

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session — Sixteenth Legislature
12th Day

Tuesday, March 3, 1970.

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

WELCOME TO STUDENTS

Mr. Speaker: — I wish to introduce to the Members of the Legislature the following groups of students situated in the galleries: 68 students from Brevoort Park school in Saskatoon from the constituency of Nutana Centre represented by the Hon. Minister of Municipal Affairs, Mr. Estey, under the direction of their teachers, Mr. Giesthart and Miss Campbell; 38 students from the Wishart high school from the constituency of Wadena represented by the Member for Wadena, Mr. Dewhurst, under the direction of their teacher, Mr. Milham; 24 students from the Avonlea high school in the constituency of Milestone represented by the Hon. Minister of Welfare, Mr. MacDonald, under the direction of their teacher, Mr. Smukovich; and 26 students from St. Philip school in the constituency of Regina North West represented by its Member, Mr. Whelan, under the direction of their Principal, Mr. Small; 60 students from the Deshaye school from the constituency of Regina South, represented by the Hon. Minister of Public Health, Mr. Grant, under the direction of their teachers, Mr. Soltys and Mr. Hall.

I am sure all Members of this Legislative Assembly would wish to extend an extremely warm welcome to these students and to express the hope that their stay here will be enjoyable and informational, and that they will all have a safe trip home.

Hon. Members: — Hear, hear!

STATEMENT

FEDERAL WHEAT ACREAGE REDUCTION PLAN

Hon. W.R. Thatcher (Premier): — Mr. Speaker, several days ago the Hon. Leader of the Opposition (Mr. Lloyd) asked me if I would care to make a statement on the Provincial Government's stand on Ottawa's acreage reduction plan and I would like to do that today briefly.

After preliminary evaluation the Government of Saskatchewan generally welcomes the Federal wheat acreage reduction plan, as a sincere effort to help the Western farm economy. In the short term the cash injection will help the farmer financially over a difficult period. It should contribute to reducing the current glut of wheat, and at the same time discourage the seeding of wheat on marginal farm land.

We do not, however, feel that the plan should be in any way considered as an over-all solution to the wheat crisis. Our Government particularly points out the danger from wind erosion under the new acreage reduction plan, if too much land is permitted to lie fallow.

We again stress the continuing need for a vigorous and aggressive sales policy which will sell larger quantities of Canadian wheat overseas.

Some Hon. Members: — Hear, hear!

Mr. J. Messer (Kelsey): — Mr. Speaker, I can agree with the Premier on some of the statements he has made in regard to the Federal Government's announcement. It has, after several days, left a large number of farmers in the Province of Saskatchewan in a state of confusion, and I think some of the spokesmen of the farm organizations in the Province are now beginning to question whether it is really that much of an asset as it seemed to be when it was first announced. It has in many instances, I believe, brought undue hardship on small farmers and has actually given relief to the people that were growing grain last year and farmers in the province who were trying to curb production are the people that are not getting the consideration now. I, therefore, say that the province still needs some sort of supporting payments, some sort of injection through the ways and means of storage for farm-stored grain, and I urge the Premier and his Government to continue to put pressure on the Federal Government in Ottawa for further consideration in regard to the serious plight that the Saskatchewan farmer is in.

Some Hon. Members: — Hear, hear!

ANNOUNCEMENTS

POTASH PRODUCTION AND SALES QUOTAS

Hon. A.C. Cameron (Minister of Mineral Resources): — Mr. Speaker, as Hon. Members may recall the Potash Conservation Board had public hearings a week ago yesterday in which they were to assess the quotas for the production and disposal of potash in the province for the next quarter. I wish to announce the production and sales quotas on Saskatchewan potash for the second quarter ending June 30th. These quotas indicate the effects Saskatchewan's new regulations have on the orderly production and sale of potash.

The first quarter sales of 965,000 tons of K₂O were 10 per cent above the sales for the same period in 1969.

Some Hon. Members: — Hear, hear!

Mr. Cameron: — The companies' allotted

requirements for the second quarter of 948,000 tons of K₂O are an increase in sales of 14 per cent, Mr. Speaker, over the same period last year.

Some Hon. Members: — Hear, hear!

Mr. Cameron: — Reports on hand indicate that we are presently selling 66 per cent of our production to the United States, 14 per cent to Japan, 11 per cent to Europe, and the remainder is marketed in South Africa, Australia, New Zealand, India, Pakistan, Brazil and other small nations. The fear that Saskatchewan may lose markets because of Government action in the control and marketing of potash is not well founded.

Some Hon. Members: — Hear, hear!

Mr. Cameron: — Indications are strong that Saskatchewan's sales this year will exceed those of 1969 by a considerable margin. They will probably exceed last year's sales by 500,000 tons.

Some Hon. Members: — Hear, hear!

Mr. Cameron: — The marketing pattern to date indicates that world producers are following Saskatchewan's lead in returning order to the production and marketing of potash. We are now satisfied that the pro-rationing plan is beginning to show the desired results we hoped it would.

Some Hon. Members: — Hear, hear!

Mr. Cameron: — I have, Mr. Speaker, a summary of the allocations to each of the companies producing potash in the province and I will send one over to the Leader of the Opposition.

An Hon. Member: — Why, he can't read it.

REGULATIONS GOVERNING LOTTERIES

Hon. D.V. Heald (Attorney General): — Mr. Speaker, before the Orders of the Day I would like to announce that regulations governing lotteries and the licensing of lottery operations in Saskatchewan have been approved by the Lieutenant Governor in Council and are published in the Gazette. What I have done — I don't propose to read this statement — but I have a copy for each Hon. Member. It is in the form of a news release. It is a sort of a summary of these regulations. They are quite complicated. Generally speaking there are two types of licences. One, the larger amounts to be licensed by the Attorney General and in the matter of the smaller lotteries they are going to be licensed by local authorities. So I would like to lay the press release on the table. I have a copy for all Hon. Members and if they have any

questions later that they'd like to discuss with me I would be glad to go into details with them.

QUESTIONS

GASOLINE PRICE INCREASE

Mr. W.E. Smishek (Regina North East): — Mr. Speaker, before the Orders of the Day I would direct a question to the Hon. Provincial Treasurer (Mr. Steuart). Last night it came to my attention, in fact I received two telephone calls, that as a result of his announced tax increase on gasoline certain service station operators in the city of Regina increased the price of gasoline by 2 cents per gallon before 8 o'clock yesterday evening. I also understand that there was a meeting that took place between Government officials and certain service station operators in regard to the announced tax increase which was to take effect as of midnight. I wonder whether the Provincial Treasurer can tell me whether in the light of this information he would conduct any kind of an investigation because it was an advanced increase in the tax; also whether as a result of this the people who were charged might be reimbursed for the price increase or whether the Provincial Treasurer will benefit by the tax increase in advance.

An Hon. Member: — Hope so!

Hon. D.G. Steuart (Provincial Treasurer): — Well, if they listened to the announcement it said it was effective midnight, so if they paid the tax ahead of time then I suggest you should tell them, if they phoned you, to go back and get their money back, and if they don't get their money back they can take whatever steps are open whenever anyone is overcharged. Our officials held no meetings with filling station operators. We did as is customary, and I understand has been done for years, even before we were the Government. When there is going to be a change in the tax regarding gasoline we meet with the refineries, like Imperial Oil and Co-op, to discuss it with them so that this change can be effected in an orderly way. This was done this year but we met with no filling station operators, or if anybody did in my department, I will find out about it. They certainly shouldn't have and they will be reprimanded and steps will be taken but I am sure they didn't. As for the rest of it, I don't know, if that was an answer or just a statement. Certainly if they collected the tax I hope they turn it in, if they don't turn it back to the customers. But if anyone paid any tax before 12 o'clock last night, they shouldn't have, and they should go get their money back because no one had the right to collect it.

Mr. Smishek: — Would the Minister be prepared to make an investigation as to how many?

Mr. Steuart: — No, you make the investigation. You got the phone calls. Give me the names. You could have given me the names and I'll find out about it but what investigation is there to be made? If somebody drove up now and charged them 10 cents extra, if they pay it that's their problem not anyone else's, so just phone them back and tell them to go and get their money back. I am sure the filling station operators will give them their money back. They made a mistake.

ORDERLY PAYMENT OF DEBTS PROCEDURES

Mr. E. Whelan (Regina North West): — Mr. Speaker, I would like to direct a question to the Hon. Attorney General (Mr. Heald). Some of my constituents are seeking relief by the orderly payment of debts under the bankruptcy Act. Since this is an involved procedure can the Attorney General supply each Member with a handbook setting out the procedures?

Hon. D.V. Heald (Attorney General): — The Hon. Member asked me about a handbook the other day. There isn't in fact a handbook. What is in existence is a document which includes the legislation and there are copies of this legislation. The only distribution of this has been to all of the sheriffs in the various judicial centres because it is a fairly complex matter. The only information that really is needed is that anybody that wants information about this can go to the Mediation Board, if they live in Regina, go to the Mediation Board office, if they live in Saskatoon, or go to any sheriff in any judicial centre. Because the forms are quite complex and the procedure is fairly complex, to try and put it into a concise booklet is a very difficult thing and I don't think any of the other Provinces have done this.

I have one copy for the Hon. Member — and I will send it over — of the complete regulations and the statute, but this is really not practical, I suggest, to give to all members of the public. But I have a copy for you and if you want some other copies I will have them prepared, but it is a fairly thick document. I'll send it over to you and if you wish more you can let me know and I'll get them for you.

Mr. Whelan: — Mr. Speaker, I wish to thank the Attorney General, but I was wondering if it would be possible to give us something in summary form that would be readily available if a debtor comes to see one of us and we could just hand it to them. Because even when they got to the sheriff and so forth I think they find it very, very difficult to understand.

Mr. Heald: — Well, Mr. Speaker, it's difficult to summarize it in a pamphlet form. As I say about the best advice I can give, and I would suggest to any Hon. Member, would be to send your

constituents to the sheriff or to the office. However, I will look into that and I will send you over now the copy that I have. Perhaps after you have seen it we can have a discussion about it.

CROPS BEING DESTROYED BY WILD GAME

Mr. G.R. Bowerman (Shellbrook): — Mr. Speaker, before the Orders of the Day I would like to direct a question to the Hon. Minister of Natural Resources (Mr. Barrie). I raised with the Hon. Minister of Natural Resources privately some eight or ten days ago the matter over 300 acres of unharvested crop being destroyed by large herds of elk that are ranging outside the Prince Albert National Park in my constituency. I am anxious to know what developments have been made to this date with respect to the Federal Government's responsibility here. I am sure the Minister will appreciate that each day this is prolonged that additional acres of crop are being destroyed, and I would hope that some action will be soon taken.

Hon. J.R. Barrie (Minister of Natural Resources): — This matter has been taken up with the appropriate Minister in Ottawa and I regret to advise that we have had not reply as yet from him. But the Provincial game officials have seen to it that the game to the best of their ability have been returned with the Prince Albert Park boundaries.

EXPLANATORY NOTES ACCOMPANYING BILLS

Mr. G.T. Snyder (Moose Jaw North): — Mr. Speaker, before the Orders of the Day are proceeded with I wanted to draw to the attention of the Minister that we've had approximately 30 Bills tabled. At this time we've had a very limited number of explanatory notes that have usually been forthcoming before this time. I recognize that a good deal of the legislation is not controversial, but I wonder what the intent of the Government is, whether it is its practice to continue with the explanatory notes, and when we can expect to receive some for the legislation that we've already had placed on our desks.

Mr. Heald: — Mr. Speaker, the departments concerned are in the process, as I understand it, of preparing explanatory notes and they will be coming forward. I would indicate to the Hon. Member that in a number of cases certainly some of these Bills, as you say, are non-controversial and are of a housekeeping nature. Perhaps there won't be much need in some cases for explanatory notes but certainly those notes are in the process of coming. I will check again and see how they are coming along.

MOTIONS FOR HUMBLE ADDRESSES

HUMBLE ADDRESS NO. 1

Mr. J.E. Brockelbank (Saskatoon Mayfair): — I move that an humble Address No. 1 be presented to His Honour the Lieutenant Governor praying that His Honour will cause to be laid before this Assembly:

Copies of any correspondence between the Government of Saskatchewan and the Government of Canada respecting any of the legal, constitutional or economic aspects of the Potash Conservation Regulations (1969), in 1969 and 1970 to February 1, 1970.

Mr. Speaker, I was pleased to hear the Minister of Mineral Resources (Mr. Cameron) announce that the sale of potash was moving ahead of last year and at a better price and therefore I see no difficulty why this Motion for Return should not be dealt with promptly by the Government and the information supplied.

By asking the Assembly to support this Motion requesting certain information, which may have passed between the Government of Saskatchewan and the Government of Canada regarding the Potash Conservation Regulations (1969), I hope to be able to establish a firm base from which all Members can intelligently assess the further need for cooperation between these two Governments. Information on this aspect of the regulations has been sketchy to say the least. It also appears, Mr. Speaker, that a conflict has arisen as to the basis for cooperation between the two Governments as evidenced by the following exchange from the House of Commons. Mr. John Burton, the MP for Regina East, was asking a question in the House of Commons as follows:

Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In view of reports purporting to give the federal government's view of the recently announced Saskatchewan Potash Regulations, is the Minister now able to inform the House of the government's view on the constitutionality of these regulations?

The question was answered by the Hon. Jean-Luc Pepin, Minister of Industry, Trade and Commerce as follows:

Comments were made by the press saying that this government was in agreement with the regulations recently announced by the government of Saskatchewan. I want to say that these views referred to a previous understanding. Now that the government of Saskatchewan has seen fit to include disposal licences in its

regulations and has announced a Ministerial Order in respect to minimum prices, the constitutionality generally of these regulations is now under further examination. I might add, for the information, that regulations will not be effective until January 1st and that discussions about the regulations which have been held with the government of Saskatchewan at both the Ministerial and Official levels in the recent past will continue at a public hearing, which is to be held on December 8th in Regina with Saskatchewan officials.

Mr. Burton asked a supplementary question:

Has the government of Saskatchewan asked for federal action to establish a potash export board and have there been discussions between the government of Saskatchewan and the government of Canada on this matter?

Whereupon Mr. Pepin answered:

As I indicated a few days ago this might be one way of going at it. I am not aware of formal discussions between the governments at Regina and Ottawa on this particular method.

Mr. Cameron: — Mr. Speaker, any such correspondence that the Member (Mr. Brockelbank) is asking for would form a part of the continuing interchange of information between the Federal and Saskatchewan authorities on potash problems. These exchanges, Mr. Speaker, are continuing. They are not finalized. It is felt because of the condition which these exchanges are now in that the views and opinions expressed, both in correspondence and verbally, should remain confidential at this time and for that reason I would ask the House to defeat this motion.

Some Hon. Members: — Hear, hear!

Mr. Brockelbank: — May I ask the Minister a question before he takes his seat. The Minister said that these discussions are continuing. We don't ask for the continuing discussions. Is he aware of that? We are asking for a cutoff as of February 1st, 1970 and I wonder if he was aware of that?

Mr. Cameron: — I was aware of it but it's part of the continuing package of discussions that are going on between Ottawa and Saskatchewan.

Mr. W.S. Lloyd (Leader of the Opposition): — I find the request of the Minister of Mineral Resources

(Mr. Cameron) a very strange one and I hope he understands the kind of difficult problem which he puts the Legislature in. I hope he understands the sort of difficult situation which in the eyes of the public he must put himself and the Government in by urging that this information be refused.

Some Hon. Members: — Hear, hear!

Mr. Lloyd: — We had just a few minutes ago a rather gratifying statement from the Minister about how everything was wonderful in the garden of potash. It was all going well. It was better than expected and no doubt about it “the whole world was following our lead”. But for some reason or other his information with respect to this and points of view with respect to it which we can’t see, we have no right to know. There is room, based on the excerpts of statements of a Federal Minister (Mr. Pepin) read by my colleague, to suggest that the Federal Government has some real doubts about aspects of this and the Minister (Mr. Cameron) asks us to give him a sort of carte blanche to go ahead and do as he will, when he will, how he will, simply on the basis of this continuing information. It is most unfair to this Legislature. There are no real parliamentary precedents to support his suggestion that this should not be made available and I submit that the motion should be carried.

Some Hon. Members: — Hear, hear!

Mr. Heald: — Mr. Speaker, I was interested in the last comment of the Leader of the Opposition (Mr. Lloyd) particularly to the effect that there was no parliamentary precedents for turning down this kind of motion. I would refer all Hon. Members, and particularly the Leader of the Opposition, to the report of Thursday, April 4th, 1963, Motion by Mr. Snedker, Sir.

That an Humble Address be presented to His Honour the Lieutenant Governor praying that his Honour will cause to be laid before this Assembly:

I would ask all Hon. Members to note this is what was being asked for at that time:

Any and all correspondence from February 21st, 1963 to April 2nd, 1963, between the Government of the Province of Saskatchewan and the Government of Canada or the Government of any Province in Canada, having regard to the tabling of correspondence between the Province of Saskatchewan and such other governments concerning the establishing of a Faculty of Veterinary Science.

A debate arising, and the question being put, it was negatived.

In other words the Government of the day at that time, Mr. Speaker, turned down a similar request for correspondence between the Government of the Province of Saskatchewan and the Government of Canada. I think perhaps that's desirable, Mr. Speaker, because surely a government engaged in dialogue and engaged in negotiations between one government and another government has to have some area of privilege while these negotiations are continuing. That's the position that the Minister of Mineral Resources (Mr. Cameron) has taken here today and it is the position that you took when you were the Government of the day in 1963. Surely it would not be reasonable to expect at this point in time the tabling of correspondence about a continuing problem area and that's the position of the Government.

Mr. Lloyd: — Would the Minister give me the date?

Mr. Heald: — Yes, Tuesday, April 4th, 1963. Page 161 of the Journals of the 1963 Session.

Mr. W.G. Davies (Moose Jaw South) — I would like to say, Mr. Speaker, in response to what the Attorney General (Mr. Heald) has just said now that the difference between that question at that time and the question now before us is that matter involved two other provinces and it's a very common thing when questions of that kind come before an Assembly that they are not answered if they also involve the other jurisdictions as they did in this case. And the Attorney General knows that. But the Motion before us is a straight question of relationships between this Government and the Government of Canada.

An Hon. Member: — Why didn't you amend that . . .

Mr. Davies — Well, why didn't you?

Motion negatived on the following recorded division:

YEAS — 24

Lloyd
Bowerman
Kramer
Messer
Wood
Blakeney
Davies
Dewhurst

Meakes
Berezowsky
Smishek
Thibault
Whelan
Snyder
Michayluk
Brockelbank

Baker
Pepper
Matsalla
Wooff
Willis
Kwasnica
Kowalchuk
Byers

NAYS — 32

Thatcher	MacDougall	Leith
Howes	Grant	Radloff
McFarlane	Coderre	Weatherald
Boldt	Larochelle	Mitchell
Cameron	MacDonald	Gardner
Steuart	Estey	McPherson
Heald	Hooker	Charlebois
McIsaac	Gallagher	Forsyth
Guy	MacLennan	McIvor
Barrie	Heggie	Schmeiser
Loken	Breker	

HUMBLE ADDRESS NO. 2

Mr. J. Messer (Kelsey): — I move that an humble Address No. 2 be presented to His Honour the Lieutenant Governor praying that His Honour will cause to be laid before this Assembly:

Copies of any correspondence between the Attorney General and the Hon. Otto Lang concerning the application and enforcement of the regulations of the Canadian Wheat Board, between December 1, 1969 and January 31, 1970.

Hon. D.V. Heald (Attorney General): — Mr. Speaker, the correspondence asked for in this Motion would form a necessary and integral part of a continuing dialogue which exists, of course, between Saskatchewan and Federal officials on the Wheat Board regulations. It is our opinion that, as these exchanges are, of course, of a current and continuing nature, we feel that the views and the opinions expressed both in correspondence and verbally should remain confidential and we would ask the House to defeat this motion on the basis of the principle which was established, I think, by the former government when it voted down a similar request for correspondence between the Province of Saskatchewan and the Government of Canada having to do with the Veterinary Science building back in 1963.

Mr. Messer: — Mr. Speaker, I think that we have a particular situation here that was not applicable in the past. I don't believe that the principle, if indeed there was a principle, established in some time past that it applies now. I want to impress upon the Government that the farmer in Saskatchewan does not really know what his legal rights are in regard to sales and movement of grain due to the relationship between provincial and federal governments some months ago. Due to the cash shortages and the surplus of grain in the Province of Saskatchewan, he is looking for alternate means other than delivery to the Wheat Board, of dispersing this excess produce he has. He wants to be able to

do it within the meaning of the law. I think that, in order for him then to be able to find other and alternative means of moving grain, this correspondence and the contents are of the utmost necessity to him so that he can, with peace of mind, make a decision to move his grain legally. I impress upon the Government to table that information.

Motion negatived on the following recorded division:

YEAS — 24

Lloyd	Meakes	Baker
Bowerman	Berezowsky	Pepper
Kramer	Smishek	Matsalla
Messer	Thibault	Wooff
Wood	Whelan	Willis
Blakeney	Snyder	Kwasnica
Davies	Michayluk	Kowalchuk
Dewhurst	Brockelbank	Byers

NAYS — 32

Thatcher	MacDougall	Leith
Howes	Grant	Radloff
McFarlane	Coderre	Weatherald
Boldt	Larochelle	Mitchell
Cameron	MacDonald	Gardner
Steuart	Estey	McPherson
Heald	Hooker	Charlebois
McIsaac	Gallagher	Forsyth
Guy	MacLennan	McIvor
Barrie	Heggie	Schmeiser
Loken	Breker	

HUMBLE ADDRESS NO. 3

Mr. J. Messer (Kelsey): — I move that an humble Address No. 3 be presented to his Honour the Lieutenant Governor praying that His Honour will cause to be laid before this Assembly:

Copies of any correspondence between the Minister of Agriculture and the Hon. Otto Lang concerning the application and enforcement of the regulations of the Canadian Wheat Board, between December 1, 1969 and January 31, 1970.

Hon. D.T. McFarlane (Minister of Agriculture): — Mr. Speaker, I suggest that the motion be turned down for the same reason as the previous motion for the tabling of correspondence. I am sure that all Members know that there are continuing discussions and dialogue between the Federal

Minister and the Government of Saskatchewan. In fact there have been boards and committees set up to review some of the very things that have been referred to in the motion.

So I suggest, Mr. Speaker, in the interest of the Federal Department and the different committees that have been set up to go into this matter and the Government of Saskatchewan that this request be denied.

Motion negatived.

HUMBLE ADDRESS NO. 4

Mr. Messer: — I move that an humble Address No. 4 be presented to His Honour the Lieutenant Governor praying that His Honour will cause to be laid before this Assembly:

Copies of any correspondence between the Premier and the Hon. Otto Lang concerning the application and enforcement of the regulations of the Canadian Wheat Board, between December 1, 1969 and January 31, 1970.

Mr. Thatcher: — Mr. Speaker, for the same reasons that we have rejected items four and five, I would propose that this motion be defeated. I do not feel that correspondence between the Provincial or Federal Ministers need to be tabled in this House. This Government looks upon that kind of correspondence as privileged and we don't think it is in the public interest to give it today.

Mr. Messer: — Mr. Speaker, I want to again attempt to impress upon the Government the confusion that the farmer is in at the present time in regard to enforcement regulations of the Canadian Wheat Board. Any information arising out of the correspondence between the Premier and the Minister in charge of the Wheat Board would be of some assistance to that farmer in clarifying his position.

The present situation, Mr. Speaker, is that the Wheat Board and the Minister in charge state that they are going to enforce the existing rules and regulations of the Canadian Wheat Board, whatever they may be. The Provincial Government's stand in Saskatchewan as stated by the Premier, and I want to quote from the Western Producer of January 8, 1970:

We think the whole exercise is really silly . . .

And here the Premier is referring to the quota book seizures.

My God, if farmers with all the problems that they have now can't sell a little wheat, why not. It is typical bureaucracy.

The farm organizations in the Province of Saskatchewan tend to support the Canadian Wheat Board in its orderly marketing procedure thereby reducing grain bootlegging at unrealistically low prices. Now whether it's a precedent or whether it is confidential information or not, the farmer is the man that is now in the middle and he is looking for an opportunity to move produce that would mean income that he really needs. In order to do that he has to know whether there have been any deals made with the Wheat Board or the Federal Government in regard to freer movement of some of these grains he is trying to move. I dare say that there is still a considerable amount of grain being moved in the province in total ignorance to the farmer that he is breaking Canadian Wheat Board regulations. We have had evidence some months ago in regard to numbers of quota books being seized, farmers not really knowing why. The Premier has made statements in the province saying that farmers should be able to move their grain. Does it then mean that they can move their grain outside of the Canadian Wheat Board regulations? I, therefore, ask that in order to substantiate the statements he made, in order to clarify the situation facing the Saskatchewan farmer, all of or at least part of that information should be tabled in the House so that it becomes knowledgeable to the farmer, so that he knows what to do with the produce that he grows.

Motion negatived.

HUMBLE ADDRESS NO. 5

Mr. J.E. Brockelbank (Saskatoon Mayfair): — I move that an humble Address No. 5 be presented to His Honour the Lieutenant Governor praying that His Honour will cause to be laid before this Assembly:

Copies of any correspondence between the Government of Saskatchewan and the Government of New Mexico or other documents showing or relating to an undertaking by the Government in New Mexico to restrict the production of potash by producers in its jurisdiction.

Mr. Speaker, I would like the Members of the Assembly to endorse this motion in order that this Assembly can show the people of Saskatchewan that arrangements concluded between the Government of Saskatchewan and New Mexico are no less favorable to Saskatchewan than they are to the state of New Mexico. The same reasoning applies as in the previous Address No. 1. The Minister says that everything is fine in the potash industry and the picture is brighter than it was last year. Therefore, I can see no reason for the Minister to deny this information. The Premier specified previously that agreements between this Government and the Government at Ottawa are not, in his view, matters to be viewed in this Chamber. Possibly he will get up and say agreements between the Government of Saskatchewan and the Government of New Mexico are not to be

viewed in this Chamber as well. I don't know.

It is reasonable to expect that the interests of Saskatchewan people will be aroused when the Governor of New Mexico, talking about the controlled production, stated and I quote:

I think that it saved the industry in Carlsbad. Governor Cargo said: 'I don't think there could have been any solution for this thing that worked out better for the Carlsbad area.'

This is from the Star Phoenix of November 18, 1969. The concern of Saskatchewan citizens has heightened more when our Minister of Mineral Resources (Mr. Cameron) states and I quote:

The move Saskatchewan is taking now will be the salvation of New Mexico's potash industry. This will give them an umbrella. They will gain \$6.75 a ton.

And that is taken from the New York Times of November 29, 1969.

Saskatchewan citizens and potash workers will have their concern magnified many times over if they should be denied the information that is rightfully theirs.

Some Hon. Members: — Hear, hear!

Mr. Thatcher: — Mr. Speaker, if there is any Hon. Member in this House who should support the action taken by this Government with respect to potash, it is the Saskatoon Member. I suppose if any industry is in more serious difficulties than the wheat industry it must be potash. I indicated a few days ago why the Government felt it necessary to take certain steps to restore orderly markets.

All I am going to say is that the main reason we took action, was to preserve and keep the jobs of the various workers in the Saskatoon area and elsewhere. The results have been most encouraging. We don't say that all the problems have been solved, but we do say we have kept several companies from major financial difficulties immediately. We do say that because of our action the Americans will now probably not take punitive action that might have ruined our industry as a whole.

As far as our conversations with the Governor of New Mexico, I indicated to the House a few days ago that four of our Ministers visited New Mexico. Then the Governor and some of his colleagues came up here, and a genuine effort was made to obtain mutual cooperation. Surely the conversations and the correspondence that we had in this regard must be treated as confidential. I want to say that for several months there has been a continuing dialogue between the Government of New Mexico and our own. But again, we intend to keep that correspondence and those views absolutely confidential. We do so in the interests of the workers who are involved in these plants.

I would move that this motion be turned down.

Mr. W.S. Lloyd (Leader of the Opposition): — Mr. Speaker, it will be noted, of course, that the Premier didn't discuss the motion before us. This is a motion, not questioning what the Government has done or whether it was worthwhile, but simply asking for evidence to be placed on the public record as to what it is that the Government has done. If the Premier has reason and justification for being as proud of what has been done as he has said, then surely he ought to be prepared to give us some public evidence.

Mr. Speaker, we are being asked to believe that an arrangement has been made which regulates the production of potash in Saskatchewan and the production of potash in the United States. Without anything on paper, without any kind of an agreement as to what conclusion the two Governments have come to, we are being asked to take, without again anything other than the chance statement made here or made by the Premier in the heat of the debate as to what our relationship is. This, I submit, is just not the way in which public business ought to be done. Surely in addition to dialogue we have some documents. And surely the public has the right to know something about the documents that are in existence.

May I point out that it isn't just us that are raising this kind of a question. Mr. Speaker, we had a hearing of the Potash Conservation Board on December 8. At that time one of the companies, the Noranda Company, raised, as I interpreted, some question with respect to what this arrangement between production in Saskatchewan and production in New Mexico is. Noranda happens to be, according to their claims at this hearing, a company which is something like over 90 per cent Canadian owned. It is a company which had made extensive pre-production arrangements for marketing with a large farm cooperative in the United States. It raises the question as to whether or not a Canadian owned industry isn't possibly discriminated against by this dialogue, which we can't find out what it was, between the Premier and the Governor of New Mexico.

Specifically as I recall the statement of the Noranda officials at that meeting — it is in the transcript and people can read it — said that last year (1968 I presume they were speaking of) the United States potash industry, namely the New Mexico industry, was able to put on the market X number of tons. Some of this came from stockpiles, some came from new production. In total it amounted to something over 90 per cent of the productive capacity of the New Mexico potash industry. And the agreement we are told is that they could produce that same amount this year. This looks as if the dialogue says that New Mexico can produce at over 90 per cent of its production capacity, but our Saskatchewan potash industry is being held, as I understand it, at something like 60 per cent of its productive capacity. I would like to know if these figures are right. I would like to know whether the Premier agrees with

Noranda or whether he disputes it. I submit that the only way that he can demonstrate whether or not he agrees with Noranda or not is to put some documents on the table.

Surely, Mr. Speaker, it is not good enough for us to take an industry as important to Saskatchewan and to Canada as potash is and to regulate the production as a result of a dialogue without any documents. And if the Government hasn't got any documents about this it jolly well ought to have some and those documents ought to be put on this table.

Some Hon. Members: — Hear, hear!

Hon. A.C. Cameron (Minister of Mineral Resources): — Mr. Speaker, I thought that I had better correct the Leader of the Opposition (Mr. Lloyd) on at least two points. He says that Noranda is 90 per cent Canadian owned. That, of course, is not correct. Secondly, . . .

Mr. Lloyd: — On a point of order. I know the Minister doesn't want to misquote me. I said that Noranda claimed it was.

Mr. Cameron: — Well, Noranda no longer claims that. Let me put it this way. Secondly, he says that it is inconceivable that we should have an understanding between New Mexico and Saskatchewan without a document and therefore there must be a document and he insisted that document be laid on the table. We have told the Leader of the Opposition repeatedly that there are no international treaties between Saskatchewan and New Mexico; there are no documents to lay on the table; that there is such a thing as the Province of Saskatchewan and the Governor of New Mexico sitting down, discussing a mutual problem, deciding on a mutual solution, and shaking hands on it; and that is it.

We respect the Governor of New Mexico as a gentleman and as is the Premier of Saskatchewan. These two gentlemen have agreed as to the problems that face both the New Mexico industry and the Saskatchewan industry and are in agreement that certain steps which Saskatchewan proposed are of benefit not only to Saskatchewan producers but would be a benefit to the Mexico producers as well. I am surprised particularly from the so-called financial Mineral Resources critic who has done nothing but try to discredit every move this Government has made in the interests of Saskatchewan potash. I am proud to stand today and say that the efforts which we took to protect these jobs for Saskatchewan workers around Saskatoon and elsewhere have been recognized as a forward objective and imaginative approach around the world. I am proud to be able to tell this Legislature that today, not only the New Mexican producers but the European producers, support Saskatchewan in what she is doing. And again we have no international treaty with the European producers. We have a verbal understanding and a gentleman's agreement, that they too will begin to put their house in order

as we are doing here. As a result of what I announced today, chaotic conditions, world-wide in the potash industry, are now beginning to fade in the background, and orderly production and orderly marketing are beginning to reassert themselves once again. I say that this is of no credit to the Opposition. If this program had failed I say it would have failed simply because of the desperate attempts of the Opposition to cause the people to lose confidence in what we are attempting to do for this potash industry.

Facts and figures today, Mr. Speaker, justify the approach which the Government has taken. While we can't receive their support we are certainly happy to know that it warrants support in New Mexico, in France, in Germany and the other producing countries of the world, and in Israel. Yes, and likewise it is receiving ever more appreciative support in Ottawa itself.

Mr. A.E. Blakeney (Regina Centre): — Mr. Speaker, I had hoped that the Member for Maple Creek (Mr. Cameron) might turn his attention to the motion. Unfortunately he didn't reach the motion before he reached his seat.

He has indicated that there is no international treaty and we thank him for that glimpse into the obvious. There is, of course, no possibility of an international treaty between Saskatchewan and anyone else. As I read the motion there is no suggestion that anyone has asked for copies of an international treaty.

He says that there are no other documents. Fine. There are no other documents; then there will be no difficulty in the Government returning a Return saying that there are no other documents. He did not dwell on the matter of correspondence and that is the only other thing mentioned in the motion. He neglected to mention whether there is, or whether there is not, correspondence. If, indeed, there is correspondence then much the Minister said was quite irrelevant because if there is an agreement and if it has been committed to writing, whether we call this an international agreement or whether we call it a gentleman's agreement, doesn't in any way derogate from the fact that it is of consuming interest to the people of Saskatchewan to know what the agreement is.

If in fact there is no correspondence then it will do the Government no harm at all to pass this motion. The Premier says there is correspondence. I am happy to have that admission which I must say I would not have gathered from the remarks of the Minister of Mineral Resources, that there is correspondence.

Mr. Cameron: — Correspondence may not necessarily be an official document.

Mr. Blakeney: — Correspondence by a Minister of the Crown certainly is an

official document. There is no way, and if the Minister is not aware of the provisions of The Archives Act or of the several other Acts which define an official document, he will find that any letter which he writes as Minister of the Crown or any letter that the Premier writes as Minister of the Crown is in fact an official document. It is not, obviously, necessary that it be tabled. The Government must take that responsibility. But I submit that the people of Saskatchewan are entitled to know what the deal is if there is a deal committed to writing. And if there is not a deal committed to writing this we should be advised of. If there is in fact a deal, committed to writing, and if, as the Premier says, it is in correspondence, then surely the House is entitled to look at the correspondence so we know what the deal is which is regulating this major industry of Saskatchewan.

Hon. D.V. Heald (Attorney General): — Mr. Speaker, it is amazing how the Hon. Members opposite can work both sides of the street according to where they sit. Now they are arguing it seems, particularly from the comments of the Member from Regina Centre (Mr. Blakeney), he seems to make a big difference between correspondence and documents. Well, this Motion that is being debated asks for and I quote: “Copies of any correspondence between the Government of Saskatchewan and the Government of New Mexico.” When you were the Government you turned down a Motion which asked for any and all correspondence in exactly the same terms. This Motion asks for correspondence between the Government of Saskatchewan and the Government of New Mexico. That Motion which you turned down when you were the Government, asked for correspondence between the Saskatchewan Government and the Federal Government, and the Saskatchewan Government and the Government of any province in Canada. Now what is the difference, Mr. Speaker, between correspondence between Saskatchewan and Manitoba on the one hand and Saskatchewan and New Mexico on the other. You can’t have it both ways. You argued at that time — you turned it down on a motion, it was negatived — on correspondence that was being asked for at that time by Mr. Snedker between the Province of Saskatchewan and the other Governments of Canada. That, likewise, may have been of great interest to the people of Saskatchewan, but I submit, Mr. Speaker, that this is not the only consideration. Governments have to, to some extent, be able to conduct negotiations at a certain point in time on a confidential basis. That’s the principle that we are defending here this afternoon. I think you were probably right when you turned down that Motion in 1963 and I submit that we will be right in turning it down here this afternoon.

Some Hon. Members: — Hear, hear!

Mr. E. Kramer (The Battlefords): — Mr. Speaker, could I ask a question. I hear you have some livestock in the Assembly over there, Mr. Speaker, I wonder if that is contrary to the rules of the House?

I would like to ask the Attorney General or any of the Hon. Members opposite if the action taken by the Premier (Mr. Thatcher) or the Minister of Mineral Resources (Mr. Cameron) in this so-called gentleman's agreement, if that action had been taken, if that agreement had been made by the Company itself and the Potash Company in New Mexico, if it would have contravened either the anti-combines laws of Canada or the anti-trust laws of the United States?

Mr. Speaker: — Order, order!

Mr. Kramer: — I gather, Mr. Speaker, that the Hon. Attorney General does not wish to answer my question.

Mr. Heald: — I wouldn't mind trying to give you an answer but I think we would both be out of order really. I would be glad to discuss it with you later if you want to.

Mr. Kramer: — Maybe the Attorney General knows that it would have contravened the laws.

Hon. A.C. Cameron (Minister of Mineral Resources): — Why did you ask?

Mr. Brockelbank: — Mr. Speaker, in closing the debate on this particular Motion for Return, really what we are concerned about here is that the Government has given blanket secrecy to anything that goes on in the potash negotiation field. The Premier states that potash was in serious trouble and I suppose that this was due to the virulent competitive situation that he created in this province. He says that of all the ones that he has got in trouble, probably potash is the second most serious industry in trouble.

The Minister of Mineral Resources (Mr. Cameron) rises in this debate where he hardly touched on the Motion that was before us, but suggest that they had mutual agreements, a shake of the hand kind of thing. Well he may not be here tomorrow, Mr. Speaker, and he may not be here after the next election. What do we have then? We don't have the two parties to the mutual agreement. If this is the way the Government of Saskatchewan is running the affairs of Saskatchewan, then we are in serious trouble and it is good that we are finding it out at this time. We are finding it out in a number of ways at this time. The Minister says that the United States state that is involved obviously supports these recommendations, and I think that's quite clear because I read his statement about this being the salvation of New Mexico's potash industry. It is quite clear that the Carlsbad area of New Mexico is quite pleased with the agreement.

The Premier (Mr. Thatcher) states that he stands behind

the workers of Saskatchewan. That's interesting because I had the impression that I was standing behind some of the workers of Saskatchewan. I talked to some of them that were laid off from their jobs, Mr. Speaker, and they are concerned about what's happening in potash. Maybe the Premier thinks he is protecting the welfare of the workers of Saskatchewan but what we want to find out here, Mr. Speaker, is to what degree he is protecting the welfare of the workers of Saskatchewan. That's what this Motion seeks.

Motion negatived on the following recorded division:

YEAS — 24

Lloyd	Meakes	Baker
Bowerman	Berezowsky	Pepper
Kramer	Smishek	Matsalla
Messer	Thibault	Wooff
Wood	Whelan	Willis
Blakeney	Snyder	Kwasnica
Davies	Michayluk	Kowalchuk
Dewhurst	Brockelbank	Byers

NAYS — 32

Thatcher	MacDougall	Leith
Howes	Grant	Radloff
McFarlane	Coderre	Weatherald
Boldt	Larochelle	Mitchell
Cameron	MacDonald	Gardner
Steuart	Estey	McPherson
Heald	Hooker	Charlebois
McIsaac	Gallagher	Forsyth
Guy	MacLennan	McIvor
Barrie	Heggie	Schmeiser
Loken	Breker	

HUMBLE ADDRESS NO. 6

Mr. J. Messer (Kelsey): — Mr. Speaker, I move that an humble Address be presented to his Honour the Lieutenant Governor, praying that His Honour will cause to be laid before this Assembly:

Copies of any correspondence between the Premier or other Members of the Government of Saskatchewan and any of the Members of the Government of Canada respecting the terms and the effects of the terms of the purchase of power transformers from Pioneer Electric Company, Limited.

Hon. W.R. Thatcher (Premier): — Mr. Speaker, Members on this side certainly agreed with the Hon. Leader of the Opposition (Mr. Lloyd) when he said a short time ago that the selling of wheat is the responsibility of the Federal Government. Nevertheless we are not content to sit idly by and do nothing. That is why the Provincial Government has tried to make a series of barter deals of wheat for certain goods that we must purchase. I can tell the House that we have concluded those deals and they are barter transactions even though there are certain mechanics we have to go through in order to conclude them. We are on the verge of a third deal which I hope we can announce very shortly. I make this statement flatly today, Mr. Speaker, that if the Wheat Board and the Federal Government would give these barter deals their blessings, we could barter at least 25 million bushels of wheat this year.

The Hon. Member for Kelsey (Mr. Messer), the agricultural critic, apparently doesn't approve of these barter deals. He is trying to embarrass the Government in some way by moving this Motion. I think farmers will be very interested to note his action. I hope they will note the way the Member from Kelsey today flip-flopped on the acreage payment legislation, after listening to Mr. Gleave last night. Because we think, Mr. Speaker, that correspondence between Ministers in Ottawa and Ministers in Regina should be privileged, I would ask the House to turn this Motion down.

Some Hon. Members: — Hear, hear!

Hon. W.S. Lloyd: — Mr. Speaker, may I again point out that the Premier has not directed his remarks to the Motion. If all of this arrangement is as good and as fruitful and as promising as he says it is, why in the world can't we have some of the evidence about it other than just being asked to accept his word as to what goes on? If this is as productive and important for Canada and Saskatchewan as is claimed, and perhaps it is, well why again can't the Legislature and the people of the province know just what is going on? It is surely a strange way to conduct public business, behind closed doors, under the bed sort of thing, behind the barn, and nobody can find out. The people of Saskatchewan haven't got a right to know, that is what the Premier is saying. The people of Saskatchewan have no right to know how it is that their public business is being conducted. So long as the Government refuses to put information of this kind fully and fairly and freely and clearly before the public, then there must be some room for questioning just how the Government is enacting the business of this province.

Hon. D.T. McFarlane (Minister of Agriculture): — Mr. Speaker, the Leader of the Opposition has displayed his complete ignorance as to how deals are completed by the

Canadian Wheat Board and by any state trading firm in the United States or Australia, or in Russia or any country in the world that deals with the Canadian Wheat Board. Never to my knowledge yet, in spite of all the questioning by Members of NDP Opposition in Ottawa at the present time or former CCF Members in Ottawa for years past, has The Canadian Wheat Board ever been in a position where it could divulge any of the prices that were being paid or the prices that were being negotiated while the agreements were in process. I think this has been taken for granted and recognized that this is the system that the Wheat Board operates under. To say as you did a few minutes ago in reply to the Premier that he was hiding something under the bed or that some information was being kept from the farmers of Saskatchewan or from the people of Saskatchewan is condemning the very ethics and practices of the Wheat Board that you purport to defend. So in the interest of the people of Saskatchewan and because extra wheat has been moved because of the efforts of the Premier and this Government, and because there are other deals being negotiated, I am sure it is in the best interest of the farmers of Saskatchewan that this information should not be divulged at the present time.

Mr. Messer: — Mr. Speaker, I think the question here is somewhat different than the Minister of Agriculture (Mr. McFarlane) is trying to picture it to be. In regard to the sales that are made by the Wheat Board, granted they may not be made public in regard to what the terms of those sales are, but in this situation there is some room for debate as to whether a barter has really been completed in regard to the Saskatchewan Government and its deals with Pioneer Electric and the generators that were made through that supposed deal. It is also of significant note to note that the Provincial Government in Saskatchewan did everything but launch an advertising campaign trying to sell the people of Saskatchewan that a barter deal had indeed been made without really giving any insight as to the mechanics of that deal. It is at the present day supposed that the grain, that was traded to Pioneer Electric for those generators, was purchased by McCabe Grain Company in Winnipeg, is still sitting in Winnipeg and has not been shipped out of Canada, which would in truth make a bartering deal. Because the barter has not established or identified itself as a true barter and because it could be and, indeed in the eyes of many, is a conflicting operation with the Canadian Wheat Board in regard to orderly sales of wheat, we ask the Government to table this information that has been asked for in this Motion.

Motion negatived.

MOTIONS FOR RETURNS

Return No. 14

Mr. J. Messer (Kelsey) moved that an Order of the Assembly do issue for Return

No. 14 showing:

With respect to assistance grants available to farmers seeding forage on marginal lands:

- (a) the amount that was paid in 1969;
- (b) the number of farmers who received such payments.

Mr. McFarlane: — Mr. Speaker, in order to answer the question in the way it is submitted it would take a great deal of time and a great deal of work on behalf of the Department to break down every application that came in in the calendar year 1969 and the amounts that were paid out in the calendar year, 1969, if that's the way the Member wished it. However, to give him the information I think he requires and needs I would move, seconded by the Member for Maple Creek (Mr. Cameron) that Order for Return No. 14 be amended as follows:

That the figures "1969" in clause (a) thereof be deleted, and the words "the fiscal year 1969-70" be substituted therefor.

Amendment agreed to.

Motion as amended agreed to.

Return No. 30

Mr. W.G. Davies (Moose Jaw South) moved that an Order of the Assembly do issue for Return No. 30 showing:

- (1) The members of the Provincial Apprenticeship Board and who each member represents.
- (2) The number of meetings the Board held in 1969.

Hon. L.P. Coderre (Minister of Labour): — Mr. Speaker, I move to amend the Motion for Return No. 30:

That all the words after "represents" in section (1) be deleted, and the following substituted therefor:

- (2) The members of the Trade Advisory Boards and who each member represents.
- (3) The number of meetings the Boards held in 1969.

Mr. Davies — Mr. Deputy Speaker, I point out first of all that by the Minister of Labour's amendment he would deny me the information that I have sought in this Motion. The Motion now asks for the Members of the Provincial Apprenticeship Board and who each member represents; and then the number of meetings that the Board held in 1969. The Minister (Mr. Coderre) by his amendment has deleted the Section (2) of my Motion which would

mean that he would deny me the information on the number of meetings that the Board held in 1969 and would substitute information on the Trade Advisory Boards which I have not requested in the Motion. I think that there is a distinct doubt, Mr. Deputy Speaker, with respect to whether the amendment is in order; but if you have ruled it to be in order, I shall continue to discuss it. I say that the reason why, in my opinion, the Minister has deleted Section (2) of the Motion is because he well knows that the Provincial Apprenticeship Board has not met in 1969 and he wants to keep this information from the House and from the people of this province. As a matter of fact it is my information that the Provincial Apprenticeship Board has not met since the year 1964, six full years during which the Provincial Apprenticeship Board set up under the legislation has failed to meet. I think, Mr. Deputy Speaker, this is a disreputable way for the Minister to try to deny information that this House has a right to.

Mr. Coderre: — Mr. Speaker, I presume I can answer . . .

Mr. F.A. Dewhurst (Wadena): — Point of order, the mover of an amendment cannot close the debate on an amendment.

Mr. Davies — Mr. Speaker, I'd like to speak unless someone else wants to speak on the motion. I believe I have a right to close the debate.

Mr. Deputy Speaker: — I would call the attention of Members to the fact that the Member is closing debate and if anyone wishes to speak he must do so now.

Mr. Davies — Mr. Speaker, there has been some discussion from time to time about information not given to this House in the past. I want to point out that this is one of the kinds of questions that in past years were answered by a simple question in the House. By the action of the Minister of Labour (Mr. Coderre) this question was turned into an Order for this Assembly which we are now debating. In 1960, the Minister himself when in Opposition asked as to the members of the Labour Relations' Board. This information was provided to him then along with other information with respect to apprenticeship matters, a series of questions answered on his simple question in the House. There was no attempt at that time to change this to an Order of the Assembly as the Minister has done. Last year this was his practice, Mr. Speaker. I believe that of all the questions that were put to him last year, only one was answered on a simple question in the House. On his action all of the other questions were turned into Motions of this Assembly. The Assembly had to deliberate on them and information was received long after the two main debates in this House, so that the effect of his action was to prevent Members of the House from

having timely and proper access to information that had been requested.

Amendment agreed to
Motion as amended agreed to.

Return No. 32

Mr. W.G. Davies (Moose Jaw South) moved that an Order of the Assembly do issue for a Return No. 32 showing:

The number of jobless workers in Saskatchewan at:

(a) mid-January, 1968; and (b) January 17, 1970.

Mr. Coderre: — Mr. Speaker, I'm sure that the Hon. Member would like to have all of the information. I am sure that this Legislature and the people would like to know what has happened under similar circumstances back in 1961-62. Therefore, I would like to amend the Motion for return No. 32:

That all the words after the word "at" in line one be deleted and the following substituted therefor:

(a) mid-January, 1961; (b) mid-January, 1962; (c) mid January, 1963; (d) mid-January, 1968; and (e) January 17, 1970.

Mr. G.T. Snyder (Moose Jaw North): — Mr. Deputy Speaker, the Ministers of the Crown on other occasions have taken the Opposition to task for requiring them to provide the information that apparently consumed quite a bit of the time of civil servants. This isn't especially the particular information we are asking for. Certainly we are aware of the fact that unemployment figures during other years have been a problem but what we are talking about, Mr. Speaker, is a period of time when the Minister of Labour has some responsibility in this connection. I am wondering if the full story should be told, I am wondering if the Minister would consider a further amendment perhaps to take into consideration the unemployment figure over the whole of the three Prairie provinces, which I suppose he would regard outside of his jurisdiction but would tell the kind of complete story that I'm sure the Minister would like to convey to us. I am wondering if he really wants to provide us with this information as a means of identifying the situation some years ago with the situation today. I am just a little concerned about the Minister's ease with which he spends taxpayers' money on one occasion and then on other occasions other Ministers of the Crown complain bitterly about providing information. He seems overly willing to provide information that we are not even asking for, Mr. Speaker.

Mr. Davies — Mr. Speaker, my main concern here in the amendment that the Minister of Labour (Mr. Coderre) has moved is not that he has asked the House to include in the Motion a search for a great deal more information that is requested in the original Motion — which of course as my colleague from Moose Jaw North (Mr. Snyder) has said, will cost no doubt a fair amount of time and money to secure — but the fact that by so doing, he will no doubt as was the case last year, further delay the receipt of this information by the House. I want to point out to the Minister that, when he was labor critic in the Opposition, on March 1, 1962, he asked for the total jobless figure for Saskatchewan as at February 1, 1962. This was answered the same day that his question was put. In the 1961 session, Mr. Speaker, the Minister of Labour, then in Opposition asked for the total labor force as of December 31, 1960. There were also other questions involved and these were answered. It took a whole half page. Nothing was “Ordered for Return” at that time. There was no delay in the receipt of information. I have done a little research from 1960 to 1964 and I have found a whole series of questions where the Minister of Labour, then Opposition, put some quite detailed questions at times.

An Hon. Member: — Hear, hear!

Mr. Davies — I would certainly be glad to list all of the questions if the House would like me to take the time. There were so many of them I doubt if the House would. But I am pointing out here that what is being done is that simple questions that the Department should be able to answer, questions that the Department has in its files, questions that the Minister now knows the answer to, are not being answered in the House at the time that these questions are asked. But they are being delayed until the time deemed propitious by the Minister. This is what happened last year when, as I say, to my recollection there was only one of the questions out of a series that was answered in the House. The rest were delayed and finally answered when Motions for returns secured this information. This is apart from the fact that the Minister has unnecessarily complicated a question that has been asked in this House, has further delayed it by insisting that this be a subject for an Order for Return.

Amendment agreed to
Motion as amended agreed to.

Return No. 44

Mr. M. Kwasnica (Cut Knife) moved that an Order of the Assembly do issue for Return No. 44 showing:

With respect to students who applied for loans under

the terms of the Canada Student Loan Plan in fiscal year 1969-70 to January 31, 1970: (a) the total number of loans granted; (b) the average amount applied for; (c) the average amount granted; (d) the number of applications in which the amount granted was less than the amount applied for; (e) the number of applications rejected altogether; (f) the number of applicants qualifying for independent status under the regulations; (g) the number not qualifying for independent status under the regulations; (h) the average amount of parental contribution where the applicant was classed as dependent; (i) the number of applications where the amount that could be granted was greater than the amount requested.

Hon. J.C. McIsaac (Minister of Education): — Mr. Speaker, this motion is somewhat similar to one asked for last year by the Hon. Member for Cut Knife (Mr. Kwasnica). It does, however, seek a great deal more information which will be a good deal more time-consuming and costly to provide, particularly in view of a change in the filing system that we've introduced in that department. It has been estimated as a matter of fact by one of my officials that it would take one clerk-steno about a year to a year and one-half to gather up this information. So I would like to propose an amendment as follows, Mr. Speaker:

That all the words after "1970" in the second line be deleted and the following substituted therefor:

(a) total amount authorized in student loans; (b) total number of students assisted; (c) average loan authorized; and (d) number of applications not approved.

Debate adjourned on the motion of Mr. W.G. Davies (Moose Jaw South).

RESOLUTIONS

Resolution No. 1 — Prairie Farm Machinery Prices

Mr. E.F. Gardner (Moosomin) moved, seconded by Mr. T.M. Breker (Humboldt):

That the Legislature of Saskatchewan urge the Government of Canada to take immediate steps to analyze and assess the alleged exploitation of prairie farmers in the cost of farm machinery as reported in the Barber Report, and if found correct, to take immediate action to restore prairie farm machinery prices to a fair and realistic level.

Mr. Gardner: — Mr. Speaker, the special report on prices of the Royal Commission on farm machinery or what is generally known

as the Barber Report caused a good deal of excitement, as you will remember, and publicity back when it was released in December. The Report is timely and is a thorough and well-prepared document. Many Royal Commissions seem to drag on endlessly and the problem often changes or disappears before results are published. But not so with the Barber Report. Material is not only published in a readable manner but it is released quickly and meaningful recommendations are made. But in spite of these facts, Mr. Speaker, it is extremely difficult to summarize the Report or to come to definite conclusions. When I first started my study of the Report I thought it would be easy. I was under the impression as was indicated in the press that the large international machine companies, especially Massey Ferguson, Ford and International were gouging the Western farmers on the price of tractors and I was going to rise up in righteous indignation and attack them, because I don't particularly favor them anyway for several other reasons. Besides it is usually politically advantageous to be taking a stand on behalf of the farmers against the machine companies. Mr. Speaker, after studying the Report, I have come to the conclusion that this is a much more complicated subject than it first appeared and I must report factually.

Some of the figures and information shown in the report are surprising. No definite pattern, however, is evident and the results are difficult to assess. I will confine my remarks mainly to the price of tractors because they have been given the most publicity, and combine prices generally throughout the world follow the same broad pattern as the tractor prices. Germany appears to have the lowest combine prices, somewhat higher in Britain and considerably higher in Canada. We should first note that North American production of tractors, both in actual numbers and as a percentage of total world production, has decreased very drastically in the past few years. From 1951 to 1966 U.S. production was cut in half while Britain and Germany were doubling their production. Canada now manufactures almost no tractors with the exception of the large 4-wheel drive models made by Versatile in Winnipeg. Because of production economies most of the large American companies manufacture tractors in Europe for the North American market. Suggested retail prices for tractors up to 75 horsepower are very much lower in Britain than they are in Canada. However, prices for larger tractors in the 100-plus horsepower range are cheaper in Canada than they are in Britain. The Massey 1130 for example, which sells for around \$12,000 here complete, is within \$200 of this price for the same tractor in Minot, North Dakota. This is perhaps \$1,000 less than the price of Massey 1130 in Britain. In fact, Mr. Speaker, if the tractor prices here in Saskatchewan could suddenly be equalized with the price in Britain, I'm not too sure we would want it. The larger tractors which make up the vast percentage of sales in Saskatchewan, something around 80 per cent, are cheaper here than they are in Britain. The over-pricing of combines may actually be a more severe problem than the prices of tractors. Small tractors imported from Europe, while cheaper in Europe

than they are here, still seem to compete favorably with American tractors in the price per horse power. Another significant factor brought out in the Report is that in Britain the mark-up from wholesaler to dealer is much less and dealers sell at much closer to the retail price than in Britain. Incidentally the dealers in Britain also sell a much larger volume per dealer than the dealers in Canada. Mark-ups for example are about 27 per cent in Canada; 18 per cent in Britain and therefore a tractor listing at \$6,000 in Canada and \$4,500 in Britain would appear to have a price difference of about \$1,500. If you took the net price, however, you would find that the prices were \$4,380 and \$3,690, or a difference then of only \$690. Now the high retail price of tractors in Canada is perhaps unrealistic and it is overcome in most cases by inflated trade-in values or larger cash discounts. However, it is a benefit to farmers because they can charge depreciation on the higher retail price. As an indication on the above I have here an article from last week's Western Producer which indicates that CCIL is offering cash sales discounts of up to 42 per cent. You can see, Mr. Speaker, that comparing the retail price of this tractor with some other tractor is a pretty unrealistic situation.

In summing up, Mr. Speaker, I would like to make the following points. I agree with the Barber Report that prices appear to be subjected to a certain amount of fixing. This is often but not always to the detriment of the Western farmer. The price-fixing that does occur, occurs outside Canada, chiefly in Britain and we would perhaps have difficulty in controlling it. However, the Federal Government should certainly investigate the whole price structure as thoroughly as possible. Canada should be prepared to use its diplomatic powers to a greater extent in correcting matters such as this. If the prices of British tractors, Mr. Speaker, are unreasonably high, a very important and unanswered question is this: why has the CCIL, which is owned by the farmers, not been able to bring tractors in from Germany and Sweden and sell them cheaper to the Western farmer? If the farmer is being gouged by Ford and Massey, is he also being gouged by the CCIL on the Deutz and Volvo tractor: My purpose, Mr. Speaker, is not to criticize the CCIL but merely to pose a fairly obvious question. The Czechoslovakian Zetor tractor has been known to some extent in this country for years. Indeed about 12 years ago we had one at the University of Saskatchewan and I ran a number of dynamometer tests on it. It has a very good reputation and can compete pricewise even in Britain where this size of tractor is selling at a very reasonable price. So the question is: why are we not getting tractors such as this here? And if we can't get them by other methods, perhaps we as a government should be importing some Czech and Russian tractors and making an evaluation of them ourselves. In bringing these tractors in, Mr. Speaker, we must be careful to ensure that they have the proper hydraulic equipment, large enough tires — because small tires are quite common in Europe — that they have an adequate seat — because many of these simply have a metal

pan seat — we are accustomed to a much more comfortable type here — it should have a proper warranty. Often European tractors are deficient in these respects.

I think immediate representation should be made to Japanese tractor firms to acquaint them with the type of tractor we want in Western Canada to see if they would be interested in producing one of this type. This is especially important, Mr. Speaker, as Japan is one of our best grain customers. We want to increase our imports from Japan to maintain the grain market. If the Federal Government doesn't make these representations to Japan, it would probably be in our interest to approach them provincially. The large Mitsubishi firm for example, has demonstrated amazing industrial flexibility and could I am quite certain fulfil our requirements in this regard. Mr. Speaker, farmers should also become more aware of prices so that they can take advantage of the better buy. In the price per horsepower which is the only meaningful way really to compare prices, this price of tractors varies to a surprising extent right here in Saskatchewan. The Versatile four-wheel drive tractor just for an example is a fantastic bargain when compared with similar tractors in its first power range. It costs about \$85 per horsepower compared to \$154 per horsepower for the Case 1200 which are a similar type of tractor. The variation in price per horsepower is so great that it is a wonder some tractors are able to sell in this province at all.

Mr. Speaker, I think I have provided enough information to indicate to you that action is necessary.

Some Hon. Members: — Hear, hear!

Mr. F. Meakes (Touchwood): — Mr. Deputy Speaker, in taking part in this debate on the very important subject of the wholesale robbery of farmers by several great farm machinery companies, I must admit I rise with a bit of rage in my heart.

I intend to move an amendment to the Resolution moved by the Hon. Member for Moosomin (Mr. Gardner) for the reason that I feel the Resolution is too anemic, too procrastinating, and misses what I believe are some of the main issues rising out of the Barber Commission Report.

The first point I raise is that the words in the Resolution, and I quote, “to take immediate steps to analyze the alleged exploitation of prairie farmers.” Good heavens, Mr. Deputy Speaker, Dr. Barber took nearly four years to do just that. He was appointed by a Liberal Government in Ottawa on May 26, 1966, four years next May. His study was detailed and specific. Then the Resolution goes on and says, “and if found correct.” Does the Hon. Member doubt Dr. Barber? After all, Dr. Barber was chosen by his then Federal Leader, the Hon. Mr. Pearson, the man is known nationally. Going back to 1960, the Standing Committee on Agriculture and Colonization at

Ottawa made the charge at that time that it was possible to buy tractors cheaper in England than in Canada.

In 1952 a United Nations report stated, "On the basis of retail sale prices, prices in the United Kingdom appear to be lower than in the United States. For example, the Ford tractor produced in the United States was priced at \$1,329. The cost of a Ferguson tractor, which is very similar and produced in the United Kingdom was priced at \$940."

In the last thirty years there have been several investigations instituted in Canada. All more or less told the same story. All of them are gathering dust on some forgotten shelf. Here the Hon. Member across the way suggests more investigations. Let me tell him, farmers are fed up to their teeth with waiting. They are demanding action, action on behalf of governments to stop this legalized robbery of their money, action from governments not just to further investigate, but action to bring down the price of farm machinery. For those reasons I will be moving, before I sit down, the following motion. It is a substitute motion:

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

This Assembly commend the Barber Commission for its forthright exposure of exorbitant prices charged farmers by the large farm machinery corporations, and urge the Federal and Provincial governments to take immediate steps to:

- (a) Roll back farm machinery prices to reasonable levels and require farm machinery companies thereafter to justify publicly any proposed increases before an appropriate prices review agency;
- (b) Require those farm machinery companies guilty of charging excessive prices to pay rebates to farmers who have purchased their machines within the past two years;
- (c) Within Saskatchewan, appoint a committee of farmers and dealers to advise the provincial government on prices and to investigate allegations of excessive farm implement prices charged in the Province; and
- (d) Extend financial and management aid to encourage the establishment and growth of Prairie-based farm machine companies, in particular farmer-owned companies such as Canadian Cooperative Implements Ltd.

I want to deal with each separately. After reading the findings of Dr. Barber, I am more convinced than ever that it is the duty of the Federal Government to act now and with

authority to force machine companies to roll back machine prices to a reasonable profit. I want to suggest to this House that the companies are not to be trusted and that they should not have the power to raise prices without first publicly justifying any raises to an appropriate prices review board, a board with the authority from the Government to enforce the level of prices.

I say I do not trust the machine companies to do the cutting back. Why? All one has to read is Dr. Barber's Report to find the deliberate skullduggery that goes on. He states that in the 1966-67 selling year, a tractor manufacturer could get on the average \$1,881 more at the wholesale level for a 60-75 horsepower British-built tractor sold to a Canadian farmer than when the identical tractor was sold to a British farmer. The difference was \$876 on a 45-60 horsepower tractor. He went on to say that, after the devaluation of sterling in 1967, these price differences widened, and in the 1968 selling season, average dealer prices for various tractors in Britain ranged from \$837 to \$2,287 lower than in Canada.

Moreover the Report revealed that while sterling devaluation in late 1967 should have narrowed the price gap, the manufacturers in fact increased their sterling prices to their Canadian subsidiaries by the full extent of the devaluation. Thus the price gap widened. Wholesale dealer prices that were 18 – 38 per cent lower in Britain than in Canada in 1967 were 30 – 45 per cent lower by 1968. Dr. Barber said that, while conspiracy may be too harsh a word to describe this action by manufacturers, an action which largely circumvents the British purposes for devaluation, the data suggest at least a tacit agreement to maintain Canadian prices, thus denying Canadian farmers the lower prices that would otherwise result. The Commission estimated this decision increased the sterling profit margins of the manufacturers by two to three times. If Canadian farmers had been able to import tractors directly from British dealers or agents, they would have saved approximately \$8,600,000 in 1967 on all tractors up to at least 60 horsepower. Even after paying their own ocean and domestic shipping costs, this is what the Commission estimated. After devaluation in 1968, the savings would have been \$14 million. The Commission went on to say that 1969 savings would be similar to that in 1968, perhaps slightly smaller since the volume of sales was likely lower in 1969. However, the Commission found evidence that the manufacturers have recently sought to prevent tractors from moving from the low price British market to the artificially high-priced Canadian markets. All major British tractor manufacturers, Ford, Massey Harris, Massey-Ferguson, International Harvesters, David Brown, British Leyland Motors, have inserted clauses in their dealer agreements to prevent the dealers from directly exporting new tractors or selling them to somebody else.

Looking over the clippings from newspapers for the last two or three years, it is interesting to note that practically every farm organization in Canada has been calling for action by governments to stop the rise of machinery prices.

How have machine companies worked this graft? I would like now to quote an editorial in The Star Phoenix of January 24, 1970. The question was asked: how does the Commission work?

The Report said that Deere and International Harvester acted as price leaders with United States built tractors that provide them with “very substantial” prices. Ford and Massey-Ferguson operate under this price umbrella with tractors built in lower-cost, high-volume British plants which yield “very handsome profits.”

Another article in the same paper said among other things:

Presumably the companies relied on the same remarkable powers of persuasion which periodically convince our ministers that the Canada-United States automobile price differential is practically non-existent.

Restrictive agreements were not policed. The temptation to export must have been great because the companies think in grandiose terms, when they are engaged in extracting money from consumers — or from governments.

The workings of the export-suppression system was vividly revealed in documentation appended to Mr. Barber’s report. Here is an extract from a letter to Kenneth Graham, an Ontario Federation of Agriculture fieldman, acting privately as a purchasing agent from Elgin Central Engineers Limited in Scotland.

‘With regard to new tractors, as I explained on the telephone, under our contract with Ford Motor Company Limited, he is prohibited from exporting and where a dealer is ‘caught out’ so as to speak, he is liable to pay a sum of 50 per cent of the selling price of the tractor. It is open to doubt whether this clause would hold water if a dealer referred it to their restrictive practices tribunal, but no responsible dealer would be prepared to take this risk and prejudice his good relations with Ford. No doubt, such exports do take place and I know from Ford that they take very strong action against dealers here on receipt of complaints from their representatives in Canada.’

The companies also attempted to prevent British private purchasers from exporting. A quotation from a retail order for new Ford agricultural or industrial tractors of Ford Motor Company Limited reads as follows:

‘The retail customer undertakes that he is ordering the tractor for his own use and that he will not resell it as a new tractor in the course of any business

carried on by him. The retail customer further undertakes that he will not export the tractor from the United Kingdom for a period of 12 months from the date of delivery.'

With tractors as with automobiles, free trade is not for the common people.

Here they are manipulating the markets to achieve even larger profits, and our Government should sit by on its hands with its mouth shut and eye closed, hear nothing, see nothing, do nothing.

In one area, the Barber Report disappoints me to no end. It mentions very little of the activities of the CCIL or the Canadian Co-operative Implements Limited. The farmer-owned cooperative has achieved some success. Apparently Dr. Barber did not study its setup in very great detail.

The Ontario Federation of Agriculture through their purchasing plan of buying tractors overseas proved that machinery companies have been robbing the farmer. Actually over the years, the CCIL has been proving this with regard to combines as well as tractors. In its balance sheet of October 31, 1969, the organization is in relatively good standing with assets to liabilities of nearly three to one. In 1969 CCIL sales were over \$14.1 million. The statement shows that a loss of goods taken in in trade of over \$3.8 million. In reality this was a saving to the members who purchased the machinery. Then there were \$468,000 in discounts to members, making a saving of nearly \$4.3 million. From the year 1961 to 1968, the CCIL had surpluses after all taxes of \$11.9 million and had paid out in cash over \$4.15. A little arithmetic would indicate that the dividend on one half of all retail sales of farm machinery for those eight years would be close to \$125 million or over \$15 million a year. These savings could have been achieved if only farmers had used the CCIL.

I am one who used CCIL machinery over the years. In 1963, I purchased the 50 Deutz. I traded in a 10-year old tractor for which they allowed me \$2,500. I received over \$1,000 dividends, and the Deutz has certainly stood up. I would like to point out to the Hon. Member for Moosomin (Mr. Gardner) that this really answers his question. It has been able to reduce the price of tractors to the farmer. In those four years that I used that tractor repairs cost me 50 cents. The man who bought it from me and has used it four years since has paid less than \$100 in repairs. I found the tractor easy to operate, burning less than one and one-half gallons per hour, pulling a 12-foot deep tillage. Of course, CCIL has also been selling the Deutz 65 and 80 as well. Last year it commenced to sell the T810 Volvo turbo-charged tractors, which are proving very successful. Incidentally the Volvo has safety features against overturning built right into the tractor and cab. CCIL has also placed orders for 60 of the new Deutz 9006 which are to be delivered this spring. I had occasion to see one of these

tractors the week before last at the Annual Convention of CCIL. It certainly looked like a good serviceable tractor.

Certainly the successive combines that CCIL has sold have been extremely good. The old yellow feller as everybody called it was a real grain harvester. It was interesting to note that when New Holland bought out the factory in Britain that manufactured the old yellow boy, they refused to sell to CCIL. Practically the same combine sold by New Holland jumped in price here in Canada. CCIL also sold the Claas, a German combine with the Deutz motor, and after a few changes to suit Canadian conditions, it proved out a popular combine also. Incidentally there are more Claas combines sold in the world than any other make. I want to say that all in all, CCIL has proven its worth. If farmers were to make use of their own organization there would be millions of dollars of savings.

I think another factor, Mr. Speaker, that should be taken into consideration and in particular the Western Canada's small machine factories. In Winnipeg there is, as the Hon. Member from Moosomin (Mr. Gardner) referred to, the Versatile and certainly it is a lot cheaper than the other models. There are also dozens of smaller companies. Some are situated here in Regina, in Southey, Imperial, Yorkton, Lanigan and other places. These companies are truly Canadian, started by the invention and ingenuity of men right here in Western Canada.

I want to suggest that both Federal and Provincial Governments should be extending financial and management aid to both CCIL and to other Western machine companies. I believe that most of these machines are more suitable than many others manufactured in other places. They were invented and improved right here on the plains to serve the special needs of Western agriculture. It is interesting to note that CCIL invented the first stubble harrower in response to the problem of handling heavy straw, that should not be burnt but worked into the soil for fertilizer. It also came out with the first diskier that was later copied by so many other companies.

I would personally give a special medal to the man who invented the first stone picker. I often wish it had come on to the market many years before. I am sure my back would be stronger and I wouldn't be as old if it had come in 20 years sooner.

In closing, Mr. Speaker, I suggest that the amendment that I am now going to move is much more relevant than the Resolution. I emphasize the urgency that is required in the present situation. Every month that goes by the large machine companies are robbing the farmers of Canada. I hope that all Members will support this.

Some Hon. Members: — Hear, hear!

Mr. Speaker: — In connection with the

amendment I have some reservations about section (d) being an infringement of the financial prerogative of the Government of the Province of Saskatchewan. But in any event, regardless of that, it is an alternative to the main motion and I would rule in any event that there would be concurrent debate. For that reason while I take a look at this thing and consider the matter, the debate continues and it will be a concurrent debate in any event, if the amendment is in order.

Mr. M. Breker (Humboldt): — Mr. Speaker, I ask more time to study the amendment, therefore I move that we adjourn the debate.

Debate adjourned.

Resolution No. 2 — Favorable Freight Rates for Saskatchewan.

Mr. J.J. Charlebois (Saskatoon City Park-University) moved, seconded by Mr. D.M. McPherson (Regina South West):

That this Assembly urge the Government of Canada to investigate and put into use effective measures to bring about more favorable freight rates for the Province of Saskatchewan.

Mr. Charlebois: — Mr. Speaker, the purpose in presenting this Resolution is first of all to bring to the attention of the Members of this Assembly, the people of Saskatchewan and hopefully the Canadian Transport Commission, the seriousness of one of the gravest and the most discriminatory situations in the economy of this province.

This is the matter of inequitable freight rates. I propose to suggest some proposals that will hopefully help us in our efforts toward an equitable solution. In presenting the freight rate difficulties that we have faced in Saskatchewan since the very beginning of our history as a province, and even before that going back to the beginning of railway history on the Prairies, it is important that we make it quite clear that it is not our purpose here to simply chastise the railways for the condition that exists. I think that it is far more important that we direct our effects toward a proper concept of the public interest and relate this to better solutions for the problems we face in our Prairie freight rates.

In whatever arguments we use I think that it is imperative that we recognize that the importance of the railways to our country must be kept in mind. Because of the basic geography of Canada our railways have always played a vital part in the unity of Canada as a nation. While this may change in the future, because of the obvious potential of pipeline transportation or some other means, the fact remains that our railway transportation for some generations to come will still be essential to Canada as a nation and will still be a mainstay in our

economic life.

In the beginning, of course, it was recognized that, in order to have a railway system such as we now have in Canada, it was necessary to grant certain subsidies and to establish certain protective tariffs. If freight traffic was to be established from East to West in Canada, the traffic from the South would have to be discouraged. For example, before the Canadian Railways came to the Prairies the goods required were brought up to Winnipeg from Chicago and St. Paul. This would have continued but the Government of Canada at that time introduced protective tariffs to such a degree that it was no longer possible to buy to advantage the cheaper American goods. And when Saskatchewan farmers bought these American goods because of their superior quality they paid very dearly through tariffs. We shudder to think of what it has cost the Prairie farmer because of the defeat of Sir Wilfred Laurier and reciprocity in 1911. Besides the application of tariffs there was also what seemed to be a reasonable plan for subsidized rates. The general principle involved here was that where competition forced freight rates down these were to be subsidized by higher rates in other areas. In this way the Canadian people generally would carry the load necessary to have a national railway system, but, because we have never qualified for this competition in rates, we here on the Prairies have not only been denied the advantage of buying in low-cost mass production areas of the United States, we are also forced to meet the higher transport costs resulting from longer rail-haul distances on all Canadian routes.

Don't think that this is a small matter. It was pointed out by Dr. Hugh Harries the Member of Parliament for Edmonton Strathcona in the House of Commons that this is an unwarranted and unjustified economic burden for the Prairie people amounting to \$22 million per year. Now this amount, of course, while it is carried in the interest of national unity is also to the benefit of manufactures in Eastern Canada and at the expense of Western consumers and is obviously inequitable. The impact is two-fold. As a result of tariff barriers our goods have come from producing centres in Canada rather than the United States, and our freight revenues have gone wholly to Canadian railways, over a longer haul and at rates which lack competition that would be involved if we could use, even partly, United States railways.

Since all of these costs are borne in the interests of national unity and have been borne largely by Western Canadians, because the rates are consistently lower in Eastern Canada than they are on the Prairies, we say these extra costs should be borne more equitably by the nation as a whole. Last year the railways of Canada received \$230 million as subsidies from the Canadian people. And besides this, more than \$100 million was paid out to encourage industry to establish in the various parts of our country. Now surely it is time that our Federal Government gave some thought to the burden that we are carrying here

in Saskatchewan and would apply this same principle of encouragement where it is sorely needed and would be deeply appreciated.

We do feel that we are being discriminated against and simply think that we are carrying a disproportionate part of the railway burden. Our per capita freight bill is unquestionably the highest in Canada. At times, of course, we have witnessed competitive rates and agreed charges because of the development of other means of transportation which compete with the railways, particularly water transportation and truck transport. It is true that we have benefited to some extent but not nearly to the extent of those who live east of Thunder Bay. We in Saskatchewan have shared the cost to the National Treasury of constructing the waterways, and then we have been faced with higher freight rates to the Prairies to make up for what the railways have lost in the East through waterways competition.

The Panama Canal route to British Columbia has led to Vancouver receiving substantial advantages in trans-continental rail rates, while we here in Saskatchewan find ourselves in the poorest possible location geographically to benefit from water competition. As we look north to the Port of Churchill, again, it is serviced overland only by railway. The rates have been kept at an impossibly high rate and this particular situation must be classed as discriminatory. If the Government of Canada is serious about a just society it can certainly take a better look at the Hudson Bay route. We have recent news of ice breakers aiding the Manhattan but when have we ever heard of shipping assistance into Churchill. Now because the question of freight rates can become extremely complicated, because of the almost unlimited number of commodities and the kinds of rates, I would like to refer to only a few examples of the inequities and the arrogant attitudes that we face here in Saskatchewan.

In the matter of long haul – short haul discrepancies, just one year ago we were faced with a proposal by the railways to introduce express freight rates which gave substantial reductions from Eastern Canada to Winnipeg, Calgary, Edmonton and Vancouver, but none whatever to Regina and Saskatoon. For example, the rate based on 200 pound shipments was to be reduced to Calgary from \$15.10 to \$11; to Vancouver from \$17.50 to \$13.75, but the rate to Saskatoon was to remain at \$13.50 and to Regina at \$13.10. Now a couple of years prior to this proposal, when asked why the difference originally between Regina and Saskatoon, the railways said the reason was the difference in mileage. But here in complete contradiction it would be possible to ship through Regina to Calgary for \$2.10 less and similarly through Saskatoon to Edmonton. To ship to Vancouver would only be 25 cents more than to Saskatoon. And they talk about mileage! There are some 1,100 miles further to Vancouver — and this for 25 cents!

This is a classic example of our need for a basic philosophy of equity in freight rates. Now, today, the freight rates to Saskatoon are so high that at times it is cheaper for the Saskatoon receiver to send his shipment that originates in Hamilton all the way to Vancouver and back to Saskatoon. The person in Saskatoon pays \$44.60 per ton while the identical load goes past his door to Vancouver for a total charge of \$22.70 a ton. We realize what a ridiculous situation we are facing in Saskatchewan when we face the fact that by law the railway must make money on the haul to Vancouver. Well imagine how much they make at our expense. Why should we face this bare-faced discrimination?

A few years ago we had the case brought to light of an agreed charge issued from Welland, Ontario to Vancouver a \$1.25 a hundredweight on finished pipe. At the same time the rate from Edmonton to Vancouver remained at \$1.29. It is interesting to note, Mr. Speaker, that the mileage from Edmonton to Vancouver is 765 miles, but from Welland to Vancouver it is 2,900. Well, then of course, we had the case of IPSCO here in Regina. This was a situation that was a duplication of the Edmonton discrepancy. Since we now have established a pulp mill in Prince Albert, you would think that the Board of Transport would have some regard for the public interest and equal treatment for Canadian Industry. We have now two areas recognized for pulp rates, one on the east of us and one on the west. There is one further east but there are two immediate areas. The one on the west goes all the way out to the West Coast and it includes Hinton. Our pulp mill ships mainly into the Chicago area. We think that we should have a central area established to favor its proximity, but instead of that we get no advantage whatever over the Eastern mills and as an example of the West, the rate from Prince Albert to Chicago is \$1.15 per hundredweight. But from Hinton, Alberta it is only \$1.07 — only two cents more. This two cents more is for a distance of 700 miles further. This is not based on cost and is therefore not equal in any way.

Quite recently, for no apparent reason, the railways announced that increases from four per cent to eight per cent would go into effect on cattle shipments. Now, if these rates do become effective it will mean \$50 to \$75 more per car on shipments from Saskatchewan to the West Coast. The railways have established a maze of excuses for their arrogant and discriminatory attitude towards Saskatchewan. No matter how inconsistent it may be they choose whatever excuse suits the occasion. In some cases it is competition. The others it is mileage. If these won't do then they use cost as the excuse. The latter is used in the recent proposal of the railways to increase the rates for our potash industry and certainly here we have a total disregard for the public interest in their proposal to increase the rate from Saskatchewan to Vancouver, from \$9 per ton to \$9.54 per ton. The costing systems of the railway, even though they have been vastly improved in recent years, are still recognized to be in need of revision. When

we look at the proposal to increase the potash rates on the basis of cost there surely seems to be some weaknesses on the side of the railways' arguments. For example, the CPR position paper claims that it should be no less to move a car of potash than to move a car of wheat. Well just on that point alone, Mr. Speaker, first as compared to wheat, we have heavier loadings per car with potash cars carrying 200,000 pounds. Secondly, there are very few pick-up points as compared with grain. And thirdly, by far the greatest mileage for hauling is on main lines where the unit costs are considerably less than the haulings required for wheat.

The cost claims of the railways should be investigated and the railways should be required to prove their cost. Where they claim a cost of 75 cents per ton miles this is a very easy claim because they simply got together and agreed to get the rates up. We say that this is wrong and particularly so when our market is in the depressed state that we find it in at the present time.

We wonder, of course, if there are any answers to this continuing and seemingly impossible situation that Saskatchewan is facing. We cannot help but think that there are some things that surely would help. We should, I think, insist in our recommendations to the Canadian Board of Transport that a logical criterion be followed for the establishment of rates. And if this is to be mileage, that is fine, but then let's stick to mileage. If it is to be based on cost this is fine too, but make sure these are consistent and proven costs. And then, too, I think we should be looking around for solutions of our own. Normally when people in business find that they are not competitive and they realize that others using the same services are buying better than they are, they set out to track down every means possible to get the same advantages; and this often entails finding someone else to deal with.

One idea along this line comes from the constituency of Saskatoon City Park-University and it is basically the consideration of establishing our own north to south railway. Now this is not a new idea and it is one that has proven to be very successful indeed in the two provinces west of us. The Pacific Great Eastern railway in British Columbia was very thoroughly criticized by a great many and for quite some time, but this railway has proven itself to be very valuable to the economy of the British Columbia interior. It has grown from a loser to a real winner, to the extent that it now gives preferential rates for industry and both industry and railway are thriving in a very realistic way. Now, as a result of long-term coal contracts with Japan and the development of other mines and pulp mills, the PGE lines are now being extended further north. At present approved expenditure for this purpose is \$35 million. It was announced in the British Columbia Budget just this past week.

In Alberta we have the example of the Alberta Resources Railway. Here, again, was violent opposition. It was heralded as the greatest white elephant in the history of the West. But look what has happened. The original estimate about four years ago was that it would take from 15 to 20 years for the project to prove itself financially. This railway has only been operating since last September and the estimate at this time is that it will begin to pay its way within five years. The reason, of course, is the growing demand for natural resources available in the region that is covered by this railway; coal from the MacIntyre-Porcupine mines; condensate and sulphur from the Richfield Scurry Rainbow gas plant; the potential rich gypsum deposits. These are some of the resources.

Now to get back to Saskatchewan. We have both our present railway companies asking permission to abandon many of their existing lines. Certainly it is highly questionable that this is always in the public interest. Recently they have come up with a proposal of a master agency plan which appears to be nothing else but a subtle means of applying abandonment. In some cases it shows a total disregard for the welfare of the communities involved.

Surely we can do something to overcome this callous disregard of our people. We do not propose to go into competition with the railways just for the sake of doing so. We do propose, first of all, that we would in an orderly manner take over some of these lines that are proposed for abandonment and that we would have running rights as well on the existing north-south lines. The Kennedy round of tariff will probably put us as close to reciprocity with the United States as we ever will be. What is the use of having these reciprocal reliefs from tariffs if we do not put ourselves in a position to take advantage of them? I think that it is imperative that we have the shortest possible access routes to our markets. Shipping from north to south would not be an attempt to put our present national railways out of business on the Prairies. Most certainly it would have some effect on their east-west traffic. Surely no one would deny us the right to use logical economical methods to put ourselves in some kind of competitive situation. Surely no one would deny us the right to fight against this deliberate discrimination in our freight rates.

Many of the abandoned lines would be serviced in the public interest, but the north-south traffic would be a sincere attempt to put ourselves in a competitive and profitable position with such resources as potash and pulp and the potential hard minerals that we think are not too far away. The existing railways are interested primarily in east-west traffic and we think that it is time to take advantage of the markets to the south and not only just for exports. We think that the Kennedy round of tariffs will bring us very real benefits from buying from the producers south of us rather than from the East. At the same time as this line is established we think it should be extended to give us running rights on the Hudson Bay Route to Churchill,

because here again is a route that has been put on the shelf to the advantage of east-west lines and to the distinct disadvantage of the people of Saskatchewan.

The Hudson Bay Route has never been properly put to use and this should not be tolerated any longer. The people of Canada have paid very dearly for this railway. The Canadian Government built it out of the sale of pre-emptions totalling \$50 million. It was sold to the CNR for \$1. Now we have no complaint about the rates for moving wheat, but on all other commodities they charge all that the traffic will bear and the resulting loss of trade to the Prairies is simply unforgivable.

Mr. Speaker, it is time that we in this province quit just talking about discrimination in our freight rates. It is time that we did something. The railway lines are already here and leasing equipment is certainly not an unheard of thing. I would, therefore, ask this Government, not only to urge the Government of Canada to consider our plight in rates but to consider setting up a committee to investigate the feasibility of establishing our own railway system.

Some Hon. Members: — Hear, hear!

Mr. W.S. Lloyd (Leader of the Opposition): — Mr. Speaker, I doubt very much if I can conclude my remarks before the magic hour of 5:30 and I shall try to remember the rules.

I do want to say that I agree in a very large measure with that which the Member for Saskatoon City Park-University (Mr. Charlebois) has just said. He has obviously done a considerable amount of work on his subject, his facts gave a lot of useful information to the Legislature this afternoon. I would perhaps differ a little bit here and there. He referred to the subsidies given the CPR as being “certain” subsidies. I think, indeed, they deserve better and stronger adjectives than that and I shall have something to say about that.

I must admit that I was a little bit surprised to hear the Member say “If the Government of Canada is serious about a just society.” I thought my friends had settled that in their minds, but I am glad to hear they are now raising some questions about this. I welcome very much his profession of belief in public ownership. I think that we are making ground all the while. On the whole though I rise really to support what the Member has said. I am inclined to offer a bit of an arrangement with him. I am, and my group are, prepared to support his Resolution if he in turn will support some extension to it that I hope to move before the debate is finished, but perhaps he will want to wait until he hears what the amendments are before he agrees to that.

I would have hoped one thing, Mr. Speaker, that he would have brought his interesting story of the history of railways

up to date. I am mindful of the fact that just a few days ago, on March 1, we had one increase in freight rates. I think that this Legislature ought to be asking the Government of Canada to roll back that increase which has gone into effect just so very recently and I will present some argument with that regard.

I want to just mention generally, Mr. Speaker, that I agree that something needs to be done about freight rates and like the Hon. Member, I have never been able to understand how freight rates are set. I'm convinced the railways have Ouija boards that they use for establishing what the freight rates are. But I don't think that just one more investigation is going to do the job. I can hardly remember a time when freight rates weren't being investigated by some committee or some commission or other. When the freight rates weren't being investigated by some commission or committee, then what the commission or the committee said about freight rates was being argued about. It has been interminable, it has become as the Hon. Member has suggested, intolerable. So I think we need to go beyond just saying 'Do something about freight rates.' I think we have to ask ourselves the question and ask the country the question, "Now what really is the purpose of railways, what's their function in the scheme of Canada?" Not until we answer that question are we going to be able to devise the kind of solutions that are needed.

So while, Mr. Speaker, I welcome the contribution of the Member and I welcome the Resolution and while we will support the Resolution, I am going to suggest what we consider and what I consider some necessary extensions to it and in order to do that, Mr. Speaker, I ask leave to adjourn the debate.

Debate adjourned.

The Assembly adjourned at 5:30 o'clock p.m.