

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session — Sixteenth Legislature
21st Day

Monday, March 16, 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 all Members of the Legislative Assembly the following groups of people situated in the galleries: a group from the 20th Westminster Scouts in the constituency of Regina South West represented by its Member, Mr. McPherson, under the direction of Mrs. Haney; a group from the Roy Wilson Centre, Sedley in the constituency of Lumsden represented by the Hon. Attorney General (Mr. Heald); and also a group of DeMolay boys under their master coachman, Mr. Paul Baby. These DeMolay boys are from the Queen City Branch and the Regina Branch. I draw the attention of all Hon. Members to the fact that this is DeMolay Week, and I am sure all Hon. Members will wish to express their appreciation to them for the work that they do in our society and also to all the other members sitting in the gallery, a very warm welcome. We hope you will enjoy yourselves and find your stay here interesting and entertaining. We wish you a safe trip home.

Hon. Members: — Hear, hear!

QUESTIONS

FARM FUEL TAX

Mr. W.J. Berezowsky (Prince Albert East-Cumberland): — Mr. Speaker, before the Orders of the Day I would like to ask the Provincial Treasurer (Mr. Steuart) a question. I've had representations from bulk farm fuel dealers in my constituency in which they advise me that the Government is collecting the 2-cent tax collected on. The question is: what is the Provincial Treasurer doing to see that this tax is not collected by wholesalers from these people or is there any other way that he would allow these fuel dealers a rebate on what they've already paid on gasoline which they have not sold?

Hon. D.G. Steuart (Provincial Treasurer): — I'm not sure I understand their problem. They are only supposed to collect 2-cents fuel tax — it will be 4 cents now — on fuel that is sold to other than farmers — contractors or people who have stationary equipment. If they have some gas on hand, some fuel on hand . . . Oh, I see, you mean they've got some on hand that they want to sell to the farmers and they have already paid the tax . . . Well, sure, we'll give them back their 2 cents if they will give us 1 cent on all the amber gas they've got on hand. The knife cuts both ways. We don't ask the dealers . . . if they have some gas, say some amber gas on hand on which we have raised the tax — at midnight the other night we

raised the tax 1 cent. We don't ask them to pay the 1-cent on the gas they have on hand. He just puts the price up and he doesn't have to pay that tax until he buys some more fuel. So you can't have it both ways. Now if you give me the individual cases I'll look into them. But we don't ask them to pay the tax on the gas they have on hand when the gas went up, and we don't give it back to them on the gas they had on hand when it went down. Believe me, I don't think it was any secret that we were going to take it off — any great secret — that we were going to take the tax off farm fuel, so I don't think many of them had that much gas on hand to sell to farmers. But, if they have, we'll take a look at it. If you will give me their names I will take a look Attorney General the individual cases.

Mr. Berezowsky: — Just a supplementary question, Mr. Minister. Did you require from these people, as Provincial Treasurer, when you imposed the tax, that they advise you of how much gasoline they had on hand, asking them to pay the tax and I'm talking about farm fuel. I'm not concerned with your kind of reasoning, tit for tat, 10 gallons of this kind of gas so therefore we are going to penalize you on a 100 gallons of this other kind of gas. I'm talking about a case of \$150 penalty and I've got one of the consigned bills here in which a dealer is asked to pay a tax on gas that has not been sold.

Mr. Steuart: — If you will give me the case I will look into it. No, we don't make them pay the tax on gas they have on hand. No, we don't. So, if you will give me the individual case I'll look into it.

\$500 HOUSE BUILDING ASSISTANCE PLAN

Mr. E. Whelan (Regina North West): — Mr. Speaker, I would like to direct a question to the Hon. Minister in charge of housing (Mr. Estey). Contractors are anxious to obtain information regarding the \$500 House Building Assistance Plan. Can the Minister advise the House the construction period of the year when the payment will apply on new homes?

Hon. C.L.B. Estey (Minister of Municipal Affairs): — Mr. Speaker, I expect within the next week to bring in a Bill in regard to this and at that time I think that point will be dealt with.

Mr. Whelan: — A supplementary question, Mr. Speaker. I wonder if the Hon. Minister would advise the House if the Bill will provide for retroactive payment through a house that is begun now, for instance today?

Mr. Estey: — I don't think, Mr. Speaker, that I am in any position to advise on a Bill that hasn't been brought before the House. I told the Hon. Member within the next week we hope to bring it into the House.

REPORT ON INCIDENT OF INDIAN & MÉTIS AT BATTLEFORD

Mr. R. Romanow (Saskatoon-Riversdale): — Mr. Speaker, before the Orders of the Day I wonder if I might

direct a question to the Hon. Attorney General (Mr. Heald. Sometime ago there was an incident at Battleford at the bus depot respecting Indian and Métis people and the Attorney General informed the House that a report would be made and tabled for the attention of the Hon. Members. Could he give us a report as to when we might expect that matter reported?

Hon. D.V. Heald (Attorney General): — Yes, Mr. Speaker, the officer under the Act, Mr. Lane, went to North Battleford as I indicated earlier. He conducted a very thorough and fairly detailed investigation and he took a great amount of evidence on a tape recorder. That evidence has now been transcribed; it took some time to get it transcribed — a week or 10 days. He is now in the process of writing his report to me which hopefully I will have in the next day or two. As soon as I receive it I will table it in the Legislature. I would think this week I will be able to table the report.

EXPLANATORY NOTES OF BILLS

Mr. W.S. Lloyd (Leader of the Opposition): — Mr. Speaker, I want to raise again with the Attorney General the question I raised on Friday with respect to the explanatory notes. I suggest that the explanatory notes become more of concern now having in view a number of Bills introduced today and the volume of some of those Bills. May I ask the Attorney General if there is any indication that these will be supplied earlier?

Mr. Heald: — Mr. Speaker, following the question of the Leader of the Opposition on Friday, I did have a word or two with him in which I indicated some of the problems that we are encountering in getting these prepared and ready. All I can tell you today, Sir, is that I perhaps can report progress within the next day or so — I might have something more definite.

Mr. W.G. Davies (Moose Jaw South): — Mr. Speaker, just a supplementary question to the Leader of the Opposition's; we have here The Urban Municipalities Act with 210 pages. Now it would greatly facilitate our work if we were able to have the explanatory notes for these.

Mr. Heald: — Well I'll certainly draw that to the attention of the Minister of Municipal Affairs (Mr. Estey).

SECOND READINGS

Hon. W.R. Thatcher (Premier) moved second reading of Bill No. 35 — An Act to amend The Liquor Act.

He said: — Mr. Speaker, this Bill is similar to legislation which has been introduced on several occasions previously in this House. Its purpose is to increase the number of outlets for the sale of liquor throughout the province. Some years ago liquor outlets were first established for one main purpose, to give better service to the rural areas. Hon. Members will recall that we felt there was no reason why a farmer or a citizen in a small town should have to drive 40 or 50 miles if he wished to make a purchase, while a resident of the city only had to travel a few

blocks. Obviously, it was not feasible then, and it is not feasible today, to open public stores in these rather small communities. It is simply not economical. Thus we authorized the establishment of private outlets, usually in a drugstore but sometimes in other retail stores. I remind the House again that the program was followed for many years in the Province of Manitoba. We believe that the program has been very successful in bringing service to our rural areas. At the moment there are about 150 communities which still have applications on file for the service. However, we don't want to expand too rapidly, because our officials tell us that it is possible to have too many outlets. That is why this Bill asked for a modest increase of 30 units. At the moment our legislation authorizes a total of 105 outlets, and of these 105, 101 are in operation. One more is in the process of being established at Quill Lake in the Wadena constituency. Of the special agencies which have been established, 24 have replaced liquor board stores, where the volume did not justify the costs of a building and of a staff member. It may be that a few more small stores will be discontinued. Mr. Speaker, we think that these outlets have brought service to communities which for the most part did not enjoy that service previously.

Wherever possible we will in the future endeavour to make certain that new outlets are at least 25 miles away from existing outlets or stores. Sometimes this is not possible because of the population factor. But it has been our experience that these outlets have been almost without exception popular and in demand, and I commend the Bill to the consideration of the House.

Some Hon. Members: — Hear, hear!

Mr. A. Thibault (Kinistino): — Mr. Speaker, what I would like to know is at what point do you close a liquor store? How much business were these stores making when you decided to close a store and give it to one of these special appointments, you may call it?

Mr. Thatcher: — In a general way if the volume has been \$125,000 or less we have considered that in most cases that store should be closed. We may get a high as \$135,000 in the year to come.

Mr. Thibault: — In other words when a special vendor sells \$125,000 worth of liquor, how much profit would this give the vendor?

Mr. G.G. Leith (Elrose): — Mr. Speaker, on a point of order, I think the Member for Kinistino (Mr. Thibault) should realize that we are not in the Committee of the Whole and that the questions he is asking now might be better directed to the Minister at that time.

Mr. Speaker: — I think the point of order is well taken. We can't have formal sessions of the House develop into a question-and-answer period. Does the Member wish to speak to the motion?

Mr. Thibault: — I have no objections against more liquor outlets, but it is quite obvious that these allocations are made on strictly political basis. Whether this should be continued . . . If the drugstore is friendly, it is fine he gets it; if he is not

friendly, well then the butcher shop gets it. This is the kind of game that goes on. I don't quarrel with more liquor outlets. I think it is a convenience that should be given, but I certainly think that \$125,000 worth of business is a lot of business to hand to an individual. Further on I will certainly want to know what profit there is in \$125,000 worth of business. However, this is all I have to say at this time and I think I will be more to say during the reading of this Bill.

Mr. Leith: — Mr. Speaker, I would just like to say a word about the principle of adding more liquor outlets to the ones that are already in use in Saskatchewan. I can tell you for experience that they are very well accepted in the Elrose constituency. There are presently several there. I am actively seeking another one for the town of Beechy and this I will take up with the Minister. They are proving a convenience and I can say categorically in reply to the Member for Kinistino (Mr. Thibault) that there were no politics, there were no politics in the appointment of the vendors out there. I support the principle of the Bill. I only wish that there were more outlets being granted at this time. I think that it is a direction in which we are moving and that we will continue to move. Eventually liquor will be bought in grocery stores. I think that when this time comes and it is available on a more general and liberal basis that we will all be better off.

Mr. E. Kramer (The Battlefords): — Mr. Speaker, I would like to say this, that I have no objection, I agree with the Member for Elrose (Mr. Leith) that the availability of these commodities ought to be made as handy as possibly. There is no reason why we should discriminate against people who are living out in the outlying points in the country if they want to make these purchases. But I've said earlier in this Session that I object, as the member for Kinistino (Mr. Thibault) objected, to the obvious, very obvious patronage that exists in the allocating of these stores. Now I'm very happy for the Member for Elrose that he doesn't have that problem in his constituency, but all the new outlets that have been allocated in North-western Saskatchewan, north and east of North Battleford, have definitely been of this category. I have mentioned in an earlier debate a former Liberal Member for Meadow Lake and his son who helps in the garage. They made a little room between the tires and the oil cans and they have a liquor outlet. The former resident of Turtleford constituency and the returning officer whenever there is an election run by Liberals is Louis Vey. The liquor outlet is in Louis Vey's store. Again, he may not be the vendor, but it is in his premises. We have another well-known one in Cochin. Now, fine for politics. I don't expect the Premier and the Liberal party to divorce themselves from this type of politics and I know that there is a certain amount of this going on. I think it does leave a little bit of a bad taste in the mouths of people. What I am saying is this: that the allocation of these outlets should be wherever possible in the small hotels. The small hotels have quite a problem getting by now in many of these smaller centres. The hotelkeeper has a difficult enough job, economically, to provide good service to tourists. I think that, when your liquor inspectors call around Attorney General a hotel, it would be very easy for them to do this on a one-stop basis. If young people who are under age go into a garage or a general store or a butcher shop they could be going in for anything. It is very much easier for the law enforcement people, Mr. Speaker, to keep an eye on the hotel

because, if a minor goes into the liquor area of a hotel, it is pretty certain what he is going in there for. So as I say, enforcement problems would be much easier if this in fact was done. I think the Hotel Association would be happy, especially the small town hotelkeeper. It would be more efficient and I would commend this to the Premier to have him consider this and consider the problem of many small hotelkeepers. They already have a licensed premise. Surely it makes more sense to streamline it and say without fear or favour that you are going to provide this in areas that are already established. I would like to submit this suggestion to the Premier for his consideration and possibly leave the thing at a better level, at a better enforcement level, and I am sure that the public would be happier. Certainly the hotelkeepers would be in a better position to take advantage of this extra profit to give better service to tourists and the public. And certainly the police would be much happier because they would only have one area and one spot to be keeping an eye on rather than every grocery store or butcher shop or wherever it may be that you choose to put one.

Some Hon. Members: — Hear, hear!

Mr. W.G. Davies (Moose Jaw South): — Mr. Speaker, I think as time has gone on all of us have realized that it is very difficult to say that liquor should be more available in one area than it should be in another area of the province. Our reservation I think has always been that the outlets should be public outlets. This afternoon I don't want to reiterate what we have said on many occasions in this regard. We would want to ensure that every outlet is an outlet that is trustworthy, an outlet that we can be sure will not yield any bad results. It is true, it seems to me, that with the increase in the number of outlets there must be some inevitable increase in the consumption of liquor. I don't say this is necessarily a bad thing, because if we agree that there needs to be a better service to people that are far removed from outlets, they should have similar privileges to purchase liquor as other residents in the province.

We must concede that there should be new outlets. I feel that we would be much safer, much better off if these were under the control of the general public. It does appear to me, however, Mr. Speaker, that with the increase in the number of outlets, the increase in the consumption of liquor, there needs to go hand-in-hand some increased education of the general public as to the uses of liquor. We have only recently emerged from the frontier style of drinking in this province. I think we have made some progress. All of us can remember the Select Committee of the Legislature that went exhaustively into what we should do about adapting our methods in the light of the needs of this part of the 20th Century. We have made some progress but we need to do something much better in the way of bringing to the people who consume liquor the dangers they face through over-indulgence and over-consumption. I don't need to remind the House that there are many penalties to which the excessive consumer of alcohol exposes himself. The Attorney General (Mr. Heald) well knows that the person at the wheel of an automobile who over-indulges exposes himself not only to personal penalties. His whole estate could be forfeited by reason of the over-indulgency.

I wonder whether we should not tie into our sales system some of the direct and express warnings of the results of over-indulgence. There is, too, the question of treatment of the

alcoholic and the bringing to the realization of many people who don't regard themselves as alcoholics that they are in danger of so becoming. I wonder if at the point of sale we shouldn't be doing something in an educational way. I am not suggesting by what precise methods this can be done but it seems to me that this may very well be something the Government should take into consideration at a time when we are talking about a considerable extension of the number of new liquor outlets in the province.

What I'm saying is that I don't think that our expansion of liquor outlets in Saskatchewan has seen the need for education. To put it in another way, our system of alcoholic education, our control of alcoholism, our warnings about the results of over-consumption have not kept pace nor have our expenditures in this area, with the considerably increased profits from liquor and the great expansion of liquor outlets in the province during the past 10 or 12 years.

Now I acknowledge again that it is very difficult — to be just about it — to say that a greater availability and access to alcohol should be present in one part of the province than in another. Nonetheless it seems to me these other aspects have to be taken into consideration and the sale of liquor cannot be put into a compartment by itself. The sale of liquor should I am suggesting include a recognition of these features.

Mr. I. H. MacDougall (Souris-Estevan): — Mr. Speaker, I just want to think that we should probably reassess our whole thinking on the subject at hand. I would hope that the day is coming when we can serve cocktails on Sunday and maybe we could pass some negative law which would say "You don't have to drink on Sunday if you don't want to," and then let those who wish to have a drink with their meals on Sunday have one. I can't understand either, Mr. Speaker, why we can't have beverage rooms sell alcohol as well as beer and wine as these people are equipped to dispense such services. I would like to see beer and wine sold from grocery stores like they do in some States in the Union. It is more convenient and I don't see any difference between handling it in this fashion than handling it from a private outlet. So I would also like to see canned beet sold in this province. I don't know if this comes under this Act, but it is something that I have wanted to say for a long time and to see canned beet marked here. You go into Alberta and British Columbia and in most provinces . . .

Mr. Thatcher: — I appreciate what the Hon. Member has to say but I would like to get back on the Bill under discussion. These various subjects have nothing whatever to do with outlets and I'm just afraid my hon. friend might go on . . .

Mr. MacDougall: — Well, all right, Mr. Speaker, I got my point across so I guess I'll let it go at that.

Mr. J. Kowalchuk (Melville): — Mr. Speaker, I have listened with considerable interest and I must say that I agree with many of the suggestions that were made. Of course, the Premier has stated that this Bill is a method of further distribution and more outlets. I would like the Premier to state his position regarding the remarks made by

the Hon. Minister of Highways (Mr. Boldt) the other day in regard to drinking and Indian participation.

Mr. Thatcher: — Mr. Speaker, as I said initially this Bill is simply an effort to give rural areas some of the same privileges that city areas now enjoy. I don't think necessarily that a Bill of this kind will increase consumption. It might a little but not in a general way because liquor which is purchased in these outlets likely won't be purchased in the city stores. There have been several criticisms of the Bill. The first one was that locations are made on a political basis. I don't accept that. The Hon. Members might like to know that we have 28 outlets which have been established in Opposition seats. The Hon. Member for Kinistino (Mr. Thibault) said we let these on the basis of patronage. We have one at Birch Hills in his riding, one in Kinistino in his riding, and one at St. Brieux in his riding. So we have given him three and that isn't doing it on a narrow . . .

Mr. Speaker: — On a point of order. The Member for The Battlefords.

Mr. Kramer: — No one on this side of the House including myself has said that it was done on a constituency basis. We said it was done on a personal basis, on the basis of vendors appointed.

Mr. Thatcher: — Well, I take what the Hon. Member said with a grain of salt. You say that we don't pick out Socialist druggists. There is no such thing. You couldn't find a Socialist druggist and you can't find very many Socialist businessmen. We just go into a town and on the basis of merit we try and pick a good businessman who can do the job. One Hon. Member — and I don't remember which one — asked what the profits were in these outlets. The Hon. Member from Riversdale (Mr. Romanow) . . .

Mr. R. Romanow (Saskatoon-Riversdale): — On a point of order, Mr. Speaker. No, I didn't, Mr. Premier, it is my colleague Mr. Thibault.

Mr. Thatcher: — I'm sorry. Well the outlet vendors feel that we are not giving them profits which are adequate. I might tell the House that on the first \$40,000 they get 10 per cent commission. On anything over that they get 5 per cent commission. Many agents tell us that with prices going up, they simply can't hire help and carry on with the 5 per cent margin. The Hon. Member for Moose Jaw South (Mr. Davies) said that he would like to see all outlets remain public. Well, this may be a desirable objective. I am sure he would agree with me that in a town of 200 or 300 there is just no economic way that you could have a public store. We assume that this is a vehicle which would let us give these small towns the kind of service enjoyed by other communities.

Certainly we haven't had any complaints. If any Hon. Member opposite has any complaint about the way that some of these outlets have been operated, let us know and we will investigate it. The Hon. Member for The Battlefords (Mr. Kramer) suggested that we should let small hotels act as agents. Originally when this legislation came down, the thinking was that the hotels already had a beer monopoly, and we shouldn't give them both beer and

hard liquor. I still think that is logical reasoning. Although I will say that the Hotel Association has asked us to look at this matter. If there is a very good hotel in a particular town, perhaps we could appoint them agents. I don't think there is anything in the regulations which would prevent us giving this kind of an outlet to a hotel if it were considered appropriate.

Mr. Kramer: — What would your definition of a very good hotel be? Haven't we got enough of those?

Mr. Thatcher: — I am sure that we have many good hotels. But it is our policy to use drugstores where possible. There may be the odd time when we haven't done that, but generally speaking I have defined our policy.

I think this is legislation which is necessary and desirable for our rural people. Mr. Speaker, I am sure that Members on both sides of the House will at least agree in principle.

Mr. W.J. Berezowsky (Prince Albert East-Cumberland): — Mr. Speaker, I would like to ask a question of the Premier. He mentions about the profits to vendors and I understand from what I have heard from hotelkeepers that where there is a hotel and a vendor, that you provide, let's say beer, at a lower cost to the vendor than you to the hotel. Is that true or not?

Mr. Thatcher: — The price of beer for many, many years has always been cheaper in a liquor store than it is in a hotel.

Mr. Berezowsky: — Mr. Speaker, I just want to ask another question. I understand that the profit of the vendor is greater than it is to the hotelkeeper because you charge the hotelkeeper more money for the same beer than you do the vendor.

Mr. Speaker: — Order, order! All these questions should be asked and answered in Committee. That is what a Committee is for.

Motion agreed to and Bill read a second time.

Hon. D. T. McFarlane (Minister of Agriculture) moved second reading of Bill No. 3 — An Act to Assist Farmers in securing Loans for the purpose of financing the Purchase of Breeding Stock.

He said: Mr. Speaker, the purpose of this Bill is to make credit available to the farmers for the expansion and the establishment of livestock enterprises on Saskatchewan farms.

It is considered essential that a more diversified agricultural industry be promoted in our province. This legislation will provide credit with repayment terms that are more in line with income returns of the livestock enterprises included. This is achieved through a deferred payment plan and an interest rate of seven per cent for the first three years of the livestock loan. In encouraging agencies to make this type of credit available the Government will provide an aggregate guarantee to 25 per cent against losses of principal and interest occurring from loans extended.

In the past Saskatchewan farmers have depended very heavily on wheat sales as their main source of revenue. And upward of 65 per cent of all Saskatchewan farm cash receipts have come from wheat in recent years. By contrast in the Prairie Provinces, wheat accounted for about 45 per cent of all cash receipts and this is strongly influenced by Saskatchewan.

In addition to having to rely on a one-crop economy which can have serious effects in periods of limited marketing opportunities, the multiplier effect of a dollar in grain production to total economic activity is lower than that for livestock products. A study published in 1966 attempted to measure the total economic activity, both direct and indirect, generated by final demand for various sectors of the agricultural industry. In this study wheat ranked low relative to other products in terms of the size of the final demand multiplier. The result of this study indicates that total economic activity increased by about \$1.59 for each dollar of wheat sales. However, for cattle the value was \$2.16; for hogs it was \$2.19; sheep, \$3.43 for every one dollar of sales.

There have been several projections made regarding the demand for beef in the longer run and one of the more conservative estimates is that 36 per cent more beef will be required in Canada and the United States by 1980. This is based on 18 per cent increase per capita consumption and the population increase for the United States and Canada combined. So to provide for a 36 per cent increase in beef by 1980 would require approximately three per cent more beef cows each year. Assuming an annual replacement rate of 15 per cent for the cow herd and 80 per cent calf crop, then 40 per cent of the heifers will have to be retained each year to realize the three per cent annual increase. If 50 per cent of the heifer crop were kept for breeding purposes, this would only result in an annual increase of about five per cent in breeding cow numbers.

So it can be seen that, if we are to significantly increase our beef cow herds and obtain an increased share of the projected beef market, we will need to retain a larger proportion of our heifer calves. In the short run it should be recognized that beef production cannot be expanded quickly since it takes time for increased breeding herd numbers to have much effect on these cattle available for slaughter.

Heifer calves retained in the fall of 1969, beyond normal replacement for breeding purposes, will not increase the slaughter supply until the last half of 1972. So it was therefore urgent that a program such as this be implemented immediately. We cannot afford to lose a year and hence delay being able to take advantage of the developing beef market.

The agricultural resources in Saskatchewan are well suited to both cattle feeding and calf raising. We are the leading grain producers in Canada. Surplus grain production plus the production and processing of large volumes of rapeseed meal and alfalfa result in favourable feed costs for the cattle feeders. Crop residue from the harvested grain crops provide roughage for our beef herds. In addition the availability and the potential for increased forage production both from individual tame forages and annual crops appear unlimited at the present.

Development of more livestock in Saskatchewan can eventually assist to provide markets for feed grains and in greater acreage

in forage crops. And while this will not provide a solution to the present surplus problem, in the short run it does provide an alternative to more fully utilize our excess resources in the longer term.

A problem in beef cattle production is the delayed income generated while building a herd. If a producer buys heifer calves and sells them only as finished cattle, it takes three and one half years to produce returns if they are bred as two year olds. Purchasing of yearling heifers requires about two and one half years before finished beef can be sold. The purchase of bred cows for spring calvings results in about one and a half year wait for returns for finished beef. The careful selection of heifers to allow breeding or long yearlings would cut one year off the purchase to finished cattle period for heifer calves and for yearling heifers. If the production is sold as feeder calves, a year less would be required before any income is received.

It remains, however, that whatever production is selected, a producer who is undertaking to develop the cattle enterprise is faced with this delay in returns plus possible other expenditures in equipment, etc. For these reasons a deferred repayment plan and a reasonably long repayment period which is geared to the schedule of income generation is desirable. It has been suggested that the program has increased the price of breeding stock. Now, I don't deny that the price of cattle has not increased, but whether it has increased to the amounts that have been stated and whether to credit this program for the total increase, I suggest it very questionable. First, the average loan for beef animal purchase up to the end of January has been \$225 to which has to be added the minimum down payment of 10 per cent for a total price of \$247. The average loan per dairy animal has been \$294 and for sheep some \$24. So to me this would not indicate an exorbitant increase in price. For this same period, 2,622 loans were made for beef cattle, 94 loans were made for dairy cattle and 41 loans were made for sheep. The average size of the loan has been \$3,667 or about half way between the minimum and the maximum available. By January 31, about two and a half months after the start of the program, \$10,112,000 has been loaned under the assurance of the guarantee that the Bill would authorize.

There has been an increasing demand for breeding stock as indicated by the increase in beef cows and the heifer herds in Western Canada, that is, at December 1, 1969 the beef cow and heifer numbers were up three per cent in Saskatchewan over 1968. It has also been recognized that cattle prices in general have increased significantly since last November when the program was implemented.

Choice slaughter steer prices have increased \$5 per hundredweight since November, choice heifers also \$3 per hundredweight. Feeder heifer calves and yearlings are also up about \$3 per hundredweight. Also on the hog breeding stock, the prices have increased over the last year without any corresponding program that we are advocating at the moment. One of the primary factors hindering expansion of livestock production at the present time is the lack of capital and the restrictions and high cost of credit. However, the program is only one of several steps that have been taken to promote livestock production. Action to improve livestock breeding has been extended to the Department Swine Breeding Policy, the Beef Cattle Testing Program

and the Sire Indexing Station at Saskatoon. In addition the expansion of community pasture program, the opening of the feed-testing station and the opening of the Veterinary Diagnostic Laboratory are also part of the coordinated program.

The relatively favourable outlook for livestock doesn't decrease the importance that these operations be established on a permanent basis. Operated efficiently and well managed, several branches of the Department are providing up-to-date technical discussions with lenders it appears that most of the loans are for the expansion of enterprises or for producers who were formerly in livestock. This indicates that loans are largely being used by experienced livestock operators and increasing the size of enterprises already established.

Other programs which I do not wish to expand on here include marginal grassland programs, storage programs and feed reserve programs. All of the programs are a part of the overall policy livestock industry for our province.

Mr. J. Messer (Kelsey): — Mr. Speaker, I can agree with a number of the comments that the Minister has just related to this House. However, I think there is room for some criticism of lack of content in this Bill and action which could have been provided along with it.

One of those areas would have to be in regard to the length of repayment and the amount of interest paid. Taking into consideration that the Government does underwrite the first seven per cent, it still does by no means protect the farmer from paying high interest rates when he is seeking capital, which comes at high interest rates and is hard to get. It provides only a three-year repayment period in which at that guaranteed interest rate the Government participates along with the farmer after procuring a loan. This does not give him a long-term opportunity to repay that debt.

The Minister has pointed out that it is questionable whether the prices of cattle have been inflated due to the program. I can't really agree with the Minister to that extent. I think there have been definite indications that the program has brought the price of cattle up, particularly breeding stock, due to the incentive that the Government has provided. I think there should have been incorporated in this Bill some protection to the farmer, who wanted to expand or to initiate himself in such an enterprise, that the price would not reach a level that would be unrealistic for him to consider. I think that it should have been extended so that, if and when the prices of cattle did not reach a period of too high a price, and when the products of those cattle, the offspring of these bred cattle did then reach the market, some protection could be provided by a means of a floor price, so that, if they came on the market in a group or at one time in large volumes, and prices declined, the farmer that had gone into these enterprises would have some protection by a floor price, showing that he would then be able to assure himself of a profit by going into these ventures. These, briefly, are some of the comments that I want to make that I think should have been considered by the Government and incorporated into this Bill. However, I think we will support it in general. There are some comments that I would like to make during Committee of the Whole.

Mr. E. Kramer (The Battlefords): — Mr. Speaker, I listened with interest to a good many things that the Minister said. And I want to say that even at this time I welcome this particular Bill which will provide assistance to the expansion of the livestock industry and possibly a lift to what was an industry that had been sliding downhill rather badly, in spite of the fact that cheap feed was available in Western Canada. I hope that some of the figures that the Minister gave us were more authentic than some he gave us in an earlier debate, when he spoke glowingly of increased cattle population since his Government took office, when in fact, his own report indicates that there were some 150,000 or thereabout less cattle in Saskatchewan than there were in 1964, and some considerably less than in 1963.

Anyway that is really not the important thing. I am a little amazed at the generosity of this Government when it comes to farmers and especially young farmers trying to get established in cattle. We hear plans projected from the Premier's seat and in the news media about loans for industry, interest rate with even the forgiveness of some of the cash being proposed for industry. Yet when it comes to the major industry, agriculture, of Saskatchewan, we find the Government here offering interest at seven per cent and no forgiveness and no guarantee that, if this program is accepted and our cattle population increases and there is a serious price drop, as the Member for Kelsey (Mr. Messer) has said, farmers will be faced with a sacrifice price and possibly will lose their shirts in these original cattle herds that are being purchased under these plans.

I suggest that this Government has two measuring sticks. If it is industry it will give them the whole package with red ribbons on it and say Merry Christmas from Ross, but when it comes to the farmer, again, he is going to pay through the nose. The Minister well knows, and I know, that the price of breeding stock — and not the best of breeding stock — was \$60 or \$70 higher on an average to people who were taking advantage of this plan last fall. I think the Minister will agree that I am in a position to know, because I presided over several auction sales where this was going on. I am not criticizing the Bill but I am suggesting to you, Sir, that about three or four years ago it was indicated that farmers were going out of cow-calf operations because they just couldn't make them pay. and everyone was trying to get into feeders because it was a way of marketing surplus grain. We should have been looking Attorney General this three or four years ago and, I say, too little and too late. The Government should have been doing this and there should have been some subsidizing to get farmers into a cow-calf operation. right now you know this is likely to happen. Farmers are going to have to pay and are paying as high as 40 cents for young steers that they are going to put on feed and some of them were paying 37 cents last spring, 36 and 37 cents. I saw, Mr. Speaker, those same finished steers going across the market in North Battleford stock yards at 24 and 26 cents last fall. Good finished steers! I suggest to you that the only thing that the farmer is getting out of that kind of a feeding operation is exercise.

Good feeder operators were suggesting that they sold their barley through their steers at less than 25 cents per bushel. This program is welcome, but I am sorry that this Government had not the foresight when it saw the cow-calf operation going downhill three or four years ago, to put the roadblocks up then and do something about it.

Mr. R. Romanow (Saskatoon-Riversdale): — Mr. Speaker, I would like to just say a word or two about one legal aspect of the Bill that bothers me somewhat. That is the problem of whether or not there is adequate protection for the borrower or the farmer that is involved in this type of a program. My colleagues have told Members of the House of the possibilities of a drop in price, and this, I think, has to be uppermost in the minds of all people in Saskatchewan in these troubled times in agriculture and the difficult economic circumstances that we face.

I am a bit concerned, Mr. Speaker, that this Bill, from what I can see of it, does not really provide an adequate form of protection for the borrower or for the farmer, if he is caught in the type of squeeze or the type of plummeting prices that my colleague from The Battlefords (Mr. Kramer) has talked about. In fact if you look at the Bill, Section 3 provides, as I think it must of course, for an abundance of protection for the lender involved — the chartered banks and the credit unions. But about the only protection that is given for the borrower is stated to be in Section 8, subsection (j), where the Lieutenant Governor in Council, Mr. Speaker, may rewrite from time to time the terms of a loan concerned.

I am more troubled when I couple this particular observation with the Bill that is pending before the House, The Exemptions Act. I know we are not debating that particular Bill, Mr. Speaker, but to underline the point that I am making, that particular Bill says that the protections which are afforded to the farmer under The Exemptions Act do not apply as far as any of the chattel mortgages or securities obtained by virtue of funds advanced under Bill No. 3. I say this underlines the concern that I have and I think others in this House have about some form of protection for the borrower-farmer. I must agree with my colleagues, who are more experienced in this area, that the Bill seems to be certainly an admirable one, but in this particular area it is greatly deficient, Mr. Speaker. I would like to see the Minister take a look at it in Committee of the Whole. Some introduction of legislation for protection to the farmer is needed if he is going to be subject to sudden changes in prices with a large investment involved, so that he doesn't compound the economic problems that he now faces.

Hon. D.V. Heald (Attorney General): — Mr. Speaker, I wasn't going to make any comments on this Bill but in view of the comments made by the Member for Riversdale (Mr. Romanow) perhaps I should.

Dealing with the protection to the borrower, and he made reference to The Exemptions Act, the way in which this Bill would work. The only way in which the borrowers, the banks, and so on would go into this plan would be if there was an exemption under The exemptions Act. I think my learned friend from Riversdale would acknowledge that, if they were going to be subject to The Exemptions Act, then of course it would be a very bad risk for any lending agency if they lent money to buy stock and then the stock immediately became exempt from execution. They would have lost their security completely.

I don't know what protection a Provincial Government could give the borrower in this situation. If you are thinking in terms of moratorium legislation, that is Federal legislation.

If you are thinking in terms of interest reduction legislation, that again is Federal legislation. So the answer I submit, Mr. Speaker, to the Hon. Member from Riversdale's comments is that there is not any protection which a Provincial Government by a Provincial statute could give to the borrower in these circumstances. We have done everything we can do to ensure that these loans will be available. It has to be on the basis that the loans will be available. It has to be on the basis that the lender of the money will have some reasonable security. Surely he is entitled to the security of the livestock that he gave the money to buy and that is all he's got here is that security. So I don't know what else could be done on a Provincial basis.

Mr. Romanow: — Mr. Speaker, I wonder if before the Hon. Attorney General takes his chair if he would answer a question. Would the Attorney General not agree with me that some section or legislation in the proposed Bill that would enable the board or the farmer to apply for relief without the necessity of going to the Lieutenant Governor in Council regulations, some form of . . .

Mr. Speaker: — Point of order!

Mr. Heald: — The short answer is, Mr. Speaker, I do not agree with what he just said.

Mr. Speaker: — Point of order!

Mr. B.D. Gallagher (Yorkton): — My point of order is this, Mr. Speaker, on this reading in the debate that a Member can only get up and speak once and the Minister who moved the Bill has the right to close the debate. There cannot be a series of questions from one side of the House to the other.

Mr. Speaker: — I think the point of order is reasonable well taken. However, it is an accepted fact that in parliamentary procedure that, if a Member rises and asks if he may ask a question, if the Minister or whoever is in the debate at the present time indicates by saying in his seat that he will accept the question, then it is in order. I do suggest that a lot of questions that are being asked and have been asked today would be better asked in Committee because that is what a committee is for.

Mr. T.M. Weatherald (Cannington): — Mr. Speaker, I am just going to make two or three brief remarks on this Bill. I think it is a very good Bill. I think that any criticisms that have been made on it are largely invalid. The Member for The Battlefords (Mr. Kramer) said that it should have been done three or four years ago. But, Mr. Speaker, I am convinced that, even had it been available three or four years ago, very little use or advantage would have been taken of it simply because, as he himself mentioned, the return on cow-calf operations was low and this is precisely the reason why most farmers weren't going into it. Therefore, I can see no reason why the incentive would have persuaded farmers to go into a business that at that time didn't look that good. The move now by the Minister of Agriculture I think is at the appropriate time.

I do just want to offer a word of caution — being in the cattle business for quite a few years — that this legislation should not be interpreted by farmers of Saskatchewan that it is going to

solve all their problems in the cattle business. The cattle business, as many Members here know, is a very, very complicated one. It is exceptionally complicated and it is not quite so easy that you just go out to the local cattle auction and buy some feeders and throw some barley to them and you end up with some money in your pocket. It is not that easy and I think that the people who take advantage of this are going to have to be very, very careful in their management practices if they are going to come out ahead. I think that the seven per cent level is very realistic, Mr. Speaker. I think it is particularly realistic from the established producer's point of view. It would be very unfair to just have a give-away, you might say, as has been suggested by the Member for The Battlefords, I say totally unfair, because the people that are in the business invested their own money that they worked hard to establish cattle hers themselves. I don't think it is fair to just start giving money away to other producers to get into the business with no interest rate on that money. Therefore, I think the seven per cent interest is a very realistic level that has been set by the Minister of Agriculture.

I think also, Mr. Speaker, just before I sit down I want to just offer a word of warning that today the cattle business is probably in its treacherous period that I have every observed in my time, simply because established producers are taking advantage of the higher prices. They are culling their herds much more than they have ever done before and taking advantage often that the buyer should beware, certainly can be well taken in the cattle business today. To the inexperienced person that is going into the cattle business I think that there is never a better time to offer him the advice that he should be careful, talk to an established producer, and get some good advice before he heads into it.

Mr. McFarlane: — Mr. Speaker, I can't agree with the Member for The Battlefords (Mr. Kramer). It is all very well to watch the cattle numbers go down for a number of years; watch hog numbers in the province go down for a number of years for about 20 years; watch sheep numbers go down for a number of years and then turn around when the Government comes in with some legislation and then say that it was too little and too late.

As the Member for Cannington (Mr. Weatherald) said, if we had gone out two or three years ago with this type of policy and tried to convince the farmers to stay in livestock, I don't think it would have been accepted to the extent that it has at this period of time because wheat sales were good and they were getting rid of their livestock because they thought it was easier to make farming pay by raising cereal grain. So I say that the time is more opportune now than it was then. But we have taken measures to arrest the decline in sheep and the sheep industry and I won't go into that at this time. We have taken measures that at this time. But we felt that the time to get in there and make sure that we could gear up for the potential red meat demand on the North American market was last fall, before much of this female stock was placed on the auction market and we wouldn't be in a position then to increase our livestock numbers.

Now we hear a great deal — and it was mentioned here again this afternoon by the Members of the Opposition who spoke — that

possibly the Saskatchewan Government should have guaranteed a floor price for these cattle that are going to be produced in the future. Well, I point out to the Members of the Opposition that a floor price is established for livestock products by way of Federal legislation in The Agricultural Prices Support Act. And the base that is established under that legislation is 80 per cent of the average price of, in this case, beef cattle for the last 10 years, basis Toronto. Because cattle prices have been substantially above that base price over the years they have never had to pay it out. I think the only thing they have paid out on lately has been maybe on eggs two or three years ago. But there is a base price under the price of livestock.

And then the member for The Battlefords (Mr. Kramer) tries to make a big point. He says that this Government is great for giving grants to industries. Before we ever gave grants to industry practically every agricultural program we have established — and we have established many — were all incentive programs started up on the basis of incentive grants. For hog enterprises we gave 25 per cent of the cost of a building, up to \$4,000, for fodder shelters 25 per cent, for the seeding of submarginal land to grass almost half the cost or 50 per cent of the cost of grass seed. So you can't get up and honestly say that, sure, they are giving out money to their friends in business and in industry and nothing to the farmer, because this principle was established first in our agricultural programs.

Some Hon. Members: — Hear, hear!

Mr. McFarlane: — I think that would take care of most of the objections that I have heard. They say too, the Member for The Battlefords, says that he knows that the price of female cattle has gone up \$60 or \$70 per animal, but he didn't say that the price of beef has gone up, as I pointed out earlier, by \$5 a hundredweight also. And I can assure my hon. friends that had we let all these females go on the market and then tried to buy them back next year, the price would have been substantially higher than under the terms of this agreement.

Mr. Speaker, the Act I think is one of the most forward steps ever taken in the history of this province. Certainly it has been recognized in our two neighbouring provinces, but I suggest here again recognized too late on their parts and because of the foresight of the Government of Saskatchewan we were able to move early and move quickly and get in and get the available female stock that was available to the farmers of this province before the other provinces cut us out.

Motion agreed to and Bill read a second time.

Mr. McFarlane (Minister of Agriculture) moved second reading of Bill No. 31 — An Act to amend The Conservation and Development Act.

He said: Mr. Speaker, The Conservation and Development Act was originally enacted in April of 1949. An excerpt from the first annual report of the Conservation and Development branch for the fiscal year 1949-50 aptly describes the intended purpose of the Act. Quote:

The Conservation and Development Act enables large and small groups of farmers to organize, undertake, operate and maintain any program of adjustment and land use, water control and utilization or conservation practice which may be required to prove the resources of production in which they are interested or from which the lands they own and control may be benefited for production. This Act is designed to allow farmers who organize under it to establish an authority of their choice, to arrange for any assistance available in initiating and any conservation program or works and to administratively conduct the management and efficient operation of such program or works. Authorities established under the Act negotiate work programs, determine the division of responsibility which may be necessary to carry out the design and plan of the conservation measures decided upon.

That was the end of the preamble of the Act. In practice over the ensuing years the Act has been used largely for the undertaking of water development and water control programs. A total of 129 conservation and development areas have been established to date, of which 86 areas are presently in existence. About 65 of these areas have sponsored and undertaken construction of works mostly for flood control purposes.

With respect to water control projects, The Conservation and Development Act has superseded The Drainage Act. Although The Drainage Act is still required due to the fact that certain works have been constructed and are still being maintained under The Drainage Act in recent years. Under The Drainage Act landowners petition the Minister to construct works, and upon completion of the construction the rural municipalities in which the works are constructed are charged with the responsibility for operation and maintenance. But under The Conservation and Development Act projects are in practice initiated and sponsored by the local area authorities who assume the responsibility for their operation and maintenance.

New conservation and development areas can be established by Minister's order either with or without a supporting petition or application, and the Minister has the further prerogative of determining whether an area is of sufficient size to warrant the formation of an area authority.

It has been the practice to establish areas only upon the receipt of a petition and to insist that an area authority be set up to administer the affairs of the area.

Section 4 presently states that the Minister shall cause a notice of establishment of a new area to be published in the Saskatchewan Gazette, only when he considers the area to be large enough to warrant the setting up of an area authority. In fact The Regulations Act requires that all Minister's orders pertaining to the establishment of the districts or areas must be published in the Gazette. It is, therefore, proposed to change Section 4 to conform with the requirements of The Regulations Act.

Amendments are proposed for Sections 5 and 7 which will require that petitions requesting the establishing or extension of areas must be signed by two-thirds of the landowners affected rather than by the single majority of 51 percent, as it is at

present. This should remove any element of an uncertainty as to the extent of local support for interest in the programs which are being established or extended. There is presently no provision for the transfer of lands from one area to another or for the amalgamation of adjacent areas. And since fairly extensive investigations are often necessary to accurately identify which lands should be included in an area, it sometimes becomes apparent, after an area has been established, that it is more practical to include certain lands in an adjacent area. It may also become apparent after a few years that some economies and benefits can be effected through amalgamation of adjacent areas.

Sections 9(a) and 9 (b) will facilitate such transfer of lands or amalgamation of areas upon request from the areas involved. Area authorities are administratively structured along the lines of a rural municipal council and the duties and activities of authority members are similar to those of municipal councillors. It is, therefore, proposed to amend Section 26 to rural equate the remuneration of area authority members to that of rural municipal councillors.

Section 28 which deals with claims against area authorities for damages allegedly caused by works in an area has been a source of concern for many years. In brief, the present Section provides that area authorities cannot admit liability in respect to any claim without the approval of the Minister and no settlement can be made for sums in excess of those approved by the Minister and there is no recourse to appeal. So it is considered that area authorities should be civilly liable for damages which might result from activities undertaken under authority of this Act and they should be given the authority to negotiate settlement of such claims. It is also felt that there should be an avenue of appeal where settlement can be satisfactorily negotiated at local levels.

The present Section also provides that claims can be filed at any time up to December 1st of each year. It is, therefore, proposed to limit the time for initiation of action in the Bill to 60 days. The procedures proposed in the amendment are similar to those prescribed by The Rural Municipal Act and should therefore provide a degree of consistency in dealing with claims involving both governments.

The propped amendments to Sections 30, 52, 67, 75, and 79 are for the most part intended to clarify the intent of these Sections by making appropriate changes in the use of the word "assessment, levy and tax."

Section 31 of the Act presently provides for the procuring of temporary loans secured by promissory notes only for current year expenditures. In some instances area authorities have indicated that it should be advantageous to take out short-term loans to finance a certain works rather than to have to sell debentures, as it is at present.

The proposed amendment will provide for short-term borrowing but only on approval of the Local Government Board. This is similar to the provisions of The Town Act.

Sections 52 and 53 deal with preparation of the assessment tax roll and the mailing of notices.

Section 52 (1) presently requires that the assessment roll

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be prepared by January 31st with the assistance of an engineer employed by the Department. Neither of these provisions is considered necessary or desirable.

Section 52 describes the format of the roll rather than merely identifying the basic contents and it is felt that the actual format should be appropriately described by regulations.

There are other changes in other Sections, Mr. Speaker, but because time is running out I think that these can best be dealt with in Committee. There will be one House amendment coming down in Committee and we can outline it at that time. I think this will outline the main details of the amendment.

Debate adjourned on motion of Mr. J. Messer.

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