supplement allowance. The Minister hasn't brought down the correspondence that was ordered some time ago and there

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seems to be some conflict between what he is saying and what the Minister of Welfare in Ottawa has been saying. The Minister of National Health and Welfare, on page 11,098 of Hansard, December 13th said:

The Hon. Member asks, will the provinces now say they have received what we have been giving and so we will cut back our supplementation? All I can say in reply to that and I would hope this would be the case in areas where the extra assistance is necessary, is that the provinces should take advantage of the provisions of the Canada Assistance Act, in order to provide required supplementation.

He had indicated that there was nothing in the Government's proposal which obliged a province to cutback its supplement. It was a matter for the province to decide, and he couldn't decide that. Mr. Knowles, wasn't quite satisfied and he said the Government would have the same problem with the Provincial supplement. The Minister stood up with all his generosity and said that Provincial payments would not be counted. People would still get their supplement even though they were getting the Provincial supplement. But some of these people might find that the province in which they lived had a means-test ceiling on the supplement. Therefore, they would get the supplement from the Minister of National Health and Welfare, but lose the supplement they were getting from Mr. Bennett or some other Provincial Government. But, Mr. McEachern maintained that was up to the Provincial Government. The Federal Government respected the rights of the provinces.

Mr. Speaker, those who have spoken on the Government side in opposition to the original Resolution have been very feeble and have raised the arguments which were rejected in 1951, when Canada started this means test and assured everyone of a pension at a given age as a matter of right. It has been established that it is economically sound to have everyone contribute, everyone eligible. It is true that the universal plan would cost more, but Canada can afford it. The Ottawa Journal of March 2nd last year reported Defence Minister Hellyer in an address to the Ottawa Canadian Club as follows:

Changes are inevitable in NATO. It is time to take a new look at the alliance and the form it should take in the next decade or two.

Mr. Hellyer suggested NATO could make saving of some \$7,000,000 annually on its present annual gross defence expenditures of \$74,000,000.

Canadian Department of National Defence could no doubt make a similar reduction to the 10 per cent suggested by Mr. Hellyer for NATO and pass on these savings to our senior citizens.

In Hansard, December 19th, which contains the Sharpe mini-budget, I find on page 11,335, that at the end of January, 1966, there was a surplus of \$217,000,000 in the old age security fund. On January 1st of this year it was expected the surplus would be \$391,000,000. It was anticipated in January 1968, that the surplus would be up to \$477,000,000. On page 11,337, again in the budget papers, I note that for the year 1966-67 under the old age security payments, Mr. Sharpe anticipated revenues of \$1,275,000,000 and payments of

\$1,051,000,000, a surplus of \$224,000,000. Even if eventually payments should exceed revenue, I am sure that Canadians would gladly accept additional taxes in preference to introducing a procedure which is inconsistent with the dignity and respect which should be accorded to our senior citizens. I am sure that everyone in this Assembly welcomes the fact that a new figure has been set for old age security, \$105 a month. The only point which separates those on this side from those on the other side is the introduction of a means test.

If it's a good thing with pensions of \$75 a month without a means test, I can see no good reason why, when we have such buoyant conditions in Canada, it should be suggested we introduce a means or income test for an extra \$30 a month.

If we can carry the amendment proposed by the Hon. Member for Regina East (Mr. Smishek) and later reject the income test, I believe that Mr. Pearson would be able to inspire the opinions of this Assembly. I am convinced that he would either change this legislation before the next election or promise to abolish the procedure before going to the people. In the meantime many elderly people will continue to exist on \$75 a month rather than complete these forms and many others unfortunately will have passed on to their last reward before these changes are made effective.

As we in Canada celebrate our 100th birthday let us as Members of the Assembly support the Resolution which, if passed in its original form and passed by the Government of Canada, would enable the older people of this province and of Canada to enjoy the dignity and self-respect of a pension, free of any test. This in turn would guarantee that Canada will continue to be a country with a pension plan which respects rights and dignities and be respected all over the world.

SOME HON. MEMBERS: Hear, hear!

HON. C.P. MacDONALD (Minister of Welfare): — Mr. Speaker, I had not intended to take part in this debate, but I do want to say just a few words regarding what the Member from Saskatoon (Mr. Nicholson) has said.

First of all he started off with a long recitation describing conditions back in the depression and during the early years of the war, outlining the requirements for a pension plan at that time for Canadians.

You know, Mr. Speaker, it is a little difficult to realize how short the memory of the senior Member for Saskatoon is. I have here a means test that did not exist in 1935, 1936, or 1937 but was in existence in 1964. And people in the Province of Saskatchewan over the age of 75 are still receiving the benefit of this means test. This means test was put in by the predecessor of the senior Member for Saskatoon, Mr. Sturdy, not back in 1935, but in the early 1950s. It has carried on including the term of office of the present senior Member for Saskatoon. And do you know how much the senior citizens of Saskatchewan are receiving under this means test? Not \$30 a month, not \$20 a month, not \$15 a month, not \$10, but \$5.70 a month. And we talk about an income test, Mr. Speaker. There is a basic difference between a means test and an income test. A means test is based on the assets of an individual. It is an antiquated system that has long been removed from welfare concepts in Canada, all

but in the Province of Saskatchewan under the former NDP Government.

Mr. Speaker, it is a little difficult to understand how a Member can stand up on that side of the House and be critical of a \$30 a month income supplement and then stand up and defend a policy implemented and fostered while he was the Minister in the Province of Saskatchewan, a means test of the type and the calibre imposed by his Government.

Secondly, he then turned around, Mr. Speaker, and criticized the fact that the personal allowances for our senior citizens were going to be the equivalent of 13 cents per day. It is a little difficult, Mr. Speaker, to appreciate that point of view when two years and eight months ago, that same personal allowance for those same people in the Province of Saskatchewan, was 7 cents per day, not 13 cents per day.

Then, Mr. Speaker, he got up and talked about the food allowance, he stated that the Minister of Welfare is going to increase food allowance by \$2.40 per month. Mr. Speaker, isn't it amazing that, while he was the Minister of Welfare, from 1959 to 1964 — it was the time of the greatest inflationary period perhaps in our province's history — it was a time and period when the cost of living in this province was going up by leaps and bounds — as Minister of Welfare, he never raised the food allowance, not one nickel, not one dime, let alone \$2.40.

AN HON. MEMBER: — Oh, Sandy!

MR. MacDONALD: — I would also like to point out, Mr. Speaker, that this is the second increase in the food allowance in the Province of Saskatchewan in a 12-month period. It was not only raised 10 per cent on the first of April it was raised 12 per cent, for a total of 22 per cent increase. I challenge the Member from Saskatoon or any Member opposite, to stand up and say that there is any government in the Dominion of Canada or in the North American continent that has made as substantial an increase in the food allowances for our senior citizens or for all people in need as in the Province of Saskatchewan.

Therefore, Mr. Speaker, I think that when we examine the kind of statement that the senior Member for Saskatoon makes, when he goes back to the early days of depression, that it would be more accurate to stand up and compare the pathetic record of his Government with the generous increases provided by the present Government.

SOME HON. MEMBERS: Hear, hear!

MR. F.A. DEWHURST (Wadena): — Mr. Speaker, I intend to add just a few words to this debate.

This Resolution is asking the Federal Government to put this increase as a straight increase for all pension benefits. And I believe that this should be done.

The amendment pats the Federal Government on the back, but doesn't put any food or clothes on the old age pensioners. The point that I would like to bring out, Mr. Speaker, is that at this session not very long ago, a Bill to amend a previous Act

increased one certain old age pension by \$100 a month. In addition he already qualifies for his old age pension. And I am not objecting, but I do object that other pensioners, just because they didn't have the opportunity to have had the public recognition of one old age pensioner that we have in the province, shouldn't even get \$30, when another old age pensioner gets a pension of \$350 a month. I think, that is a thing that the Hon. Members opposite should keep in mind when they are going to vote against the Resolution which was put on the Order Paper from this side of the House.

The sub-amendment was negatived on the following Recorded Division:

YEAS — 24

Messieurs

Lloyd	Nicholson	Wooff
Hunt (Mrs.)	Kramer	Snyder
Walker	Dewhurst	Brotten
Brockelbank (Kelsey)	Berezowsky	Robbins
Blakeney	Michayluk	Pepper
Davies	Smishek	Brockelbank (Saskatoon City)
Thibault	Link	Pederson
Willis	Baker	Whelan

NAYS — 25

Messieurs

McFarlane	Coderre	Romuld
Cameron	Bjarnason	Weatherald
Steuart	Trapp	MacLennan
Gardiner (Melville)	MacDonald	Larochelle
Guy	Gallagher	Hooker
Merchant (Mrs.)	Breker	Coupland
Loken	Leith	Gardner (Moosomin)
MacDougall	Radloff	Mitchell
Grant		

The question being put on the proposed amendment, it was agreed to.

The debate continues on the motion as amended.

MR. J.H. BROCKELBANK (Kelsey): — Mr. Speaker, I beg leave to adjourn the debate.

Debate adjourned.

RESOLUTION NO. 10 RE: MINIMUM WAGE LEVEL

The Assembly resumed the adjourned debate on the proposed motion by Mr. W.G. Davies (Moose Jaw City):

That this Assembly, recognizing that the sharp increase in living costs of the past several years has borne especially heavily on low-income earning employees and their families, recommends to the Government of Saskatchewan and its Minimum Wage Board, speedy action to (a) establish the \$1.25 per hour minimum wage level stated in the Canada Labour (Standards) Code; and (b) retain the Canadian Welfare Council to undertake a full

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investigation to determine the minimum wages required in Saskatchewan to furnish the necessary cost of living to employees.

And the proposed amendment moved by the Hon. L.P. Coderre (Gravelbourg):

That all the words after the word "families" in the third line be deleted, and the following substituted therefor:

commends the Government of Saskatchewan for having raised the minimum wage on two occasions, and (a) recommends the Government of Saskatchewan to work towards a \$1.25 per hour minimum wage level; and (b) to continue its investigation to determine the proper minimum wage and hours of work necessary for Saskatchewan.

MR. E. WHELAN (Regina North): — Mr. Speaker, this Resolution in its original form deserves commendation and support. The amendment combined with the Minister's statement reflects the policy of the Government. This policy reminds me of a man backing into a tunnel, looking back at the entrance. What an example of leadership, instead of looking ahead they keep yelling back at the past. Instead of meeting problems they say we are keeping up with history. Their position is to ignore the needs of our citizens and defend this by standing up and comparing their efforts with the efforts of the past or comparing their efforts with others who are equally as talented.

Mr. Speaker, let us look at the facts. Corporation monopolies have cornered the manufacturing of food stuffs. The Liberal Government at Ottawa has let them get away with it. Our Provincial Government has refused to raise the minimum wage to a rate of \$1.25 an hour across the board. This is certainly practising togetherness. What is the result?

Since 1964, the cost of living in this province with the encouragement of the Liberals, provincially and federally, dancing to the tune of the food monopolies, the cost of living has gone up like a sky rocket. In my riding, in many cases, both the husband and wife work to buy food, clothing and shelter. General wages in industry have risen but are now, in Saskatchewan, below the Canadian average and the trend is continuing in this direction. Perhaps the other working member of the family is receiving the minimum wage. From this amount is paid a part-time baby sitter.

The Minister has never belonged to a union, has never worked for a minimum wage while living in an urban area. His experience in this respect is limited, as long as he enunciates a go-slow labor legislation policy he certainly won't help the low-income people that I represent in Regina North. This Resolution in its original form will help them.

The bills that the people in my constituency owe to finance companies, the bills that they owe for clothing, for rental, for furniture, for groceries, tell the story of living costs that exceed their income. Investigation is hardly necessary. If the Minister was to continue his investigation as the amendment suggest, I have visions of him asleep in a car that he dreamed was lost way back in 1964.

Even the most naïve, even a person who has never been a

member of a union, who has never lived on the minimum wage in the city, must know what has developed in the last three years. If the State of Montana, Mr. Speaker, has a \$1.40 per hour minimum wage, \$1.25 per hour is not too high for the Province of Saskatchewan. I support the original Resolution. I think the amendment is a setback to those working people who are trying to exist on the present minimum.

SOME HON. MEMBERS: Hear, hear!

MR. G.T. SNYDER (Moose Jaw City): — Mr. Speaker, to those people who are presently affected by minimum standards, the Resolution as it was moved originally by my colleague, the senior Member for Moose Jaw (Mr. Davies) will represent the most important measure to be debated in this House during the 1967 session. Members will be aware, I'm sure, that minimum wage laws affect a minority of Saskatchewan's non-agricultural labor force. Minimum wage provisions set a minimum below which wages must not be allowed to fall. It's recognized that this protection is provided in the main to assure the unorganized worker that he will receive adequate wages to provide the essentials of life in this so-called affluent society of ours. In most provinces, minimum wage orders cover practically all employment with the exception of farm labor and domestic services. Due to the individual circumstances surrounding each employee, I suppose it's difficult to measure just how close to the poverty level a good many people live. It's certain, Mr. Speaker, that the present minimum wage will provide no more than the bare necessities of life. The brochure which was produced by the Department of Labour in Saskatchewan, dated September 1, 1966, sets the basic minimum wage of approximately \$40 a week for full-time employees in Saskatchewan cities. Indicated in this brochure also are some differentials for a variety of categories. But in the main, Mr. Speaker, the minimum wage is in the area of \$160 a month. I doubt if there are many people in or out of this House who will argue that this figure will provide more than the minimum requirements for a single person much less for a married couple. Members will recall, I believe, that the cost of living index stood at 135.6 in 1964. By January of 1967 it had risen to 146 representing an approximate 10-point increase which the experts tell us has meant a general rise in living costs of about eight per cent during that period of time. There are many, Mr. Speaker, who will argue that minimum wages have not been realistic with respect to the average Provincial wage. I am one of many who are convinced that the basic minimum wage should never be greatly below the provincial average. In actual terms, however, Mr. Speaker, as of May, 1966 the average wage in Saskatchewan was \$88 a week, while the minimum wage was approximately \$40 a week or \$48 below the provincial average. The group of workers who suffer most in terms of their hourly wage rate, Mr. Speaker, are those who are regarded as full-time employees outside of the cities of the province to whom minimum wage rates apply. The minimum wage for these people amounts to \$38 a week and in the majority of cases the work week is set at 48 hours a week as compared to 44 hours a week in the city. Clearly, Mr. Speaker, this amounts to a minimum hourly wage of 79 cents an hour which is 46 cents an hour below the proposed \$1.25 which was originally mentioned in the Resolution, which was moved some time ago and is provided for in the Canada Labour Code. I would hope, Mr. Speaker, that the majority of the Members of this House would recognize the immediate need for an upward revision in minimum wage standards. The purpose of the basic minimum wage, Mr. Speaker, has been described as a device to protect the nation from the evils and the dangers resulting from wages too low to

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provide the bare necessities of life. As such, I believe it's incumbent upon the Government to constantly review and adjust minimum standards and to constantly review and adjust the standards in keeping with the cost of living increases and current needs. It will be noticed, Mr. Speaker, that there have been two adjustments in the minimum wage since this present Government took office. The Minister of Labour (Mr. Coderre) draws attention to this fact in his amendment and he congratulates the Government on this score but ignores the fact that the increases in the minimum wage rates have not kept pace with the increase in the cost of living. And it also ignores the fact, Mr. Speaker, that part-time employees have received no adjustment in their minimum wage rates since the former general adjustment of a former CCF Government in 1964. I would hope, Mr. Speaker, that it would be unnecessary to impress upon Members the fact that it is those people on low incomes who suffer the most when costs rise more rapidly than do incomes. This era of spiralling costs has caused problems for those in mid-income and even in some higher income levels. Higher costs have resulted in some families curtailing some non-essential activities. Some families have concluded that the second automobile is an expendable item, others have tightened their belt by buying a chuck roast instead of the sirloin tip. Others have economized by reducing expenditures on liquor, on tobacco or other non-essential luxury items. This course of action though, Mr. Speaker, is not open to those who are already living in the state of deprivation. It's impossible to curtail luxuries which they have never been able to afford. To the majority of those that I speak of, food, clothing and shelter, take the major share of their income dollar. I'm sure that Members will be aware that in Saskatoon and in Regina, the cost of living index rose 10 points for food from 133.9 to 143.9 in one year from September, 1965 to September, 1966. During the same period, clothing went up by 6.6 points. The effect of this rapid rise and the cost of basic necessities, basic essentials, Mr. Speaker, has placed many people in a position of deprivation or abject poverty. It's a matter of concern, Mr. Speaker, that many workers who receive a bare minimum wage are those who perform a most valuable and essential service. This Government apparently recognized the value of a group of these people and acknowledged the essential nature of the service that hospital workers provide when they included them in the provision of the Essential Services Emergency Act last September. In spite of the essential nature of the service that these people provide, they remain the lowest paid people on the wage scale with the exception of farm labor. In this light, Mr. Speaker, I believe the Government has an obligation to assure these people that they will not be required to work for substandard wages as a result of the straight jacket that they were placed in last September. These employees, Mr. Speaker, who provide care for the sick in hospitals, for the mentally infirm in our mental institutions and for the aged and infirm in Saskatchewan's nursing homes are providing what is considered by many people to be an unparalleled service to both the community and to the province as a whole. We are expecting too much of them, I believe, if we expect that they will continue to work unselfishly and without complaint at the present level of minimum wage as many are required to do. The turnover in staff in these institutions, Mr. Speaker, has been devastating. In recent months, competent and well trained people have gone elsewhere to work where they can demand a more adequate wage. For this reason well trained institutional staff have been at a premium and the difficulty in recruiting and keeping them has had many disturbing side affects that I don't intend to go into this afternoon. An increase in the basic minimum wage can only help to improve this situation, Mr. Speaker. The minimum of

\$1.25 per hour as outlined in the original Resolution cannot be regarded as excessive and I think at this time, Mr. Speaker, that Labour Minister MacEachen deserves some commendation from this House for the initiative that he has shown in the inclusion of this minimum standard in the Canada Labour Code.

The second part of the original Resolution, which has been under discussion, Mr. Speaker, asks the Canadian Welfare Council to undertake a full investigation to determine the appropriate level of minimum wages and to furnish an adequate wage scale to Saskatchewan employees. To this point, Mr. Speaker, it would seem that in the past we have chosen a figure more or less by random without adequate guide lines to work within when the minimum rates are set. At present, Mr. Speaker, The Minimum Wage Act provides and I'm quoting from the Act;

that the board shall determine the level of the minimum wage on the basis of either (a) what the board deems adequate to furnish the necessary cost of living to employees in the class of employment affected or (b) what the board deems fair and reasonable having regard to the wages that the board considers to be generally prevailing in the class of employment affected. And the board may as it deems fit use either basis in fixing a minimum wage for employees in any class or classes of employment.

But when the Minister spoke on this Resolution last Thursday and moved his amendment, he suggested at that time that we didn't want any outsiders telling us what we should be doing in the Province of Saskatchewan and I can only suggest to him at this stage, Mr. Speaker, that the Canadian Welfare Council can hardly be regarded as an alien organization. Its work is highly respected across the nation and I should think that the opinion of this nationally recognized body would be welcomed in the light of rapid changes that have taken place in economic conditions across the whole of the country in recent months. I believe, Mr. Speaker, that an assessment by the Canadian Welfare Council could very well provide an effective and well considered judgment in deciding the appropriate level at which the minimum wage should be set in the Province of Saskatchewan.

It is interesting to note, Mr. Speaker, that the Federal Government has drawn some conclusions of its own with respect to the level at which the average family of four will begin to contribute income tax. The average family with two adults and two children are allowed a basic exemption of some \$2,600 a year before their income becomes taxable. I expect, Mr. Speaker, that most people will regard this as a low figure if they have been involved at all in raising, clothing, feeding and educating a family. Another source of information comes from the Social Planning Council of Metropolitan Toronto which in 1964 conducted a study. That study concluded that a family of four would need a monthly budget of \$409.88 to meet their minimum requirements. I would point out to Members that three years have passed since that study was conducted, so I believe that we can assume that the figure would probably be perhaps \$30 or \$40 higher than the basic figure of some \$409.88 at this present time. In any case, Mr. Speaker, a study by the Canadian Welfare Council as the original Resolution suggested would relieve the Minister of Labour (Mr. Coderre) and the Minimum Wage Board of making an arbitrary judgment as to the level of minimum wage.

The position of the Member for Arm River (Mr. Pederson), the Leader of the Provincial Conservative Party, should be a

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matter of interest to many Saskatchewan wage-earners when the vote is taken on this Resolution. The Resolution provides him with an opportunity to perhaps exonerate, at least in part, his Conservative colleagues in Ottawa headed by Senator Wallace McCutcheon, who a year ago exerted some rather vigorous pressure in an attempt to block many of the main provisions of the Canada Labour Code. I suggest to you that it will be a matter of concern and interest to all of us to see the official reaction of the Saskatchewan Conservative party in Saskatchewan.

I recall some months ago, Mr. Speaker, when the present Minister of Labour in Saskatchewan speaking to a gathering in Moose Jaw, at which time he remarked, "By their fruits ye shall know them." And I would hope, Mr. Speaker, that the Minister of Labour (Mr. Coderre) would aspire to a place in Saskatchewan's proud history and would wish to be remembered as one of the province's progressive law makers in the field of labor legislation. This Resolution, Mr. Speaker, in its original form provided him with the opportunity to reassess his position and to gain back some of the ground that has been lost in recent months. Provincial labor statutes in the Province of Saskatchewan have long served as a model for other provincial jurisdictions. I would hope at this stage, Mr. Speaker, we would not fall behind other provinces. With the admirable record that we've been able to point to with pride in the past, it will not be enough at this point in time to stand still and mark time. The adoption of the original Resolution and appropriate action to have its recommendations written into law would establish Saskatchewan once again as leader in this field. To strengthen this Resolution, Mr. Speaker, and to draw attention to the urgency of the matter, I am pleased at this time to move, seconded by Mr. J.E. Brockelbank (Saskatoon City) the following amendment:

That the following words be added to the amendment:

"recognizing that further delay in establishing the said level of \$1.25 per hour will continue to impose hardship on many Saskatchewan citizens."

Sub-amendment negatived.

Amendment agreed to.

MR. W.G. DAVIES (Moose Jaw City): — Mr. Speaker, I think at this point, I am closing a debate. Is that right? I only have a very few remarks to make here this afternoon, Mr. Speaker, and they are in reply to my friend, the Minister of Labour (Mr. Coderre) as you might expect. In his remarks the other day the Minister of Labour (Mr. Coderre) did more than I could do to justify the text of the Resolution that I placed before this House.

When he spoke the other day, the Minister told us that the latest figures in his possession put the average weekly wage in Saskatchewan at \$93.40 a week. In February of 1965 which was one of the dates that I took in comparing the cost of living figures, the average weekly wage was \$83.94. in other words the difference between the average weekly wage of today, (\$93.40) and that in February, 1965, is \$9.46, almost \$10 a week. There has been almost \$10 a week increase in average weekly wages since 1965.

The Minister of Labour tells us that an increase in the minimum wage of \$2, under his Government, or one-fifth of the increase in average weekly wages, is enough. I suggest by his

own figures he has established the best argument which could possibly be established in this House, for all the Members to vote for the Resolution that I have placed before it.

The Minister in his discussion the other day told us that one of the solutions to the whole sorry business of poverty, so far as this applied to the minimum wage, was to have more training for adults. Of course I don't disagree that this is one of the solutions for low wages. But I say, surely in the terms of his argument, if people are getting as he told us, \$83.00 a week for a training allowance while they are learning, there is every reason why the minimum wage for people that are working should be at least \$40 or \$55 a week, because this is \$33 under the figure that is established for those people who have allowances for adult training.

The minister suggested that all of the workers that are on minimum wage or near it should be taking adult training at allowances of \$83 a week. Then, of course, he is stating the impossible simply because his Government doesn't have the facilities for training the 40,000 or 50,000 workers that are below \$50 or \$55 a week, and the 25,000 to 30,000 that are at the minimum wage level at present. So his whole thesis is simply ridiculous.

MR. CODERRE: — How often must it be repeated to get it into that thick skull of yours?

MR. DAVIES: — The Minister told us the other day that the minimum wage laws in this country were inspired by the widespread poverty we knew in the 19th century. Well, the Minister of Labour, again as usual, is wrong. Minimum wage legislation did not come about in this country until well into the 20th century. And if he is telling us that there are not poverty levels existing at this time that justify the minimum wage . . .

MR. CODERRE: — On a point of order! I understand that when a Hon. Member is closing a debate, if he is answering, he should only answer matters that have been discussed in the debate and not bring up new matters as the Hon. Member is doing.

MR. DAVIES: — On the point of order, Mr. Speaker, I am dealing with matters that the Minister raised the other day. As a matter of fact I rose on a point of order on one occasion during his speech and said that the question of training should not be discussed. He insisted in discussing it. One of the subject he raised — and it is recorded right here in this newspaper item — is that minimum wages "were inspired by wide-spread poverty we knew in the 19th century." This is what I am replying to. The Minister's memory must be very poor if he doesn't recall this statement.

The Minister also said on that occasion that we have social security to take care of low wages. Mr. Speaker, I think the Minister should realize that minimum wages are not here to substitute for the kind of social aid law that his fellow Minister, the Member from Milestone (Mr. MacDonald) takes care of in his Department. The whole function of a minimum wage is to have a rate that will not subsidize low wages and permit classes in the society to be subsidized by public expenditure. This is a responsibility, I suggest, of the employer. It is the quintessence

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of absurdity in any case to suggest that social aid is the answer. I say that social aid should not subsidize industry or business.

The Minister told us the other day that the minimum wage is a greater percentage of the average weekly wage than heretofore. Wrong again! Because on the Minister's own weekly wage figure of \$93.40 — the average weekly wage — is some 60 per cent or more above the minimum wage. I think the actual minimum wage figure as a percentage of the average weekly wage is about 42 per cent.

The Minister says that our Government supports the principles of the Canada Labour Code and will increase our minimums at the opportune time. What familiar words we get from the Minister on questions of this kind and other similar questions. I don't know when the time could be more opportune to increase the minimum wage than now when the cost of living has been zooming in the manner it has during the past six or seven months. I point out to the Minister that his last increase in the minimum wage did not become effective until September of 1966. This was well after the time that the Minimum Wage board made the decision to raise the minimum rates. Of course, in all of this time the erosion of living costs further watered down the final increase. It has only been in effect since September which has further aggravated the situation for many small workers.

The Minister made a rather peculiar statement which I see is recorded in the press, accusing the Opposition of trying to anticipate the Government's intentions with a Resolution on higher minimum wages so that the CCF could eventually take credit for government action. Well, Mr. Speaker, if the Minister had called the Minimum Wage Board together last fall, as he pledged himself to do, there might not be any need at this time for the Resolution now before the House. But he did not do this; and now he complains about the CCF trying to anticipate his actions. It is because of the uncertainty of his actions that we have to bring this Resolution before you today. And if the Minister and his Government were not constantly reminded of their duties, there probably would be no action other than the most inadequate performance, to date. The only thing that we have anticipated in this Resolution is its regrettable lateness in performing in terms of proper weekly rates.

I say, Mr. Speaker, again that nothing whatsoever that the Minister told us the other day could indicate other than that he and his fellow Members should support this Resolution. There never was a more appropriate time for a rise in the minimum wage. I point out again that the contradiction between his own statements and the statements of the Premier are such that this House has every reason to question that the Minister intends an increase in minimum wages in the near future.

You will recall again that the Minister in his statement of last July, was reported in the press as saying that the Minimum Wage Board would be called together to consider higher rates in the fall. In the same issue or in a issue of the same newspaper the next day, the Premier was reported to have said that this was the last increase for some time. Now in the midst of these contradictory statements I believe everyone, the public at large, certainly will see the need for this Resolution. I again, Mr. Speaker, appeal to all Members of the House to give their full support to it.

SOME HON. MEMBERS: Hear, hear!

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

RESOLUTION NO. 4 — RE: THE NEW TRANS-CANADA PIPELINE

The Assembly resumed the adjourned debate on the proposed Resolution (No. 4) moved by Mr. Link:

That this Assembly, believing that it is not in the interests of the people of Canada to have any part of the new Trans-Canada pipeline constructed outside of the territory of Canada, request the Federal Government to act so that the whole of the pipeline is located within Canada.

MR. W.E. SMISHEK (Regina East): — Mr. Speaker, this is one of the more important Resolutions that have been placed before us during this session of the Legislature. I submit never in the history of Canada has there been so much concern expressed by the people about the ownership of our means of production and distribution, the preservation of our culture and our form of Government, as there is today.

I want to congratulate the Hon. Member for Saskatoon (Mr. Link) for introducing this Resolution. I am as convinced as he is that this is one of the most important subjects that we, in this Centennial Year in Canada's history, should be considering the retrieving of some of our industries and making sure that the control of our industries in the future will remain within the territories of Canada. No doubt all Members of the Legislature received a copy of the submission made to the Prime Minister of Canada on October 26th by an organization known as the Canadian Lakehead Industrial Commission Incorporated.

They report that on October 13, they had a meeting at Fort William. Those present at the meeting represented a broad spectrum of political business and industrial life in northern Ontario. They were united in protesting the grave injustice and error of allowing the economy of the northern part of Ontario to be short circuited. And from their opinions was distilled a policy that would fully serve the interests of all concerned. This took the form of the proposals for a new routing of the pipeline. The purpose of the meeting as was reported was to discuss the implications of the Federal decision announced on October 4th to authorize the Trans-Canada Pipeline Limited to build a pipeline through United States territory to transmit natural gas from western Canada to eastern Canada.

The reaction of the meeting was one of shock and dismay that the previous decision to insist on an all-Canadian route had been reversed, a decision that had been made on the grounds of national policy and the need to protect Canada's interests.

It was the consensus of the meeting that the decision to permit Trans-Canada to build through the United States instead of putting a second line through northeastern and northern Ontario represented a great grave compromising of the interest of the huge upper section of this province which is only now beginning to sense its eventual industrial potential. It was also felt that the projected U.S. route could at some time in the future prejudice Canadian's control over an invaluable resource, natural gas.

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This Commission is a non-political organization, Mr. Speaker. In this submission to the Prime Minister of Canada and to the Cabinet, they enumerated the disadvantages of the U.S. route and I would like to quote a few of them. (a) The initial economic loss to Canada of the expenditure on wages and materials would be enormous. (b) Canada would lose the economic benefits accruing from the operation and maintenance for all time. (c) Canada would lose the personal and corporate taxes on construction operation and maintenance. (d) Canada would not collect the 50 per cent corporation taxes on that major part of the profitable operation lying within the United States. (e) Canada would not have complete control over a tremendous, important, but not unlimited resource, natural gas. (f) There would be no assurance of adequate supply of natural gas for the great mines of the future that will surely be developed in the Precambrian Shield. The British purchase of \$100,000,000 of uranium from the Rio Algom mines in the Blind River area signalizes even now the re-start of the uranium mining industry. (g) It is physiologically important for Canada to be in control of the tools by which its industrial development will be shaped.

Having to depend on the United States avenues for the transmission of natural gas from one part of our country to the other, must deny to Canadians the sense of dynamic teamwork that comes from pulling together. It will further delay the time when Canadians will realize with reason that they belong to a truly great nation.

Canada has reached its present state of political unity and economic growth by preserving in the establishment of the east-west communication routes, despite the most formidable of geographic barriers and economic problems. It would on many occasions have been easier to detour to the south, but Canada would not have become the nation she is today if there had been yielding to such temptation. Our motto 'From sea to sea' does not include any postscript saying, "except when it's not handy."

Mr. Speaker, the construction of the Trans-Canada pipeline through the United States territory will mean a further sellout of our Canadian economy. Most Canadians agree that the sellout has now gone too far. Canada's independence and sovereignty are at stake. The exact statistics are hard to come by of how much of our economy is now foreign controlled, but it is agreed by most people that the percentage is much too great at the present time. This sellout continues and one might almost say, relentlessly. Whether we have the pro-American Liberal Government in Ottawa or a Canadians for Diefenbaker Government in Canada, the pattern seems to have been the same.

In the last six years some fifty-five large Canadian-owned companies have been taken over by foreign interests. There are no limitations to what they will buy, so long as it is profitable. Steel, oil, chemicals, building supplies, life insurance, food industries, etc., some thirty-five of these industries were taken over during the Diefenbaker era and the rest of them since the Pearson Administration came to office.

You know, Mr. Speaker, the Conservative party in the years 1957 and 1958 were elected to office on a promise to reverse this trend, but once elected they forgot the promise. In fact it was Mr. Diefenbaker and Mr. Davie Fulton who negotiated the Columbia Treaty. They sold out one of the greatest resources we have and need for Canada's development, water.

The Liberals while in Opposition condemned the Diefenbaker Government for this agreement with the United States, but when they formed the Government, they brought the treaty before Parliament and both the old line parties threw their support behind it. This is the biggest sellout of the century. This treaty affects us deeply in the Province of Saskatchewan. An estimated \$135,000,000 expenditure to divert 10 per cent of the water from the Columbia River would have doubled the flow of the Saskatchewan River. This would have meant cheap power, irrigation, new industry, provision of the needed water to the many urban and rural areas of Saskatchewan.

Well, there are those including governments who are unconcerned about this take-over of Canadian industries and resources, and who even try to argue that it is good for us. They say that a Canadian company that sells out is able to invest the money from the sale in other enterprises and so make Canada richer. It will create new jobs. Workers have often been led to believe, Mr. Speaker, that an American company taking over a Canadian enterprise will expand the operations and will modernize their plants. This will mean more jobs, new promotion, new job opportunities, and wages will be raised to a level of American standards.

Well let us examine this myth. Firstly on plant modernization, expansion and job creation. While it may have been true in the past that modernization and expansion meant more jobs, but in the age of automation it means fewer jobs. American companies which have taken over Canadian plants and establishments, when they modernize and expand, do not install old and obsolete equipment; they equip the plant with the most up-to-date automated equipment available. This in many instances leads to fewer jobs.

The wage parity argument is as old as the hills and does not hold an ounce of substance. In fact, the wage relationship is progressively widening. The Economic Council of Canada in its 1964 report stated, and let me quote:

For the last two decades the level of real income per capita has been consistently in the range of 25 per cent to 30 per cent lower in Canada than in the United States. It would appear that the difference between the two countries was significantly less, between 15 and 20 per cent, at the start of the century and the 1920's.

You will note, Mr. Speaker, that as the American take-over of Canadian industry increased, so did the gap between the American and Canadian wages widen. Interesting, too, is the fact that while our incomes are 25 to 30 per cent below those of south of the border, prices of goods we buy, according to the Economic Council of Canada, and again let me quote, "in the two countries appear to be fairly close together." So while the American corporations pay our workers lower wages, they sell their products to us at prices similar to those in the United States.

And you know that prices of such things such as appliances, automobiles, are much higher in Canada than they are south of the border. But why the problem? In what way is the foreign ownership and control disadvantageous to the Canadian people?

Mr. Speaker, may I suggest some of the following disadvantages: Foreign control of Canadian industry puts a major sector of our economy beyond the control of the Canadian monetary,

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fiscal and other policies. It is virtually impossible to direct investment, for example, towards major areas of unemployment or to undertake any significant economic planning under such circumstances. Foreign ownership and control drain substantial funds out of Canada in the form of dividends and interests which must be paid out regularly.

A Regina Leader Post article of November 30, 1965, says that the net income for last year of the American companies in Canada, was \$1,240,000,000 and out of this total they paid out in dividends \$600,000,000. Last year Canada had an imbalance in international payments amounting to \$1,200,000,000. You will note that half the deficit was caused by dividend payments to the United States corporations. Had the \$600,000,000 paid in dividends to American shareholders remained in Canada, this would have gone a long way to help develop industries and help our economy generally, Mr. Speaker.

Undistributed profits from foreign-owned companies are frequently used to expand holdings in Canada. Thus there is a constant increase in the amount of foreign control in Canada.

Can I call it 5:30, Mr. Speaker.

The House recessed until 7:30 o'clock p.m.

MR. SMISHEK: — Mr. Speaker, when I called it 5:30, I made reference to a number of things of how foreign ownership and control is disadvantageous to the people of Canada. I believe I made reference to three specific disadvantages, if I may continue. It seems to me, Mr. Speaker, that many foreign subsidiaries that are set up in Canada frequently are used for the purpose of supplying the parent firms in their own countries with raw materials. Thus Canadians are deprived of the opportunities for employment in processing the raw products into finished consumer goods, in putting into practice their technical knowledge and skills in developing new industrial techniques and in seeking out world markets for products we could manufacture in Canada. Foreign ownership of our resources places the power into their hands to determine when such resources will be developed.

The foreign take-over of Canadian companies means loss of research and loss of expenditures on research. You will find that parent companies do most of the research into new uses of materials and better means of production at home. Our best qualified technicians are taken away to help do this research work abroad. This is partly the cause of the brain drain which many Canadians are expressing concern about. Subsidiaries of foreign companies are being told not to promote sales of products in the export markets where the parent company has an interest. They are also told where to buy their needed raw products and machines, not necessarily Canadian even though the quality, quantity and price may be favorable.

Canadian subsidiaries are told by the parent companies to follow American laws and not to do anything which may be considered contrary to the interest of the U.S.A. a few months ago we made a large sale of flour and wheat to the Soviet Union; a large portion of the sale agreement included an order of flour delivery to Cuba from Canada. Three American-owned flour mills said they would not mill the flour, Pillsbury, Quaker Oats and Robin Hood. There were some partial denials but the press finally

reported that a spokesman for Quaker Oats Company of Canada said that his company is forbidden by its U.S. parent company from processing any wheat bound for Cuba, China, Vietnam and North Korea. This is the second time this has happened.

Consider for a moment what would be the result if our elevator companies were American controlled. The Canadian wheat sales to Russia and China in recent years would never have been made. They would have never been shipped. Our farmers would be drowning in oceans of wheat while people in other parts of the world were starving, but we would have complied with the foreign law: "To Hell with feeding the hungry and the caring for the sick."

Mr. Speaker, there are other reasons why we should be concerned about this particular project and other take-overs of our Canadian industry. In an article appearing in the Saskatoon Star Phoenix of January 25, 1965, Walter Gordon is reported to have said and let me quote:

No other economically advanced nation has such a large proportion of its industry controlled from outside its borders. No nation can pretend to be independent politically if it surrenders so much economic power to the residents of other countries.

Former U.S. Secretary of State, John Foster Dulles said,

There are two ways of conquering a foreign nation. One is to gain control of its people by force of arms, and the other is to gain control of its economy by financial means.

Mr. Speaker, there is also concern for Saskatchewan. Let us look at home. What are the consequences and the problems? We've all heard a great deal about the Prince Albert pulp mill which will be located near that city. The promoters and the owners of this pulp mill are Parsons and Whittemore and New York. How will the \$65,000,000 plant be financed? Well, first they will get a \$5,000,000 area grant from the Federal Government. The Provincial Government is throwing in \$3,000,000 and will get shares for that amount. Not a bad start — \$8,000,000 of public funds. The Province will then guarantee a loan amounting to \$50,000,000. That's a total of \$58,000,000. The Company will put up \$7,000,000 and will control the \$65,000,000 project. But this is not all. The company is granted a management licence for 18,000 square miles, about 11,500,000 acres of land. Now, Mr. Speaker, the Timber Board in addition to that will supply the pulp at a price of \$18.50 a cord.

MR. B.D. GALLAGHER (Yorkton): — Mr. Speaker, on a point of order. What has this got to do with the Resolution that we are to be considering? I think he should relate his remarks to the Resolution.

MR. SMISHEK: — Mr. Speaker, I am referring to the problems of foreign ownership of our industries including this particular company. Mr. Speaker, if there are profits or losses on pulp wood, they are to be shared; if a profit, the Timber Board pays up in 20 days; if a loss, the company has 20 years.

Now, Mr. Speaker, it seems to me that all Canadians are

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very much concerned today about foreign ownership and retaining the control of the country in our own hands. It seems to me that as Members of this Legislature we have a responsibility to do everything possible to ensure that the means of our production, the means of our distribution, are various institutions, are managed and are controlled by the people of this country. I am one who is very proud to be a Canadian, I am one who feels that we have a responsibility to ensure that our children in the future may be more proud of the country that we are trying to build now.

Mr. Speaker, just last night I had occasion to be at a gathering where reference was made to the problem of the great number of our industries and our resources being controlled by people outside the borders of Canada. Later at the gathering a reference was made of the importance of us as Canadians, building a nation and having control of the means of production. I was delighted in that gathering of some 1,000 people with their reaction, with the kind of feeling that the people expressed in the form of applause when the note was sounded that Canada should belong to us, Mr. Speaker. I believe this is a very important Resolution before us. The Trans-Canada pipeline is an industry very essential to the development of this nation and I would urge this Assembly to give this Resolution unanimous support.

SOME HON. MEMBERS: Hear, hear!

MR. PEDERSON: — Mr. Speaker, I am delighted to have an opportunity to join in this debate because it is apparent to me that from the comments that have been made in this debate, some of the theories and hypotheses that have been put forward, that many Hon. Members of this House, and not the least of whom is the one who has just sat down, have no idea of the real economics or the real problems or the real advantages involved in building the second loop of the Trans-Canada pipeline via the United States route. Now, Mr. Speaker, in becoming involved in this, which has become in our nation, an almost historic debate, going back as it does to the 1956 debates in the House of Commons and the attendant confusion and the upsets of Government, and so on, that took place at that time, I'm not going to deal with those matters except to set forth a little bit of the history of this pipeline and to set forth some of the reasons for the building of this pipeline through Canada, and to show why at this time it is necessary for us as Members to understand the situation thoroughly and oppose the Resolution that is before us. At the time of the building of the Trans-Canada pipeline, one of the great debates surrounded the question of ownership of Trans-Canada Pipelines, the party that I represent fought very hard in the House of Commons to try and bring about a substantial degree of control by Canadians in that pipeline. We were unsuccessful in having that take place, but nevertheless the Government of the day did decide to build this line through Canada financed largely by American funds. I think it's a matter of some interest and I think it should be placed on the record, that today Canadians have bought back Trans-Canada Pipelines to the point where they now own 93 per cent of that line. We have had to pay very dearly for the mistakes of those days, but nevertheless I want to make it clear that this is a Canadian-owned company, and this is the only major Canadian pipeline industry that we have, I believe.

SOME HON. MEMBERS: Hear, hear!

MR. PEDERSON: — Well, Mr. Howe made his mistakes, everybody makes mistakes. But I believe, Mr. Speaker, that we cannot equate the situation today with the situation that existed in 1956 and in subsequent years. The oil market in central Ontario by and large, has been supplied over the years to a certain degree by the American pipelines coming up for the south. Trans-Canada Pipeline has been pouring gas into that area and trying to expand its market in the central provinces of Canada. We in western Canada, the producers in particular, have in effect been supplying a subsidy for the gas that we are shipping into eastern Canada in order to build and establish and expand this market. We have been selling gas out of western Canada at a price that is somewhere in the neighborhood of 10 cents per 1,000 cubic feet of gas. And this of course is a price, as everyone knows, away below what we are presently selling gas for into northern California. Some prices on those contracts run as high at 24 cents a thousand. But we are most anxious that Canadian companies in the west are going to have an opportunity to retain this market that western producers have in effect subsidized to build. We have to take a hard look at the economics and of the demand factor that exists at the present time. The demand factor in 1963 and '64 and '65 was building so quickly that the concept of building a new pipeline was placed before the National Energy Board, an application such as the one envisaged through the Great Lakes Gas Transmission Company looping around the south end of the Great Lakes. At that time the Federal Cabinet, and I believe that history will show they were wrong, voted against or turned down this application. At that time the American Federal Power Commission had indicated that they would look favorably on such a pipeline being built. But immediately this turn-down arose in Canada, certain resistance started to build up, certain pressure groups in the United States went to the Government and said, "Take a look at what's going on in Canada, even they don't want it." And so of course they threw the thing wide open again and it is now standing with the Federal Power Commission in the United States having hearings once again, but the Federal Cabinet in our country has reversed its original decision and granted approval for this line.

Now where did this opposition come from? When I listened to the Member from Regina East (Mr. Smishek), I thought it would be interesting to relate to you just who are in favor of this line and who are against it. First of all let me suggest to you, Mr. Speaker, that not one single Canadian company, Canadian producer, objected, not one single Canadian consumer company objected. Only the big American producers and the big American transmission companies, plus some others that I am going to list here in a few moments, came out in opposition, outside of the group from the Lakehead that were mentioned by the Member from Regina East. So I can quite understand why the people down in Fort William and Port Arthur and that area north of the Lake, which would have been affected by another pipeline, would oppose the southern route. Those reeves of the municipalities know the extra revenue they would get from the increased taxable property that they would have. They knew that there would be \$300,000,000 to \$400,000,000 spent in that area for construction and they knew of the sort of multiplier principle that would apply in the money being spent, spreading out and creating a good deal of prosperity.

What about the other side of the coin? What about the southern route? Who were in opposition to that southern route? Outside of the group that the Member mentioned, there was the

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Ontario Federation of Labor, the Sault Ste. Marie and District Labor Council, the Fort William NDP Riding Association, the Community party of Canada. I could name quite a long list of them here, Mr. Speaker, many of them who were in direct opposition to the building of this line. And who were they allied with, Mr. Speaker? They were allied with the big unions in the United States, specifically they were allied with the United Mine Workers of America. Why? Because the United Mine Workers of America recognized that they had a \$300,000,000 to \$400,000,000 coal market in eastern Canada that they wanted to protect. They weren't interested in Canadians, they weren't interested in Canadians getting cheap gas; they wanted to protect that market for themselves and they, together with some of the big pipeline companies in Texas, the big producers down in Texas, joined together to put up a resistance against this pipeline which has stalled proceedings at the present time.

Now why, Mr. Speaker, might you ask is it so necessary to go ahead with this pipeline through the southern route rather than the north at this time? The first question that must be decided is, how quickly can these lines be built? It has been estimated that the line through the south can be built, if construction could have started almost immediately and time is getting short now, within the space of this year. To build the northern loop, the twinning of the northern loop would take three years. The need for that gas is in the next heating season which is next winter, Mr. Speaker. If we don't have this line constructed in time, those consumers in that area, through their gas companies, will be committing themselves to substantial contracts with the American pipelines and we will be blocked from that area for many long years to come. We will not be able to get that market back immediately when we twin the northern line which must come in about 1970 or '71.

The economics of the whole thing, Mr. Speaker, are fairly simple. Gas can be transmitted on this southern route and laid down in the market in central Ontario and carried forward into Toronto and ultimately into the Montreal area at a price that will be appreciably lower than what is being paid at the present time. This price will also reflect in the prices that are being charged in the northern route at the present time. In other words because of this play-back through the system there will be a reduction in rates all the way back probably up to Saskatchewan, and I would hope a small reduction accruing even in Saskatchewan. But most certainly there would be a substantial reduction probably as high as 15 per cent in gas prices to consumers in the central provinces of Canada. Why do we want to oppose giving these people cheap gas? What have we got against the housewife getting an inexpensive fuel and what about the attendant benefits of putting this through the United States? Trans-Canada, as I mentioned, has entered into a partnership with the American Natural Gas Company, a large transport and distributor of gas in the mid-west United States for the construction of a 989 mile pipeline, that's the one across the south, 36 inches in diameter from a point south of Winnipeg on the Canadian border to Sarnia, Ontario. One of the major reasons for wanting to come this way, Mr. Speaker, is that in the wintertime as all people know, you have the pipeline operating to capacity in order to bring gas to the consumer, but in the summer when there isn't such a strong demand, the pipeline only runs at partial capacity. We in Saskatchewan, as they have in all parts of the world where they use natural gas, solved this problem by building underground caverns in which we store gas

in the off season. This must also apply in the building of a pipeline. We have been assured that the entire northern route has been surveyed without finding a single place that would be suitable for the storing of natural gas because of the porous quality of the rock. The southern route leads straight into the Sarnia area where there are several existing underground caverns. We could therefore, store sufficient quantities of gas in order to keep the pipeline going at full capacity and feed that market. I heard my hon. friend make a good deal of noise about Canadian control. Trans-Canada which is a Canadian company, I want to remind you, will control the Great Lakes Gas Transmission Company, that is the company which is being set up to build this line, through an equal ownership of stock, 50 per cent being held by the board of directors of Trans-Canada Pipeline and they have the right to select the chief executive officers. In other words this line will be operated as a loop of the Trans-Canada line, and its policy and its day-to-day operation will be determined on that basis. Not only that but they have written into the proposal that is before the Cabinet, a guarantee that they will not dispose of anymore than 50 per cent of that stock without the specific consent of the Federal Government. In other words we will not lose control of the line. The mere fact that we are shipping gas through the States via a pipeline, with the gas originating in Canada, in no way jeopardizes our natural resources, because anyone knows that you can cut it off whenever you want to. I believe, Mr. Speaker, that it is in the best interests of Canadian gas producers and Canadian gas consumers that such a line should be built.

When we make some additional sales in the United States — incidentally the original contracts call for only ten per cent of the volume going through that line being left in the United States — when we sell that gas and benefit from the amount of money that the Americans will put up to help us build this line, all Members will readily see the tremendous benefits that will accrue to Canada through this construction. This will more than offset the immediate short-range advantages that there may be in building a northern line. And I want to remind the Hon. Members once more, Mr. Speaker, that in the proposals placed before the Federal Government it has been stated that in the present planned expansion of markets in eastern Canada, it will be come necessary in 1970 or '71 to build that northern line anyway, in other words instead of having two we will have three lines. If we build the northern route first, we will merely have two lines and a much smaller market.

Now there are quite a few reasons, Mr. Speaker, why the southern route is preferable at this time to the northern route. First of all, the additional natural gas that is needed now and in the future, through a large diameter pipeline, controlled by Canadians, and serving Canadians at the lowest possible rate, will provide a real incentive and shot in the arm to the gas industry in Canada, an opportunity to Canadian gas producers to sell additional volumes of gas in the United States whenever their gas supply is surplus to the needs of Canada and an opportunity for the Canadian consumer to reap the benefit of these additional sales. Those are two of the immediate short-term advantages of building this line. The Great Lakes project will save Canadian gas consumers \$7,000,000 in the first ten years of its operation, in comparison to the costs that consumers would be required to pay for a loop line in Canada. That is the first saving. These savings will continue throughout the

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life of the facilities. Secondly, the cheaper gas will result in greater sales by distribution companies in Canada and these greater sales will in turn produce lower utility bills. They reduce costs, as you know, Mr. Speaker, through the common carrier principle back through the system. Third, the lower utility bills and the greater sales will benefit Canadian gas producers and consumers and the economy of western Canada. As I mentioned earlier, Mr. Speaker, the gas producers have in effect been subsidizing the usage of gas in eastern Canada for some time. Trans-Canada's contracts to purchase three trillion feet of gas in Alberta can be cancelled if this line isn't built or not approved, because lesser volumes of gas would be required for Canada's markets unless this line was built. In other words it would act as a great depressant on the gas industry of western Canada, if this line isn't approved. Cheaper gas for industrial users in Canadian industry in eastern Canada makes it more competitive in both domestic and foreign markets. Lower energy costs which are an important element in any manufacturing operation and an improved competitive position, will result in many more jobs. And these I would point out, Mr. Speaker, will be long-term jobs, not the few months of employment sought by those who contend that the pipeline should be built only in Canada. Greater sales and lower prices will also provide the short-term jobs that the Hon. Member was talking about, desired by the people through northern Ontario who are looking at the \$300,000,000 to \$400,000,000 that would be spent in the construction. More gas sales by distributing companies mean more miles of mains to be built, more installations, more services to customer's homes and ultimately more meters to be read and more customers to be serviced and so on down the line. Simply stated, the more gas that is sold, the more jobs that are created by its sale. We believe that this should be supplied out of western Canada and as quickly as possible.

The economic benefits of the Great Lakes project have been fully recognized by the Canadian utility companies which will distribute this additional gas. All of them have signed long-term contracts for more gas, contingent upon the transportation of this gas by the Great Lakes Company. If the Great Lakes isn't authorized, these utilities will contract for substantially less quantities of gas and they will be paying a higher price for gas out of the American market, which brings us back to the point I mentioned earlier, higher prices for the consumer of gas and higher prices for manufacturing and so on. If Trans-Canada was required to loop its facilities in Canada, the economic ability of the company to finance the project would limit the size of the pipe to a diameter of 30 inches. The installation of this smaller pipe would eliminate any possibility of a reduction in rates which would result from the sale of greater volumes of gas such as would occur from the construction of the 36-inch line, that is envisaged through the United States. And what about some of the costs, Mr. Speaker? If Trans-Canada were to loop its facilities with a 30-inch pipe through Canada and make the other expansions necessary for handling the added volumes of gas, it would be required to raise \$211,000,000 by the first of November of this year. This money would be raised at a time, as all Hon. Members know, when the Government of Canada has urged a curtailment of all construction programs of such magnitude because of the strain it would put on the capital resources of the country. If Trans-Canada should loop its facilities with a 36-inch line as has been suggested by some Members, through Canada, the company would be required to raise a total of \$351,000,000 by the first of

November of this year, obviously creating a further financial problem in Canada. Also because of the economics of that line, Mr. Speaker, Trans-Canada's distributing customers would be willing to contract only for their immediate needs. In other words unless this pipeline is built, they will buy on a day-to-day basis and wait before they sign long-term contracts until they see if this line is brought in or not. Such limited contracts would make it extremely difficult for Trans-Canada to finance any major looping program in the Canadian money market. And that's fairly obvious, Mr. Speaker. Anyone knows that unless you have contracts tied down like that, it's very hard to go out and get the necessary funds of this magnitude, to finance a project of that size.

Now, what about the line through the United States? Construction of the short line in the United States would place no strain upon the Canadian economy, because only \$17,000,000 of equity funds would be required for Trans-Canada for the construction. \$17,000,000, Mr. Speaker, compared to \$211,000,000 for a much smaller line through the Canadian north. That amount of equity would be provided by American Natural Gas Company, and the balance would be financed through debt securities purchased by American investors. Pursuant to a partnership with the American Natural Gas Company, Trans-Canada will provide \$400,000,000 American dollars for the benefit of the Canadian economy over the life of the current contract. This \$400,000,000 results from the direct purchase of gas by Michigan Consolidated of 56,000,000 cubic feet that they're contracting for, from the Great Lakes line and from the American Natural Gas agreement to buy 113 million cubic feet a day of Canadian Gas. It will be delivered by Trans-Canada through the facilities of the Mid-Western Gas Line Transmission Company, at Emerson in Manitoba. Through the Great Lakes Transmission Company, this economic benefit of American dollars flowing into the Canadian economy can be increased substantially any time that Canada determines it is in the best interests of its citizens to sell additional volumes of gas in the mid-west United States. In other words, Mr. Speaker, we do have, by building this southern line, an opportunity to expand sales, perhaps at a time when the twinning of the northern lines takes place in the American market, in keeping with the best interests of Canadians. The key point in this, Mr. Speaker, is that under the proposals being placed before the Cabinet, Canadians will retain control and no decision to sell further shares will be made without the expressed approval of the Cabinet. By building the short-cut loop, through the upper peninsula of Michigan, Great Lakes Transmission can readily and economically provide natural gas service for the first time to Sault Ste. Marie, Ontario. That's the largest Canadian city without this service today. A loop of the present Trans-Canada facilities of course, makes it uneconomic to reach into that city. In addition, the Great Lakes line is of vast importance to eastern Canada from the standpoint of assurance of continued gas supply in the event of a pipeline break of other type of emergency. In the interest of national security this short-cut route offers many advantages to Canada. Through the American natural gas system, the Great Lakes line will have the opportunity to connect directly or indirectly with a number of the largest pipeline systems in the United States, in other words, the type of connecting system that we would need to provide service in the event of an emergency. Even more important, the American natural gas system operates huge underground storage reservoirs in Michigan, which would be connected to the Great Lakes line. In other words these are the storage

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caverns we would be using for our overflow or surplus, in the off-peak season. Offering both the present and the potential additional gas sales in the United States, Great Lakes will encourage exploration, reduction in the cost of gathering as in western Canada.

Mr. Speaker, I am not one of those who believe that we are at the end of our natural gas resources. I heard this morning, in Crown corporation committee, some talk about reserves of 26 years. Exploration in my opinion, Mr. Speaker, could be carried out much more extensively than it is, more reserves proved up and made available for export through this pipe system. We may see the day come when natural gas as a fuel becomes almost as obsolescent as coal has become. We must not be sitting with vast quantities of this cheap, clean and wonderful fuel underground in this province, useless and valueless to our citizens.

I believe, Mr. Speaker, that there are many reasons for building the southern line; from the point of view of doing something for Canadians; from the point of view of furnishing jobs for Canadians; of bringing cheaper power or cheaper gas to our consumers and bringing cheaper gas to our industries and therefore creating more jobs. I could go on and on and list dozens and dozens of advantages of building this pipeline through the United States at this time. I believe, Mr. Speaker, I have placed sufficient numbers of these reasons on the record to indicate why I feel so strongly that the passage of this Resolution if, in fact the Federal Government were to take any notice of it and act on it, would not be in the best interests of the average Canadian. It would be diametrically opposed to that. This would be in the best interests of those large groups in the United States who wish to retain this lucrative Canadian market for themselves. It would be in the best interests, to a large extent, of some of the large unions in the United States who are scrambling to retain jobs for their people. For all of these reasons, Mr. Speaker, I find that I must very strongly oppose this Resolution.

SOME HON. MEMBERS: Hear, hear!

MR. LLOYD: — Mr. Speaker, it seems to me that there are a number of questions which have not been adequately answered in the remarks of the Member from Arm River (Mr. Pederson) who has just taken his seat. They are even less adequately answered and even more confused by the remarks of the Minister of Natural Resources (Mr. Steuart) and the Minister of Mineral Resources (Mr. Cameron). Let me just remind the Legislature again, Mr. Speaker, that the Resolution suggests that it is not in the interest of the people of Canada to have any part of the proposed new Trans-Canada pipeline constructed outside of the territory of Canada. When we speak of the interests of Canada then we are concerned with interests of varying kinds. We are certainly concerned with economic interest, not only short-term but also long-term. We are certainly concerned also with interest relating to the capacity of Canadians to make decisions for Canadians that count. And we must, it seems to me, be always careful in anything that we do which may have some short-term benefit, that we do not destroy, in fact, other things which may be more effective in the long-term interest of the Canadian people.

I want to take a few minutes, Mr. Speaker, to go back to the history of the Trans-Canada Pipeline itself because this is an important part of our discussion. I think that there was a

mistake made at that time. I think the great mistake made at that time was that the entire pipeline was not built, owned, controlled, operated by the people of Canada through the instruments of the Government of Canada. It seems to me essential, it seems to me elementary, that the control of a great powerful fuel of this kind should be owned and controlled by the people through the institutions of the Government. It was for that interest that in this province we decided that we would maintain the distribution of natural gas in the hands of the public. I submit that the fact that there is much interest at this time on the part of the Members opposite to allowing this part of the line to go through the United States suggests that their interest in public ownership even in this province is not as great as they would have us believe.

However, the charter was given to a private company to build up to a point this pipeline which takes western fuel to eastern consumers. You will remember that at one point the company ran into some difficulty. They were then bailed out by the Government of Canada which through a Crown corporation did in fact build a portion of that pipeline and make it available to the private company in order to bridge that particular gap.

Mr. Speaker, this has served so far as providing a market for western gas. Its concern has been with the market in eastern Canada until comparatively recently. It became desirable to add extra capacity to take that gas to eastern provinces. And as a result there was an application made to the National Energy Board in March of 1966. The Board made admittedly a favorable report to the Government of Canada in the month of August but more than this is needed before it can be proceeded with. There is necessity for review by the Government of Canada.

The significant point which seems to me to have been missed by both the speakers on the opposite side of the House who have opposed this and the Leader of the Conservative party who has just taken his seat and has opposed this, is that originally the Canadian Cabinet turned down Trans-Canada's application. As had been stated in this debate it reversed its situation, its decision in October. Certainly, nothing changed between August and October.

I think we need to note some of the arrangements with regard to Trans-Canada Pipeline and the portion, the original inception of it, and in addition some of the arrangements with respect to using the part built by the people of Canada. The Trans-Canada Pipeline was created by a special Act of Parliament in 1951. One section of that Act which is extremely important at this time, Mr. Speaker, reads this way. I refer to Section 6A. "This provides that the company may, within or outside Canada construct . . . pipelines . . . provided that the main pipeline or lines . . . shall be located entirely within Canada." Note then the intent of the Government of the day. It was to give this company power to extend pipelines provided that the main pipelines or line "shall be located entirely within Canada." Obviously, there is a complete reversal of policy as from the position of the Government even in 1951.

Furthermore, Mr. Speaker, take the agreement which was signed in 1956, and which made available this section of the line which was built by the public for the Trans-Canada Pipeline. There is in the first paragraph these words "whereas it is in

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the public interest that the western section of the all-Canada Pipeline should be constructed in 1966." The Government of the day clearly thought it was a matter of public interest at that time still to have an all-Canadian line.

Now, I think there's further evidence and further thinking of somebody who was a Liberal but who had a vision of a great Canada. There is further evidence to be found in the words of one Liberal who did something to make this one cohesive nation. I refer to the late Hon. C.D. Howe, Minister in the Liberal Government for many years. Mr. Howe, speaking in the pipeline debate had this to say, "I admit that it would be more costly than alternative plans," — and this is the building of the pipeline in Canada — "I admit that it would be more costly than alternative plans, but I said the added cost is one of the penalties we must accept for Canadian nationhood. I remember my words. 'I said this is the price of Canadian nationhood'." I would ask the Hon. Members across and the Hon. Member to my left, geographically speaking, to note those words. There are times when any country, if it believes in the viability of its nationhood, will pay some price for Canadian nationhood. And if, and I say only if, the economic facts which have been used to argue against building this in Canada are true, then this may indeed be a small price for Canadian nationhood. I say if they are true because I want to submit, Mr. Speaker, that even the economic facts are not accurate in the way that they have been stated to be.

Let me just for a moment, Mr. Speaker, say something further with regard to this particular pipeline. As the Hon. Member from Arm River has said, the United States' part of the line is going to be operated by a new company which will be owned 50 per cent by the Trans-Canada Pipelines and 50 per cent by an American company. The Great Lakes portion of the system would then be under the authority and the jurisdiction of the Federal Power Commission of the United States. We may very well, Mr. Speaker, find ourselves in the position that in the future when we want additional quantities out of this pipeline, if it goes through the United States for eastern Canada, we may well find ourselves as Canadians going hat in hand to the Federal Power Commission of the United States in order to get the right to buy back our own gas. And that, Mr. Speaker, is not nonsense! That is the way in which this is constituted. This pipeline is going to be under the jurisdiction of the Federal Power Commission of the United States. It is going to be subject to United States law, corporation, income tax and other kinds of laws, and I ask the Members to note that and to note it as a matter of some very serious concern.

Mr. Speaker, the situation was that way on August 25th when the Federal Cabinet saw fit, in the interests of Canada, we submit, to turn down this proposition. I think it is worthwhile once again in this debate to review some of the reasons given for turning it down, the reasons given at that time by the Prime Minister of Canada. May I quote, Mr. Speaker, from some of his press release at that time:

Mr. Pearson said the basic point is that once a 36-inch pipeline through the United States was established it would almost inevitably become the main line. Additions to that system would be more economic than the additions of the 30-inch system through northern Ontario, and the Canadian line would increasingly assume a secondary position as a line to serve markets along its route.

Our line would "assume a secondary position." This means, Mr. Speaker, that this proposal comes in conflict with the intention of the legislation under which the pipeline was created in the beginning. Mr. Pearson goes on to say:

Another factor of importance in the Government's decision relates to the national policy approved by Parliament, of having main gas transmission lines constructed in Canada, a policy which is reflected in the Act incorporating Trans-Canada Pipelines Limited.

This argument here has been in opposition to this national policy which was approved by Parliament. He went on to say:

While the line to be located outside Canada to transfer gas from western to eastern Canada, would not be built by the company itself but by a partially owned subsidiary. And while it might not at the outset be the main line, the Government felt, as already stated, that it would almost inevitably become the main line and that the arrangement would not be in accord with the spirit of the policy laid down by Parliament in the company's legislation.

This proposal is, I repeat, in contradiction with the law of this country as set down in this legislation passed in 1951.

Now it has been argued that of course it is only a matter of time until there will be a Canadian loop and Canadians will get all the advantages that we argue they would have, if this were built there in the first place. Let me quote with respect to that from the comments of the Prime Minister at that time. He said:

At the hearing before the Federal Power Commission, Trans-Canada has said repeatedly that rather than accept the Northern Natural Gas alternative, it would loop its present line through northern Ontario. This would have been the only course of action if the Federal Commission had rejected both the Great Lakes application and that of Northern Natural Gas. By the terms of the Natural Energy Board's recommended decision, approval of the Canadian aspects of the Great Lakes project would have been contingent upon the Federal Power Commission approving the application of Great Lakes and associate companies without material change.

He goes on to say:

It has been a very complex and difficult decision.

Mr. Speaker, Hon. Members on this side of the House wish that he had stayed with the decision made in August instead of the one made at a later date.

SOME HON. MEMBERS: Hear, hear!

MR. LLOYD: — I have suggested, Mr. Speaker, that the fact, as has been stated, that it is only a matter of time until we have a Canadian loop, is not necessarily one on which we can reply. If we wait until some time in the future to build this particular loop, then the argument of the high cost as compared to that of adding to the loop in the United States would probably have even more weight and we will have the same argument over and over again.

I said a minute ago that I, for one, was not convinced that the economic argument presented is one which should not be accepted with too great haste. It is true that there are some savings in terms of the initial cost of construction. It is also true, however, that one must look at the losses to the Canadian economy if this line is built outside Canada. We lose obviously a very considerable amount of work opportunity for Canadians because the work will be outside of Canada. We lose obviously a considerable amount of revenue for Federal and Provincial Governments because this work is outside Canada. We lose obviously over the long run, large amounts of money because corporation income taxes will be paid to the Government of the United States and not the Government of Canada. I submit that anybody who looks at this in the long run and the short-term position will indeed not be so convinced that the economic advantage is for us to have it built in the United States. As a matter of fact, Mr. Speaker, the National Energy Board in its report indicated that rather than gaining American dollars, the net outflow of dollars as a result of the cost of transmitting through the United States to eastern Canada, would be greater than the inflow of American dollars. They estimated that this difference would be in the nature of \$133,000,000 over the first ten-year period. Let me repeat those facts, Mr. Speaker, in the hope that they might sink in. These are not my figures, these are the comments, the calculations of the Natural Energy Board. They said instead of gaining American dollars, the result was the opposite. The net outflow of dollars, the result of the cost of transmitting gas to the United States, would be greater than the inflow of American dollars. The difference, or the loss to the Canadian economy, they estimated, to be \$133,000,000. That is a significant cost.

Mr. Speaker, I said at the beginning I was not prepared, we are not prepared, to accept the argument that there is economic advantage in building this outside of Canada. Even more important we are not prepared to accept the argument that there is no harm done to the capacity of Canadian to make their own decisions about Canada. It is because of both of these, the long-term economic advantages which we think are good for all of Canada, and more important it is because of the fact that we are convinced that, if Canada is to achieve the greatness it can, then decisions to make the decisions about Canadians must be kept in the hands of Canadians. The Resolution expresses the hope that in this particular action we will act in that way. I support the Resolution.

Motion negatived on the following Recorded Division:

YEAS — 19

Messieurs

Lloyd	Nicholson	Snyder
Walker	Kramer	Brotten
Brockelbank (Kelsey)	Dewhurst	Robbins
Davies	Berezowsky	Pepper
Thibault	Smishek	Brockelbank
Willis	Link	(Saskatoon City)
Whelan	Wooff	

NAYS — 26

Messieurs

McFarlane	Coderre	Weatherald
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Cameron
 Steuart
 Gardiner (Melville)
 Guy
 Merchant (Mrs.)
 Loken
 MacDougall
 Grant

Bjarnason
 Trapp
 MacDonald
 Gallagher
 Breker
 Leith
 Radloff
 Romuld

MacLennan
 Larochelle
 Hooker
 Coupland
 Gardner
 Mitchell
 Pederson

SECOND READINGS

MR. W.E. SMISHEK (Regina East) moved second reading of Bill No. 64 — **An Act to amend The Hours of Work Act.**

He said: I have read Bill No. 64 — An Act to amend The Hours of Work Act — introduced by the Member for Regina East. I have considered the contents thereof, the provisions of which I find to be similar to those of a Bill introduced last year which was found to be in order and I, therefore, find this Bill to be in order also.

MR. W.E. SMISHEK: — Mr. Speaker, Bill No. 64 before us, is a similar Bill to the one I introduced last year which was No. 51 and the year before which was No. 61. The basic purpose of the Bill is to introduce a 40-hour work week in Saskatchewan. It involves a relatively simple set of amendments to existing legislation but it will have a beneficial effect on the lives of many Saskatchewan families. The legislation is a major step on the road to a 40-hour work week for all employees of Saskatchewan. The Bill provides for a 40-hour work week for all centres of one thousand population or more. The 40-hour work week would also apply to mines and factories in operation or under construction anywhere in the Province of Saskatchewan. The hours of work in centres smaller than one thousand generally speaking would be reduced from 48 to 44 per week.

It provides for the maintenance of take-home pay when hours of work are reduced. When a public holiday occurs in a work week, the work week is reduced by eight hours, thus making a legal work week 32 hours where a 40-hour work week applies and 36 hours where a 44-hour work week applies, and providing for a full week's pay. In order to facilitate rotation of shifts and where shift work applies and hours of work are averaged, then in such a case the Minister of Labour would not give an authorization to average hours and shift rotation, unless that authorization had been requested in writing by a trade union representing the employees directly affected, or where no trade union represents employees, then by request of the majority of the employees affected.

The regular hours of work shall become confined within a period of 9 1/2 hours consecutively each day. And no employer shall be required or permit employees to work or to be at his disposal on more than on two occasions during that period. This means, Mr. Speaker, that there would be no split shifts permitted since the eight hours worked would have to be confined within a 9 1/2 hour work period, thus providing for a maximum 1 1/2 hour lunch period. The Bill would come into effect on June 1, 1967. These are the main principles of the Bill.

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Mr. Speaker, Members will be aware that in 1964 the Liberal party promised that if they were elected they would create 80,000 new job opportunities for Saskatchewan people within a four-year period. They also promised in the case of the wage workers to maintain and improve workers' wages, vacations, hours of work, compensation and trade union rights and security. Well, Mr. Speaker, we know exactly what they have done to the right of employees in terms of organizing unions and to the security of unions. They have done exactly the opposite. In case of the maintenance and improvement of wages, I will admit that there were some small improvements in the minimum wage, but they were not general. A large number of people were excluded. In case of vacations, nothing has happened, and in case of the hours of work in the two years that I have introduced a measure for a reduction in hours of work, Members opposite have chosen to oppose the proposal. Mr. Speaker, I notice from a news clipping of just the other day, the Premier talking at one of the nominating conventions, about gains made by wage earners in the province since this Government took office. Well, Mr. Speaker, I must confess that the Government has done a lot to labor but they have done nothing for labor. This is an opportunity for it to do something positive for labor.

SOME HON. MEMBERS: Hear, hear!

MR. SMISHEK: — Yes, I will repeat it in case you didn't hear it. You have done a great deal to labor, but you have done nothing for labor. Mr. Speaker, I will give them an opportunity at this time to do something for labor, something that will be meaningful. This Bill will also help the Members opposite in the creation of some new jobs, because they have failed completely to do anything about it. Their own report, their own investigations prove conclusively that in the period they have held office the number of jobs that have been created has been relatively small. In fact, according to the report of Hillis and Partners which we have referred to previously, in the period 1964 to 1966, the growth was approximately 10,000 job increases in the non-agricultural area and during that same period approximately 5,000 jobs disappeared in the agricultural area. Thus the net increase in the two-year period was approximately 5,000. The report also notes and makes a projection that in a four-year period, 1964 to 1968, the net gain in the number of new jobs would be only approximately 12,800. As I have said on one previous occasion, the number of jobs created in the period 1961 to 1964 was 18,200 and it would take the Liberal Government the period of seven years to create 18,200 jobs. Thus a CCF Government accomplished in three years what it would take the Liberal Government to do in a period of seven years in terms of job creation.

Now, Mr. Speaker, reducing hours of work has been recognized as a job-creating factor. The other day, the Hon. Member for Moose Jaw (Mr. Davies) placed a question respecting hours of work. He received an answer in a Return on the number of workers that are working different hours. He asked the question whether or not the Saskatchewan Department of Labour survey on hours of work announced by the Department in 1966 has been completed. The answer was that to date it has not been completed. He asked also of the number of employees in Saskatchewan who in 1966, normally worked more than 48 hours per week, those that worked 48 hours per week and how many worked 44 hours per week, how many worked 40 and those who worked less than 40. The Minister of Labour answering that question said on the basis of partial results obtained so far, it may be estimated that there were in

Saskatchewan in 1966, 56,343 employees working 40 hours per week or less, and 18,838 employees working between 41 and 48 hours per week. The number of employees working more than 48 hours per week is small and subject to strong seasonal variations. Mr. Speaker, the actual number of employees in Saskatchewan at the present time would be approximately 200,000. This figure is different than the non-agricultural labor force, because in the total non-agricultural labor force, as is known, are included people who are self-employed. But in actual wage earners, it could be estimated that the number of employees receiving salaries would be somewhere in the neighborhood of 200,000, using that figure and accepting the answer that the Minister gave us that in 1966, 56,300 employees worked 40 hours per week or less. Then on that basis. The Bill before us would affect approximately 70 per cent of the wage earners of Saskatchewan.

The Department of Labour publishes an annual report and provides some statistics with respect to jobs and hours of work. The latest annual report contains a table of the average hours on page 12. In 1961 in the mining industry, average hours were 40.9. in 1965 they were 41.4 an increase of one-half hour per week. In all manufacturing, in 1961, average hours were 38.9, and in 1965 average hours were 39.8, an increase of .9 hours. In the food and beverage industry, for the same period, hours were 38.1 in 1961 and were up to 39.4 in 1965, an increase of 1.3 hours per week. All construction, 38.7 in 1960 went up to 41.2 in 1965. Based on the statistics before us, in the service industry, hours in 1960 were 38.6 and in 1965, 37.4. Now it could be that in making these calculations, overtime hours may have been included and maybe some further sampling might have been made. One of the areas, Mr. Speaker, that we have no knowledge of and really no statistics is in industry which employs less than 15 employees, because the Federal Department does not make assessments and samples of that size of employer. To date also the Saskatchewan Department of Labour has not conducted any study in this field.

It is obvious, Mr. Speaker, that the Bill would affect a large number of people and as such it is desirable legislation. I do not propose to discuss at this time the importance of reducing hours of work because of the technological changes. Some of those arguments I presented in previous debates in previous years, and I am sure the Members are well aware that in this period of increased technology it is important that governments take action to reduce by law the hours of work. It is an opportune time to take this action now. Members are aware that there are still many areas of unemployment. I know the Government Members have been boasting that unemployment has been virtually eliminated, but the facts show otherwise. At the present time, well over 12,000 workers are unemployed in the Province of Saskatchewan. These people would be given an opportunity to find jobs, because more jobs would be created by reducing legal hours of work. It is an item which organized labor and workers generally have advocated and suggested that legislative action be taken to reduce hours of work. The Bill certainly conforms with the Canada Labor (Standards) Code which was implement two years ago. This would not take any drastic measure in the direction of reducing hours of work. Mr. Speaker, I would urge this Assembly to give this Bill unanimous approval and I now move second reading of Bill No. 64.

SOME HON. MEMBERS: Hear, hear!

HON. L.P. CODERRE (Minister of Labour): — Mr. Speaker, I was

astounded to hear the Hon. Member (Mr. Smishek) say that reducing the hours of work is job-creating. How ridiculous can such a statement be made by a member of organized labor. On the contrary there's only one way that you can create jobs and that is by promoting the industrial development of our province. This Government is doing that and providing more work than the former Administration to which the Member belonged. In this Bill we have another case in which some principles are obscured by poor treatment and wrong timing. Careful study by the Government must take place before action is taken in this field. One of the arguments which have been put forward in the past in favor of a reduction of hours worked is that employment would be created. And again it's the same old story, employment would be created. As I said, the only place that you can create employment is by industrial development. At the present time in Saskatchewan we have in a sense a manpower shortage. The demand for trained and qualified people exceeds this supply. Many technical and skilled jobs cannot be filled. What we should be concentrating our attention on is provisions for training to allow these positions to be filled, which we are doing — training more and more people. Today what appears to be unemployment is largely a result of education and training deficiencies amongst a small segment of our labor force. These workers we are trying to help by providing opportunities for re-training and upgrading. This is to their advantage and the advantage of the economy of Saskatchewan.

If any employment were created by a reduction in hours of work, it may easily take the form of an increase in part-time employment. It is doubtful that the benefits of such a move will outweigh its disadvantages. We do not want to increase under-employment, but to maintain full employment which we have almost achieved. What is more likely to happen, however, is, if the work week is reduced by four hours, then some employees will work the same hours as before but would be paid overtime for the last four hours. Thus this Bill will not result in increased lesser time for employees, who are in considerable need of upgrading. Even the union that the Hon. Member represents under his leadership has made no serious attempts in trying to reduce the hours worked by the people whom he represents. He says, "Do what I say; don't do what I do." He wishes to impose a situation in which he is unable to bargain for himself. He wants the Government to dictate what should be done. True to Socialist dictates, he screamed on several occasions, asking to retain the rights of labor to bargain. He has the opportunity to promote that and to stimulate that amongst the organized, then the demand will then become popular. But no, he would rather the Government dictate. What does he want? Does he want the Government to do everything or does he want the rights of free collective bargaining which he is ready to advocate in this case. There is a suggestion that employees may want the reduction in actual hours of work. This I believe is open to question. It will be recalled that some workers in British Columbia objected recently when overtime was banned in that province. A number of employees may use their spare time to engage in moonlighting. Is this what the Hon. Member wishes to encourage? Finally it must be remembered that we have other legislative provisions to provide for leisure time. These did not exist in the past. Hours of work legislation was originally inspired by the 12 or 14-hour working day, with a seven-day working week. Now we have legislation relating to weekly rest days, statutory holidays and annual vacation. On top of that the five-day week has become well nigh universal. I have more to say on this, Mr. Speaker, and

with these few words I'd like to adjourn the debate.

Debate adjourned.

The Assembly adjourned at 10:00 o'clock p.m.