

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session — Sixteenth Legislature
24th Day

Thursday, March 19, 1970.

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

CORRECTION ON VOTES AND PROCEEDINGS

Mr. Speaker: — Before the Orders of the Day I want to draw the attention of all Hon. Members to the Votes and Proceedings of Wednesday, March 18, yesterday, page 11 — Notice of Motion for Returns. A Motion for Return by Mr. Blakeney, the Member for Regina Centre, shown in the Votes and Proceedings as No. 90. This is a typographical error and should be shown as No. 96. I wonder if the Members would, by pen, correct their copies of the Votes and Proceedings. We have our copy in the Legislative Assembly Office and it went out correctly. It was an error in the printing shop. It will appear in its corrected form on tomorrow's Blue Paper.

WELCOME TO STUDENTS

Mr. Speaker: — I wish to introduce to all Hon. Members the following groups of students situated in the galleries.

From Lestock, Saskatchewan, the Lestock Christian Youth Organization. They come from Lestock in the constituency of Touchwood represented by the Member, Mr. Meakes. There are 20 in number under the direction of Father Kines. We also have seated in the Speaker's gallery eight representatives of high schools in the Elrose constituency under the direction of Mr. Frank Hall of Lucky Lake. They are visiting the Legislature at the invitation of the Member for Elrose (Mr. Leith). In addition to seeing the Legislature in action, they will also visit other Government departments. I am sure that all Hon. Members will wish to join me in extending to these groups of visitors the warmest of all possible welcomes and express the very sincere wish that they will find their stay here enjoyable and pleasant and wish them all a very safe trip home.

Hon. Members: — Hear, hear!

QUESTIONS

INCREASE IN RESORT LEASE FEES

Mr. G.R. Bowerman (Shellbrook): — Mr. Speaker, before the Orders of the Day I would like to address a question to the Hon. Minister of Natural Resources (Mr. Barrie). It has come to my attention that the Department proposed to increase its resort lease fees of cabin owners and resort operators up to and perhaps exceeding some 350 per cent as of April 1 this year. I wonder if the Minister can inform us if this information is correct and if the Government intends to proceed therewith.

Hon. J.R. Barrie (Minister of Natural Resources): — Yes with certain modifications.

Mr. Bowerman: — A supplementary question, Mr. Speaker. I wonder, Mr. Minister, with regard to some of the things that you may suggest are being considered, is there being considered in that, a reduction or a reduction of the increase in fees by any means?

Mr. Barrie: — Yes, a reduction in the increase of fees.

REVISION OF HOSPITAL BUDGETING PROCEDURES

Mr. W.E. Smishek (Regina North East): — Mr. Speaker, before the Orders of the Day I would like to direct a question to the Hon. Minister of Health (Mr. Grant). The other day in the House he told us that it is the intention of the g or the Department of Public Health to revise the hospital budgeting procedures to a global system. I wonder, Mr. Speaker, whether the Minister intends to table the new formula and can this Legislature be advised ahead of time of what the new formula will be.

Hon. G.B. Grant (Minister of Public Health): — Mr. Speaker, I don't consider this as a matter of urgency and I had no intention of tabling it. To date the hospitals are merely considering it, and they have until July 1 to decide whether they wish to accept it or not.

MOTIONS FOR RETURNS

RETURN NO. 72

Mr. W.S. Lloyd (Leader of the Opposition): — Moved that an Order of the Assembly do issue for Return No. 72 showing:

The amount of the contribution received from the Government of Canada in respect of the \$7,974,886.42 expenditures in 1968-69 for Basic Operation Grants (schools under The School Act).

Hon. J.C. McIsaac (Minister of Education): — Mr. Speaker, I have discussed this very briefly with the Hon. Member for Biggar (Mr. Lloyd). The question as it is asked here cannot really be answered. Because the vote and the amount to which he refers it is not possible to split out the information that he wants. I would ask the House to turn this motion down and I will discuss it further — and the next one as well — with the Hon. Member and help him frame a question that will give him the information that I think he is looking for here.

Mr. Lloyd: — Mr. Speaker, I am a bit surprised at the Minister's statement that the information can't be given. My surprise arises from the fact that on two previous occasions during this Session . . .

Mr. Speaker: — Order, order! Just a minute. I should have warned the House that the mover of the motion was about to close the debate.

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If anyone wishes to speak he may do so now.

Mr. Lloyd: — . . . I have asked precisely the same question with respect to another item on school grants, the only change being in the number of dollars and in the particular portion of the grant to which the question is directed. The Minister was able to give it to me immediately the next day. My purpose in asking the question is of course to try to sort out the extent to which there is Federal support for education. There is nothing in any of the reports that are tabled which enables one with any clarity to get at the ways in which we do get Federal support. I trust the Minister has ways in mind which he can make all of this available.

Motion negatived.

RETURN NO. 73

Mr. Lloyd (Leader of the Opposition): — Moved that an Order of the Assembly do issue for a Return No. 73 showing:

The amount of the contribution received from the Government of Canada in respect of the \$635,519.28 expenditure in 1968-69 for grants to private schools, universities and colleges.

Mr. McIsaac: — Mr. Speaker, for very much the same reasons I would ask the house to turn down this motion because, again, it is difficult to answer. It cannot be answered technically the way it is now worded and written. But once again I appreciate what the Hon. Member is seeking here and in a complete question we can give him all the information that he is looking for, if the question is put together in a different manner.

This, Mr. Speaker, is an expenditure on behalf of post-secondary education. Both of these questions are related to the fiscal transfer, Federal to Provincial, and not necessarily based on the expenditures of the school grants, but rather the amount of money that, in this case, the universities and colleges are spending (not the private high schools.)

So I would ask that this motion be turned down for that reason.

Motion negatived.

RETURN NO. 77

Mr. Lloyd (Leader of the Opposition): — Moved that an Order of the Assembly do issue for a Return No. 77 showing:

- (1) A copy of the contract between the Town of Lanigan and the Saskatchewan Water Supply Board in effect in 1969.
- (2) The charges levied by the Saskatchewan Water Supply Board for water supplied to the Town of Lanigan in 1969.

Hon. A. R. Guy (Minister of Public Works): — Mr. Speaker, we have no objection in supplying this information, but I am sure that the Hon. Leader of the Opposition wants to have all the information and since the charges that he is requesting here are related to the expenditures of the Provincial Government, I would like to move, seconded by the Hon. Minister of Natural Resources (Mr. Barrie) that Return No. 77 be amended by adding the following:

- (3) What expenditure did the Saskatchewan Water Supply Board incur in extending an eight-inch pipeline from Alwinal Potash of Canada to the Town of Lanigan.

Amendment agreed to.

Motion as amended agreed to.

RESOLUTIONS

RESOLUTION NO. 6 — CASH INJECTION TO FARMERS

Mr. J. Messer (Kelsey): — Moved, seconded by Mr. J.A. Pepper (Weyburn):

That this Legislature urge the Government of Saskatchewan and the Federal Government of Canada to provide an immediate cash injection to farmers of Saskatchewan in order to stabilize agriculture and its related services.

He said: It is, Mr. Speaker, the consensus of a number of people, due to what I think is lack of understanding and confusion, that a resolution such as this is no longer needed in the Province of Saskatchewan.

The reasoning for this is that the introduction of Operation LIFT is going to supply the needed assistance to the farmers in supporting and maintaining their enterprises in the forthcoming crop year.

Operation LIFT which proposes to take out of production some 24 million acres with payments at \$6 per summer fallowed acre and \$10 per perennial foraged acre will be no means supply the needed monies to the farmers of Saskatchewan to continue farming. Nor will it dispose of grain satisfactorily for the farmers.

Combined with many shortcomings and problems that this program creates there is just not enough capital injected into the province through its application. We need, Mr. Speaker, as this Resolution points out, an immediate cash injection to farmers in Saskatchewan in order to stabilize agriculture and its related industry. There is evidence in every con of this province, both urban and rural, that shows serious reflections of the lack of money in the agricultural sector. Despite substantial cutbacks in seeded acreage, Saskatchewan produced some 460 million bushels of wheat in 1969.

Adding the production of the 1969 crop to the production of the other two Prairie provinces and the wheat stocks on hand, we have a total of over 1-1 ½ billion bushels of wheat. Sales in 1968-69 crop year amount to some 306 million bushels. This

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is down significantly from our 10-year average of 403 million bushels.

Sales figures show that to date wheat sales are down 107.6 million bushels, which means they are 22 per cent below the same time in 1968.

The steady decline in prices of the major grains grown in Saskatchewan is another major contributor to the seriousness of the situation. Taking No. 1 wheat, the total price realized to the farmer in 1966-67 crop year was \$1.81 $\frac{3}{4}$. In 1967-68 crop-year, the price of No. 1 wheat dropped to an average of \$1.64 $\frac{1}{8}$. In 1968-69 crop year the initial price for No. 1 wheat was \$1.52 $\frac{1}{2}$. As it is definite that there will not be a final payment, this will be the total price for No. 1 wheat delivered during the 1968-69 crop year, a further reduction from the previous year. The initial price for No. 1 wheat in the 1969-70 crop year was \$1.32 $\frac{3}{4}$. This is a further reduction from the previous year as it can also be considered unlikely to get a final payment for the grain delivered in the quota year 1969-70. This, in total, means a reduction in a four-year period of time of 49 $\frac{1}{2}$ cents per bushel for No. 1 Northern Wheat.

This same situation applies to barley. Taking No. 1 feed barley, we find that in the crop year of 1966-67 total realized price was \$1.04 $\frac{3}{8}$. In the 1967-68 crop year, total realized price dropped to 85 $\frac{7}{8}$ cents. In 1968-69 crop year the initial price dropped to 81 $\frac{7}{8}$ cents. As it is unlikely that there will be a payment for the 1968-69 crop for feed barley, this will mean the initial price would also be a closing price, which means a reduction from the year previous. In the 1969-70 crop year, the initial price is 65 $\frac{5}{8}$ cents. As it is again probable that there will be no final payment for barley delivered during this crop year, this means there is a reduction in a four-year period of time of 41 $\frac{3}{8}$ cents per bushel for No. 1 feed barley.

The same situation applied to oats. No. 1 feed oats have dropped from 68 $\frac{7}{8}$ cents in the 1966-67 crop year to 42 $\frac{5}{8}$ cents in the 1969-70 crop year. If there is no final payment forthcoming on oats in this crop year it means a reduction of 25 $\frac{3}{8}$ cents over a period of four years. Combining this decline in prices for grain produced in the Province of Saskatchewan with the decrease in sales the situation for the farmer in the province becomes most serious. It means that nearly after eight months of the 1969-70 quota year, virtually no grain has moved from Prairie farms.

In far too many areas the farmers are still to deliver a one-bushel quota. In fact there are a number of farmers who are yet to deliver grain on the extended five-bushel quota from 1968-69 crop year. These circumstances can only mean that there must be a number of farmers, who produce no cash crops such as rapeseed or flaxseed, that are yet to sell a single bushel of grain in this crop year unless they have resorted to bootlegging. Indeed it means roughly 85,000 farmers in Saskatchewan will lose on an average of \$1,500 income per farmer.

The Saskatchewan Implement Dealers Association estimates that 10 per cent of their implement dealers went out of business in the first half of 1969. It has been suggested that within the next year as high as 50 per cent of these dealers could be going out of business. I don't believe these predictions are unrealistic when you take into consideration that sales sagged by 24.4

per cent during 1968, and dropped off a further 17.3 per cent in the first three-quarters of 1969. Year-end average declines for 1969 are in excess of 40 per cent. In some regions of the province, especially in the northwestern localities under extreme conditions it has been reported that sales have dropped off in the 50-to-75 per cent area.

The entire retail sales in the first 11 months in 1969 fell by more than \$100 million in the province compared to 1968. On the average, reduction over the province is 8.5 per cent. Declines for towns and village merchants averaged 12 to 15 per cent. In both cities and towns we find that especially specialty businesses are being hit much harder than those dealing in generally needed products. I believe that it is unfortunately evident to all of us that too many businesses both in small urban and larger urban centers have already closed their doors.

This, briefly, Mr. Speaker, outlines the need for a substantial amount of cash to be generated into the province, so that we can improve upon the present depressed economic situation confronting farmers and related businesses in the province.

The introduction of \$200 million in supporting payments to the farming economy, I believe, would improve considerably the present financial situation. Having improved that situation we then hope it would somewhat stabilize the agricultural economy until a long-range and more far-reaching plan could be introduced and put into effect. I think that we are all aware in this Assembly of the threat of extinction of a great many farms, not only in Saskatchewan but in the three Prairie provinces.

When we take into consideration that there are estimated to be some 400,000 farmers in Canada today and that certain economists in Ottawa are predicting that by 1980 this number should be reduced to some 300,000 and that they further suggest that this is still too high, and that farms should be reduced to less than 150,000 by that time, it can only mean disaster for thousands and thousands of farmers, especially for farmers in the Prairie Provinces.

Some Hon. Members: — Hear, hear!

Mr. Messer: — The problems of Saskatchewan and its two adjoining Prairie Provinces are somewhat peculiar to other provinces in Canada. Particularly in Saskatchewan our single biggest industry is agriculture. This is the way it has always been and this is the way it will continue to be for a great many more years. This agricultural industry is spread throughout the agricultural area in the province. Combining the people inhabiting these communities and the farmers, we have a social and economic obligation to retaining, maintaining and improving their present circumstances.

If we do not do that and the communities disappear, and the number of farms reduce to the figure that is recommended by certain groups of people, we will have a province that ceases to exist because we cannot function without these people.

Some Hon. Members: — Hear, hear!

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Mr. Messer: — I say this, Mr. Speaker, because we do not have facilities within the province to which these people can exodus to. This means that, if this transition is to take place, there will literally be thousands upon thousands of people moving to larger urban centers. As these urban centers in the Province of Saskatchewan will not be able to find employment for them it means that they will either move out of the province or exist in poverty or as welfare citizens.

We cannot let this happen to our farmers and the smaller communities of this province. In order to stop the onslaught of such a situation a \$200 million cash injection is needed as a stop-gap measure. Other reasons besides social responsibilities for retaining our present rural-urban climate in this province are that with proper direction and assistance there is a bright future for agriculture in Canada. Some evidence pointing to this would be changes in population and in our economy. I must say here that changes in technology, in Government programs and policies and in the international supply, trade-and-demand situation lead to variation of factors.

Change is a basic ingredient of growth and as in the case of agriculture when growth rates are high, changes are spectacular. The longer the projected period, the greater will be the rate of change in the variable studied, thus affecting the accuracy of any projection. However, projections have to be made and I think there is merit in relating these to the Assembly.

The Canadian population in 1980 is estimated to be 26 million people, an increase of 33 per cent over the average population during the period 1964 to 1966, and 28 per cent over that of 1967. Eight of ten persons live in urban areas with six of them in large cities of 100,000 and over. In 1966, 72 per cent of the total population were located in urban areas. Total food expenditure is expected to increase 83 per cent from \$6.2 billion in 1964-66 to \$11.3 billion in 1980. The relative importance of agriculture in the economy is expected to continue to decline in terms of its share of our total population.

Rural population has declined from 46.3 per cent of the total population in 1930 to 28 per cent in 1966, and is expected to decline to 19 per cent by 1980. Similarly, the proportion of the population living on farms is estimated to decline from about 10 per cent in 1966 to six per cent in 1980. The contribution of agriculture to the gross national product has increased from \$628 million in 1930 to about \$2,500 million in 1967, and is estimated to increase to about \$4,800 million in 1980. However, as a percentage of total gross national product, agriculture has declined from 11 per cent in 1930 to about five per cent in 1967, and will be about three per cent in 1980.

If some equalizing efforts are brought into effect, increased expenditures for foods would mean that there is a more fluent future for agriculture. However, the decline in population has serious effects, such as I outlined in relation to the Province of Saskatchewan. In order to allow the farmer to enjoy the benefits of a future and what I hope is a better agriculture, we need a \$200 million injection of money to the farmer so that the movement towards such a situation does not start. \$200 million invested now is a small contribution towards an industry that will in the future be involved in the production of increased food needs.

Total food consumption is estimated to increase 33 per cent by 1980. This shows the effect of per capita consumption on population increases. Large increases and total consumption occur in commodities which indicate an upward trend in per capita consumption. For example, the per capita consumption of meat in 1980 is estimated to be 112 per cent of that in 1964-66, while total consumption of meat is expected to increase by 49 per cent. Among these food groups that show a decline in per capita consumption, the increase in population will be sufficient to increase the total amount consumed in 1980.

Projected exports in 1970 are based on the assumption of a 1.7 per cent annual increase in total volume of agricultural exports and on the continuation of the post-war trends in the next 12 years. Agricultural exports are estimated to be about \$2 billion in 1980, one-third greater than in 1964-66.

Farms move from one economic class to another due to inflation and to increase in quantities of products sold. Commercial farms, as a proportion of all farms, increased significantly from 28 per cent in 1951 to 54 per cent in 1961 and to 64 per cent in 1966 and are assumed to constitute 80 per cent of all farms by 1980.

In 1966, 95 per cent of the industry's sales were made by commercial farms, with 65 per cent coming from farms with sales of \$10,000 or over. The share of sales of farms with sales of \$5,000 to just under \$10,000 decreased by 27 per cent in 1951 to 21 per cent in 1966, and that of farms with sales of \$2,500 to \$5,000 decreased by 29 per cent in 1951 to 9 per cent in 1966.

In order to maintain farmers that have justifiable rights to stay in the industry and be able to reap the benefits of future agricultural potential, assistance has to be made available to them and assistance has to be made available now.

As the Province of Saskatchewan is the province most closely associated with agriculture and therefore the province that can be most seriously hurt if agriculture receives continued problems in regard to survival, I remind you, Mr. Speaker, and the Members of this Assembly, of the problems of the day and the problems of tomorrow. We have depressed sales of grain, lower prices for all grains in comparison to the years past, slow movement of grain, lack of quotas at Saskatchewan delivery points, high interest rates to farmers, lack of realistic capital for farmers and small businessmen who service those farmers.

Combining these conditions it means failure for farmers. It means failure for businesses servicing farmers. It means failure for the Province of Saskatchewan.

The seriousness of these conditions is shown in an article dated March 9, 1970 from the Star Phoenix headed, "Business failures double last year." I quote from this article:

There were 12 business failures in Saskatoon in 1969, twice as many as in 1968. Across the province there were 64 business failures in 1969 and only 29 in 1968. The national figure reported in the Dunn and Bradstreet quarterly failure report also shows an increase in the frequency of business failures. There were 1,861, failures in Canada in 1969 and 1,797 reported in 1968. In the city of Regina in 1969 there were 15 business failures and only three in 1968.

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I suggest to you, Mr. Speaker, that these are only a small percentage of the business failures in the Province of Saskatchewan. Indeed I think all of us can go to communities in this province and find on every main street machine dealers and those businessmen who serviced farmers in the past no longer having doors open. It is because of this concern of the farmers of Saskatchewan and of these smaller urban communities, of the larger urban communities, of the benefit and assured future of this province that I ask all Members of this Assembly to support an immediate supporting payment to farmers of this province, whereby we will be able to establish relief to our economy in time to formulate legislation and policies that will assure a future for our farmers and those who service them.

Some Hon. Members: — Hear, hear!

Mr. A. Thibault (Kinistino): — Mr. Speaker, I beg leave to adjourn the debate.

Debate adjourned on the motion of Mr. A. Thibault.

RESOLUTION NO. 11 — FEDERAL LEGISLATION TO PROHIBIT GRAIN HANDLERS' STRIKES.

Mr. J.B. Hooker (Notukeu-Willowbunch): — Moved, seconded by Mr. P. Schmeiser (Watrous):

That the Legislature of Saskatchewan requests the Government of Canada to immediately enact legislation declaring longshoremen, terminal workers and others involved in the off-loading of Prairie grain to be performing essential services, and that the said legislation prohibit strikes in such essential services and provide for compulsory binding arbitration.

He said: — Mr. Speaker, in rising to move this Resolution I do so knowing that what I have to say in regard to this Resolution will no doubt stir up every labour boss in this province and elsewhere. In fact if I do not accomplish this feat I will have failed in my approach in placing my position on the orderly marketing of grain before this Assembly.

I know that in moving this Resolution I will bring my friends in the Opposition to their feet in the persons of the Member from Moose Jaw North (Mr. Snyder), the Member from Regina North East (Mr. Smishek), the Member for Saskatoon Mayfair (Mr. Brockelbank). We realize they are duty-bound to protect their personal interests and the financial interests of their party in respect to the labour movement.

Some Hon. Members: — Hear, hear!

Mr. Hooker: — Mr. Speaker, I am not concerned with what these Members have to say. In fact I could probably recite the text of their speeches at this moment. I will be accused of being anti-labour, of trying to drive a wedge between labour and the farmers, and of trying to reduce a segment of our labour force into what they and those of their friends, who I submit are being paid to parade in front of the Legislature, say, as second-class citizens. I will answer their allegations in due course.

However, Mr. Speaker, I as a Member of this Legislature and as a farmer am extremely interested in what the Members sitting opposite representing the rural constituencies will have to say in respect to the effect that strikes, walkouts and lockouts have on the individual farmer in their constituencies and the economy of Western Canada.

Some Hon. Members: — Hear, hear!

Mr. Hooker: — I want to especially hear, and I am sure the people of Saskatchewan want to hear, what the Hon. Members for Kelsey (Mr. Messer) and Shellbrook (Mr. Bowerman) who have leap-frogged into the front benches, have to say in this regard. The Leader of the Opposition (Mr. Lloyd) by his own admission in placing these Hon. Members in the front benches is saying that these Members have his confidence and can speak on behalf of the party.

What about the newly-elected Member for Kelvington (Mr. Byers), who I notice is not in his seat, who came out swinging in his first speech in this Legislature and he certainly had lots to say about the problems facing agriculture in the by-election. I only hope that he has the courage in this debate to stand up and tell the people of Kelvington that the unreasonable demands of the giant labour organizations have contributed in an adverse way to the present economic position of the Western farmer.

Some Hon. Members: — Hear, hear!

Mr. Hooker: — Let us also hear from the only NDP rural member from Southern Saskatchewan, the Member for Weyburn (Mr. Pepper). I feel that this Member is going to have a difficult time voting against this Resolution. He will have to decide who is more important, the people he represents or the labour unions to whom his party looks for financial support and affiliate membership.

Firstly, I will be accused of being anti-labour, Mr. Speaker, nothing could be further from the truth. I believe that every citizen should have employment opportunities. They should have adequate working conditions and a salary comparative to their productivity and to the type of their employment. But by the same token I will continue to oppose this power struggle that goes on between ruthless labour organizations and management whose only concern is profit. It is about time that we as legislators representing the farmers of Western Canada request our Federal Government to pass legislation that would protect us from continually being the innocent victims of strikes, walkouts or lockouts, regardless of who is at fault. Personally, as a farmer myself, and I feel I speak for most farmers when I say that we are sick and tired of being used as pawns in their struggle for power control.

Some Hon. Members: — Hear, hear!

Mr. Hooker: — I would also like to tell this Assembly that I am no novice when it comes to the labour market. I too belonged to that segment of our labouring force when all we had invested in our job was a lunch bucket. This did change, however, Mr. Speaker, and we were required to make another investment which was much more expensive than the lunch bucket and that was our labour union card. Either pay up or lose your job. I submit,

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Mr. Speaker, that this is when the employee first started losing his basic right and that is the right to work.

I challenge any Hon. Member, labour organizer or otherwise, to produce a union card issued before December, 1937. I mention this date because that is when I joined the United Pulp-Paper and Sulphite Workers of America. I had little use for their so-called basic principles then and I wonder if that particular union has upgraded itself over the years.

With regard to driving a wedge between the farmers and the organized labour, ask any practising farmer if the Jimmy Hoffas, the Carl Reuthers, the Gleasons, the Mahoneys, need any help from me in driving in that wedge.

Suggesting that a segment of our working forces would be classed as second-class people when legislation is passed prohibiting strikes in specified essential services, is only a figment of someone's imagination. If this is not so, how then can we explain that there is a backlog of applications for positions with the Saskatchewan Power Corporation. This corporation was the first corporation placed under Saskatchewan's present Essential Services Act. Our labour organizers opposite might be interested to know that some people may enjoy working under conditions where they are adequately paid, well respected, and not forced to withdraw their services at the expense of their fellow man.

Some may ask: why is this Resolution necessary at this time when all appears to be normal in the orderly marketing of grain? I suggest that there is no time like the present. Why wait until trouble starts again, when both sides are deeply entrenched and bitterness is prevalent.

Some Hon. Members: — Hear, hear!

Mr. Hooker: — Now that they have all had a change to speak their piece, I will start again.

Now is the time to set up an independent board, labour tribunal or whatever you wish to call it, to settle all disputes. The board must have power to render decisions that would be binding on both sides for a specified period. It would necessarily follow that it would be illegal to withdraw services by labour or to have a lockout by management during this period. Penalties for failure to abide by the board's decision would necessarily have to be embodied in this legislation. And I will tell the Hon. Members opposite that I will have something to say about that board before I am finished.

No one is against the principles of collective bargaining. However, in recent years it has become nothing but a farce. The same thing can be said of not bargaining in good faith. I have tried to understand the meaning of this phrase. It appears to me that if management agrees to labour demands then they have bargained in good faith. If management does not, then they are not bargaining in good faith. Both sides walk away from the table, a strike is called, and the cat and mouse game begins. A mediator is usually called in to act as a conciliator. This may be fine except that the mediator has no power. So what kind of nonsense is this? If the mediator does get both sides to agree, what has happened? Labour always gets a wage increase

plus fringe benefits which no one ever hears anything about. The increase is usually retroactive which covers their time lost. Management in turn charges their extra costs back to the consumer. Who then has been the loser? Is it the Canadian economy? I say, Yes. Is it the people who are depending on those services which have been withdrawn and over which they have no say? Again I say, Yes. It will be interesting to note the NDP comments on this opinion.

There is no comparison, Mr. Speaker, between strikes in general and strikes in essential services. Labour is hesitant to strike against an industry if the consumer has the option of dealing with a competitor. In this case the strike has no effect and in many cases the employee is the loser as he has contributed towards closing the industry and placing himself out of work. The ultimate aim of strikes in essential services is to tie up the whole industry and force immediate action. The only thing that has saved us thus far from a complete stoppage is the power struggle for control among the giants of the labour organizations, who I might add have their head offices in the United States.

The people to your left, Mr. Speaker, are the ones who criticize the United States for every move they make, except where it involves the labour movement. They are well disciplined. They dare not bite the hand that feeds them. However, Mr. Speaker, I can assure them that the farmers on this side of the House are going to give them a chance to stand up and be counted on this Resolution. Possibly then they won't look forward to the impending election with as much enthusiasm as they show today.

Some Hon. Members: — Hear, hear!

Mr. Hooker: — Mr. Speaker, the legislation I propose in this Resolution is harsh legislation and I am the first to admit it. However, the Western farmer and the Western economy has been the whipping boy far too long. The farmer today is in an economical straitjacket. He is fighting for his very survival.

Mr. R.H. Wooff (Turtleford): — Who put them there?

An Hon. Member: — The Liberals, that's who!

Mr. Hooker: — Any action that may cost him further loss of markets, additional costs, or withdrawal of services just cannot be tolerated. If it takes harsh or regressive labour legislation to give him that protection, then that is the legislation we must have. To infer that labour has alone caused the predicament that the farmer finds himself in today would be doing a grave injustice to a force that is the backbone of our Canadian economy. When we consider the hardship, the financial loss, the inconvenience placed on the farmers' backs by the continual harassment of orderly marketing by labour organizations, we must go back a few years and take a look at what has happened and its effect on the Western economy.

I have no intention, Mr. Speaker, to take the time of this Assembly to go back a number of years and relate the costs of each strike or lockout to the Western economy. However, as a starting point I will go back to the year 1966. We have heard the Opposition Members refer to the Budget Speech of 1969

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as 'Black Friday.' This year it was referred to as 'Blue Monday.' I submit, Mr. Speaker, that 1966 was the year that could be referred to as 'labour's darkest hour' as far as the economy of Canada was concerned. This was the year that the Canadian affiliates of the giant labour organizations in the United States started their demands for wage parity with their American counterparts. There was more time lost by strikes, walkouts and lockouts in 1966 than at any time in the previous 25 years. They were demanding wage parity without relating their demands to productivity and they were prepared to bring the economy of Canada to its knees in seeking those demands.

Some Hon. Members: — Hear, hear!

Mr. Hooker: — Dominion Bureau of Statistics' figures show that the output or productivity of labour in Canada increased by 2.2 per cent in 1966, while at the same time their counterparts in the United States increased by 3.4 per cent. As one might expect when we analyse these figures, the cost of manufacturing increased in Canada by 3.6 per cent and in the United States by .6 per cent. In my opinion 1966 was the year that Canada started pricing itself out of business.

Mr. Speaker, I realize that this Resolution does not deal with labour disputes in manufacturing. However, I must add that increases in labour costs only give management an opportunity to pass those extra costs on to the consumer. The consumer is the one that has no choice but to pay what the Canadian market demands. He cannot buy elsewhere because of tariff laws protecting the Canadian manufacturer. He also shares in any subsidy paid to the Eastern manufacturer so that they may compete with foreign competition.

Mr. Speaker, I submit that there is no group of individuals in Canada who purchase more per capita than the Western farmer. Each farm is a separate entity and requires operating equipment and supplies over and above what is required for normal day-to-day living. It has often been said that the Western farmer lives poor to die rich. No truer statement was ever made. He spends his lifetime buying and paying for his land and equipment but by the time he is in a position to have built up an asset he is too old to enjoy it.

I must admit I have strayed away from the context of this Resolution. However, I feel that it must be acknowledged that the farmer pays more than his fair share of increased cost created by disputes between labour and management in all fields.

Getting back to the Resolution on orderly marketing, we must consider the East Coast longshoremen's strike and its effect on Western Canada. It is interesting to note what finally caused the illegal work stoppage on June 16, 1966 which lasted for 38 days. The illegal work stoppage is recorded, Mr. Speaker, as being caused by a dispute over parking privileges on harbour property. Calling a work stoppage on such a flimsy excuse proves that the union organizers were not concerned with public opinion, the Canadian economy or the damage it may have done to the future prestige of the Eastern waterway. Thirty-eight days the harbour was closed, 84 vessels were trapped and lying at anchor from Port Arthur to Montreal. This strike was called when the Western farmer could least afford it and no one will ever know what this strike cost Western Canada in wheat sales or Canada's prestige as a wheat-exporting nation.

Our NDP friends opposite will say that in 1966 Canada did meet their sales commitments. This may be so. However, who can tell how many countries would have bid on Canadian wheat had they been assured of immediate delivery?

Some Hon. Members: — Hear, hear!

Mr. Hooker: — Hypothetical questions can't be answered. However, I do have some questions on the cost of that strike that can and will be answered. The strike triggered by a dispute over parking privileges cut the operating income of the Harbour Board by 43 per cent. It took two months to clear the backlog of ships in the harbour. It cost the owners of the 84 vessels tied up by the strike an estimated \$7 million. Assuming the level of activity remained the same in shipping as experienced in 1965, it cost the workers over \$1 million in wages lost. And even with the 30 per cent wage increase it took an estimated 59 working days for each employee to gain what was lost.

Can anyone deny that the 30 per cent increase given to the longshoremen did not contribute to the present inflationary trend? Before I conclude, I intend to present figures showing some of the direct costs to the Western farmer.

Mr. Speaker, I do not think we should leave this subject without taking into consideration another factor with respect to this strike, and one that must be considered on any strike respecting longshoremen, transportation respecting the movement of goods and commodities, and terminal elevators. What was happening while the Seaway strike was in progress? Although the strike was disastrous it did not bring the movement of cargo to a complete halt. Much of the cargo that would have been shipped from Montreal found its way by rail or highway into the United States and was loaded from their harbours.

Dominion Bureau of Statistics show us that from 1954 to 1966 Canada's exports to Latin American countries only increased by .52 per cent but during the same period United States exports to the same countries increased by 108.6 per cent.

Some Hon. Members: — Hear, hear!

Mr. Hooker: — Okay, just wait a second. The interesting comparison here is that in 1966 the United States increased their exports by 68.92 per cent or two-thirds of their increase took place in the year that the St. Lawrence was tied up by strikes.

Some Hon. Members: — Hear, hear!

Mr. Hooker: — Mr. Speaker, it has been estimated that in 1966 enough Canadian cargo found its way to American ports to fill 37 vessels. If this trend is allowed to continue what will it mean to the potential growth of the Canadian economy? For instance, freight rates will be paid for in American dollars resulting in a loss through exchange in currency. Our port agents will lose their commission on this freight and the United States' agents will gain it. Our longshore labour force will have much less work while their fellow union members in the United States will have more.

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Mr. Speaker, I do not think of this as an isolated case. We are sitting idly by while the giant labour organizations are crippling our economy by the manipulation of our labour force to suit their own ends.

Mr. Speaker, how can Members of the NDP labour-dominated party continue to stand on the floor of this Legislature and criticize American capital coming into Canada to develop our resources.

An Hon. Member: — They have a lot of guts . . .

Mr. Hooker: — They say that the American capital is taking over our economy and our resources when Canada's real danger lies in the control of our labour force by the power-hungry organizations in the United States, the so-called friends of the NDP.

Some Hon. Members: — Hear, hear!

Mr. Hooker: — You'll all have your chance. The Member from Saskatoon Riversdale (Mr. Romanow) will have an opportunity of speaking on this Resolution.

The labour organizers to your left, Mr. Speaker, will be bouncing up to their feet with that old familiar song that the parent unions in the United States have no influence on the Canadian locals. Why then in 1966 did the Toronto locals request that Mr. Gleason, President of the ILA, and his staff economist from New York make themselves available in Toronto for negotiations.

Mr. Speaker, I said that I would relate some of the cost of this strike in dollars paid for directly by the Western farmer. In doing so I will include the strike in Vancouver during the fall of 1966 and 1967. The Canadian Wheat Board's annual report of the crop years 1967 and 1968 show that the Board paid demurrage charges to vessel owners in the crop years 1965 and 1966 of \$535,015, and in the crop years 1966 and 1967 of \$355,045. This, my farmer friends, is about \$900,000 that you did not receive on your final payment.

For the benefit of anyone that doesn't know the carrying capacity of the terminals at the Lakehead it is in the neighbourhood of 125 millions bushels. We also know that the Canadian Wheat Board pays elevator companies approximately a cent a month a bushel for storage. Assuming that under normal conditions without any strikes, millions of bushels a day could be loaded and once loaded, the Board would be relieved of storage charges. I am no mathematician. However, I would say that with a strike lasting 38 days and the congestion on the Seaway following, the farmers could have been relieved of thousands of dollars of storage payments.

An Hon. Member: — That would be a nice cash injection, eh, Jack?

Mr. Hooker: — In addition, Mr. Speaker, the Canadian Wheat Board with the permission of the Board of Grain Commissioners has increased the handling charges to the grain elevators by as much as 1 ¼ cents a bushel from 4 ¼ to 5 ½ cents. Our friends

opposite probably will say it is peanuts. Maybe 1- $\frac{1}{4}$ cents a bushel does sound like peanuts. but, when one considers that you multiply this by say 600,000,000 bushels it ceases to be a joke. And this added to the increased cost of seaway transportation — and it is a sizeable figure — and if it were not for the guaranteed Crow's Nest freight rates, we would be charged additional amounts. Let no one, Mr. Speaker, - and that includes the issue-dodgers on the other side of the House — tell you that increased labour costs have no reflection on farmer's income. I must admit that if this Resolution is approved and passed, there will be some increases in wages and costs to the movement of grain. However, we will also have the assurance that these costs will have a direct responsibility to their productivity and to their cost of living. Mr. Farmer will pay his share, but at the same time he will have the assurance that, if and when markets are available, nothing will interfere with the orderly marketing of his product. The industrial backbone of Western Canada deserves and must have better treatment than they have been receiving in the past. The longshoremen's strike on the West Coast from November 17 to December 8 is one that Canada could have well done without. Again what was the issue? Union recognition of foremen and this involved 190 men. The foremen themselves were divided on whether they should remain part of management or part of the ILW Union. This involved 4,180 workers and 52,900 man-days were lost; 43 ships were trapped in the harbour and many of these were waiting for grain and being paid demurrage. Unfortunately this was not all, for numerous other ships which were lying at anchor outside the harbour left to pick up cargoes elsewhere. Once again, cargoes being diverted into the United States and being loaded at American ports, ships destined for grain at Vancouver were loading in Seattle. I maintain, Mr. Speaker, that a ship diverted from Vancouver and loaded in Seattle is one more sale of grain lost by the farmers of Western Canada. The pattern of strikes called by unions controlling the longshoremen appears to have been established — first one Coast, then the other, now back we go to the East Coast. 1,250 workers walked off their jobs on June 21 and remained idle until July 14. The timing of this strike fell into a pattern as June and July are the months that the shipments of Canadian grain should be at their peak. What was the issue in this dispute? It was wage parity with the United States. 60 ocean-going ships and 200 Legislature vessels were tied up. Seaway authorities' loss was \$96,000 per day. Wages lost by employees were \$34,000 a day. Ship owners' loss was estimated at \$500,000 per day. How much did this strike cost the Canadian economy? No one will ever know. This strike resolved itself after Prime Minister Trudeau said the Government of the day had no intention of intervening in the process of free collective bargaining. Observers in this dispute reported that it had become a test case for the Liberal Government who were attempting to avoid a repeat of the famous Pearson formula which averted a transportation strike by granting a 30 per cent increase. This settlement was felt to be inflationary and influential in settling other disputes. We hope, Mr. Speaker, that labour disputes by longshoremen should be over on the East Coast for at least two more years, because on April 8, 1969, a three-year contract was signed which covered approximately 4,000 workers. The contract provided the following: a 37-hour week; average increase of 84 cents per hour; average hourly rate at the end of three years will be \$4.60 per hour; additional fringe benefits with greater job security. Had a settlement not been reached shippers would have eventually been forced to look for alternate shipping points. Ocean-going vessels would have

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been hesitant or avoided entering the St. Lawrence Seaway. The Canadian economy would have suffered not only because of the costs involved but because of its prestige as a grain-exporting nation. Having had to absorb part of the costs of all these strikes, and to say nothing of the inconvenience and loss of markets, one would have thought the Western farmer would have been given a reprieve. Not so, Mr. Speaker, the grain handlers at the Lakehead were not to be outdone. On July 19, 1968 the 1,300 terminal workers walked off their jobs tying up the movement of grain once more during the June-July period which is the most vital months with regard to the movement of grain. It has been reported that during the 2-month strike there were ships sitting idly by with a carrying capacity of six million bushels, ships no doubt being paid demurrage by the Canadian Wheat Board and the terminal elevators picking up another two cents per bushel storage. Once again I can only reiterate how long are we as Western farmers going to put up with this kind of nonsense. Many articles have been written about that strike. Headlines such as these appeared in The Leader Post: August 9th — “Rural elevators plugged as grain talks stall.” July 10th — “Ministers fear strike results.” And this was a report of a meeting held in Regina by the Western Agricultural Ministers. June 2nd — “Premier of Saskatchewan deplores the walkout.” September 16th — “Strike at the Lakehead costly.”

An Hon. Member: — Hear, hear!

Mr. Hooker: — Well, I'll get to that. Mr. Speaker, this strike hit no one but the Western farmer and in searching through the reams of articles not once did I run across mention of this strike in The Leader Post by the Leader of the Opposition or any of the Opposition Members.

Some Hon. Members: — Hear, hear!

Mr. Hooker: — You would have thought, Mr. Speaker, that someone in this group whose heart bleeds for the Western farmer would have tried to intervene with their labour friends to get the grain moving.

Some Hon. Members: — Hear, hear!

Mr. Hooker: — Oh, no. the only time the NDP opposite are interested in the welfare of the farmer is when they expect their remarks will gain them some political prestige. However, in reading all these articles there appeared one that did have a ray of sunshine. It finally cornered one organization into stating where they stood. The article referred to is dated August 17 and published in The Leader Post. “The SFU backs Lakehead grain workers’ case.” The NDP didn’t have the courage to say where they stood but their NDP farm organization said it for them.

Some Hon. Members: — Hear, hear!

Mr. Hooker: — Before completing my survey on strikes I must once again go back to the West Coast to another longshoremen strike. From September 25, 1969 to November 8, 1969, the number of workers involved was 3,320. During the duration of this strike, man-days lost were 101,510. The issues were wages and hours of work. The

strike was suspended for 90 days and work was resumed under the old contract. Prior to the stroke the Minister of Labour, Mr. Mackasey had received a commitment from the union that the workers would continue to handle grain shipments in the event of a stroke and I may say that this is a very commendable commitment by the union. Unfortunately though due to forces beyond their control only four ships already in position at the piers were loaded.

Mr. R. Romanow (Saskatoon Riversdale): — Your friends — Liberals.

Mr. Hooker: — Mr. Mackasey again intervened and the National Harbour Board with the cooperation of the Board of Grain Commissioners at Prince Rupert undertook the coordination and direction of longshore labour needed to keep the grain moving.

Following the 90-day waiting period another strike was called on February 5 and this lasted eight days whereby a settlement was agreed upon by only 55 per cent of the workers. I think we should take a look at the results of that settlement.

An hourly increase of \$1.15 an hour over three years on a basic rate of \$3.88 per hour; a guarantee of 26 weeks of employment per year; two additional paid holidays; - and listen to this — improved pensions and \$13,000 retirement settlement to qualifying members at the age of 65.

Let us look at the demands of the grain handlers as was reported in The Leader Post on November 7, 1969. Increases in excess of \$1 per hour on a basic wage of \$3.64; overtime pay of \$9 an hour instead of the present \$5.50; eight weeks' holiday with pay instead of the present five; 13 weeks' holidays with pay to anyone with 30 years' seniority; guaranteed annual income after two years' service of 70 per cent of regular wages. These after two years' service of 70 per cent of regular wages. These are not wage demands and, if granted, would be legalized robbery.

Some Hon. Members: — Hear, hear!

Mr. Hooker: — In the case of the grain handlers, the Western farmer would be paying the shot.

In summary, Mr. Speaker, I think it necessary to relate some of these facts regarding strikes affecting the movement of grain to establish patterns that they appear to follow. Is it only a coincidence that the strikes move regularly from one coast to the other and from one terminal to the other? I think not. It appears that the plan is deliberate, calling a strike in one segment naturally to get the best settlement possible and then using that settlement to incite discontentment in other segments of the industry.

What really disturbs me is the fact that only 55 per cent of the workers on the West Coast voted for what some experts say is the best longshoremen labour contract in North America. If we don't act soon to protect ourselves as Canadians first and Western farmers second, we are asking for trouble.

Some Hon. Members: — Hear, hear!

Mr. Hooker: — On January 14, 1970, Labour Minister Mackasey

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announced the establishment of a five-man labour dispute corps — and this is answering the question of the Member for Shellbrook (Mr. Bowerman) . . .

Mr. Romanow: — 1960.

Mr. Hooker: — On January 14, 1970 — if I made a mistake it was in 1970 this year.

Some Hon. Members: — Hear, hear!

Mr. Hooker: — Labour Minister Mackasey announced the establishment of a five-man labour dispute corps, made up of specialists in labour management negotiations. What would be wrong with using this Board to negotiate disputes when they arise and to hand down compulsory decisions binding on both sides? Using an established Board before a dispute developed should rule out the complaint of partiality which always exists when a Board is appointed after a conflict has developed. I am not saying that labour was wrong in all their demands. In many areas no doubt, we can lay the blame on management. If I am correct in my assumption, why then are labour or management not prepared to go before a Board, lay their cards on the table and accept a decision of that Board, while continuing to supply the services they are being paid to perform? Is this not the method we use in our judicial courts in Canada, whether civil or criminal? Both sides present their respective cases and the judge or jury renders the decision. If this system works satisfactorily, and I suggest that it does, why then cannot the same principles apply to our labour and management disputes.

I realize that our labour friends opposite who call themselves the friend of the farmers will oppose this idea. They have to. The NDP ceased to exist as a party concerned with the problems of the farmer when they allied themselves with the labour organization, manipulated and controlled by the giants in the United States. I can imagine that some of the old-time CCF Members and delegates to the national Convention got a rude awakening when labour were given 12 seats on the National Council. They also must have learned a lesson in organization when they found that labour delegates were all present at panels when a vote was to be taken on a resolution pertaining to labour. All of us in this Assembly are aware of the inflationary trend that Canada is experiencing today. We also have listened to the many reasons why this has developed. If we listen to the Members of the Opposition, big business, the corporate giants, and the profit system are the culprits. This is understandable, the Opposition are committed to that theory; they are committed because this is the stand taken by their labour affiliates.

But I would like to quote from The Leader Post Report of October 17, 1969:

The Canadian Labour Congress and Confederation of national Trade Unions called on Ottawa to impose a one to one year freeze on all prices. Wages, however, were not to be classed as prices. There seems to be an impression abroad that wage increases themselves are inflationary and we do not accept it.

In other words, Mr. Speaker, labour absolves itself of any

responsibility with regard to wage increases feeding the fires of inflation. Upon further research, however, I find an editorial in the Financial Post of March 7, 1970 and I quote:

Ottawa's pre-budget examination of the state of the economy, the so-called budget papers, contains a set of figures that will command special interest among Canada's spokesmen for business. These studies show that labour and government have been contributing much more substantially to inflation than the business corporation.

Consider the facts about the main components of price change:

1. During the past five years, wages and salaries have risen at an annual average of 5.8 per cent. This has accounted for three quarters of the total increase of prices.
2. Indirect taxes per unit of output—mostly sales taxes — increased by an average of 4.7 per cent a year during this period. (No estimate is made of the effect on wage demands of higher income taxes.) In the overall price structure, this accounted for almost one-seventh of the inflation since 1965.
3. Corporate profits per unit of output averaged a 0.2 per cent annual rise 1965-69. The effect on the total price change, the budget paper says, was 'not significant.' When an economy enters a period of expansion and the slack gets taken up, profits tend to rise faster than wages. This was the case in the early 1960s when profits per unit of output averaged 5.9 per cent and wages only 2 per cent. Even then, however, wage increases accounted for nearly half of the overall increase in price levels while profits accounted for barely one-third of the economy's price rise.

This is from the Financial Post. Having read both articles, one can only form their own conclusions and I submit that labour must assume its fair share of responsibility.

Some Hon. Members: — Hear, hear!

Mr. Hooker: — Mr. Speaker, I trust I have been able to establish that the increased cost of labour, plus increased costs of goods and commodities have helped to place the Western farmer in the financial bind he finds himself today. I likewise hope that I in general, and those that involve the orderly marketing of grain in the categories of longshoremen, transportation and terminal elevators, create greater hardships for the Western farmer than any other segment of our population.

Some Hon. Members: — Hear, hear!

Mr. G.R. Bowerman (Shellbrook): — Would the Member permit a question before he takes his seat?

Mr. Hooker: — Yes.

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Mr. Bowerman: — Did the speaker say or the Member say that the 1969 West Coast strike settlement included a guarantee to workers that they would have 26 weeks' employment a year?

Mr. Hooker: — Yes, according to a press release that I have . . .

Mr. W.E. Smishek (Regina North East): — Mr. Speaker, I don't know what the Hon. Member for Notukeu-Willowbunch (Mr. Hooker) is doing in this Legislature. He portrayed himself to be a specialist in the field of industrial relations, in the field of grain marketing, in the field of agriculture and in transportation. Perhaps he might apply for some openings in Ottawa to be a special consultant to the various Cabinet Ministers there in the light of his special authority. I was particularly interested in his remarks in the area of transportation and ocean shipping. He might apply for a special job with Hon. Don Jamieson, the Minister of Transportation. I notice that the free enterprise system has created quite a mess at Chedabucto Bay. Maybe he can help to clean up that mess or perhaps not because he helped to spread it around here this afternoon.

Mr. Speaker, the Hon. Member made reference in the opening of his remarks that we on this side would likely accuse him of being anti-labour. Well, Mr. Speaker, I don't think we have to do this. I think the Hon. Member did a very fine job on himself to prove his anti-labour bias.

Mr. Speaker, the Resolution introduced by the Hon. Member is nothing else than a political ploy designed to test the Opposition, so that it can be used by the Liberal party against the New Democrats on the hustings during an election campaign. The motivation is glaringly obvious. They know that we are opposed to compulsory arbitration as a method to the resolution of industrial disputes. Mr. Speaker, there are tons of evidence that to impose compulsory arbitration on labour and management is a wrong method to the resolution of industrial disputes. All studies reveal conclusively that wherever such laws have been enacted they have proven to be unsuccessful. Compulsory arbitration has not ended strikes. It inhibits meaningful and responsible collective bargaining. It is, therefore, a retrograde measure to the promotion of healthy industrial relations between labour and management and is rejected by unions and knowledgeable management people.

Mr. Speaker, the International Labour Organization, back in 1917, exposed the fundamental flaw of compulsory arbitration in these words:

A free society cannot coerce any section of its population into working conditions which are not freely and generally acceptable.

The Hon. Member knows that compulsory arbitration will not sell a single bushel of wheat. He has accused the labour movement for the present plight of the farmers in Saskatchewan. Well, Mr. Speaker, since 1968, we have been virtually free of strikes in the grain-handling industry. But has this resulted in the Prairie farmers being able to move their grain off the farms? Far from it, Mr. Speaker. There is a larger glut of grain than

ever before because of the lack of agricultural policy of the Liberal Governments. Surely the Hon. Member cannot blame the grain handlers for the failure of the Liberal Government to sell wheat. He should blame the Prime Minister of Canada whose answer to the farmers last summer was, and let me quote: "Why should I sell your wheat?" Mr. Speaker, this was the answer by the Prime Minister of Canada.

The Hon. Member referred to the 1968 grain handlers' strike at the Lakehead. Well let us see what the Federal Minister of Labour, Bryce Mackasey had to say on this question in the House of Commons in September, 1968. Let me quote:

I have been able to establish to my satisfaction, if not necessarily to the Opposition, that not one single grain sale was lost as a result of the strike, not one market was jeopardized or one commitment not honoured.

Mr. Speaker, check the Hansard record.

Mr. Speaker, the Federal Minister of Labour rejects compulsory arbitration. I suggest that the Hon. Member read Mr. Mackasey's speech made in the House of Commons on that particular day. Let me make it clear, I am not holding that the Federal Liberal Government has any enlightened labour policy — far from it. Most of the Federal labour policies are unacceptable and economically stupid and reactionary. Take, for example, the Prime Minister's position on unemployment. He is reported several months ago to have said that he is prepared to accept 6 per cent unemployment as a means to fight inflation. Well, this afternoon we heard reports that unemployment in Canada has reached an unprecedented level of 6 ½ per cent. The Prime Minister says that he will fight inflation through unemployment. Mr. Speaker, this is unacceptable. Well, Mr. Speaker, while many of the Liberal labour policies on the Federal scene are unacceptable, in the area of compulsory arbitration Liberal Prime Ministers, Federal Ministers of Labour and Cabinet Ministers have been reasonably consistent. Let me bring to the attention of this House some of the statements made by various Cabinet Ministers. Let's take a look at what Hon. Louis St. Laurent had to say. Let me quote:

In our country arbitration is accepted, even in emergency, only with the greatest reluctance. It does not seem to be a satisfactory substitute for other regular processes of determining pay scales.

Senator Paul Martin had this to say:

The right to strike is part of the Bill of Rights of this country.

Hon. A. MacEachen, one time Minister of Labour, had this to say:

When you provide for arbitration it seems to reduce the necessity or desire to settle disputes before the arbitration stage. In some cases compulsory arbitration is advocated where the public interest is involved. I don't think there is any need whatsoever in Canada to consider compulsory arbitration in the settlement of disputes.

Hon. Jean Marchand, the Minister of Regional Development, in 1966 on the impending rail strike had this to say:

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It is a serious thing, but let's not lose our heads. There are also human rights, and a government cannot do whatever it pleases. When one group is deprived of the right to strike, who will say where it will stop?

Hon. John Nicholson, the immediate past Minister of Labour, rejected compulsory arbitration as any kind of a solution to the problem of industrial relations. In January, 1968, he addressed the National Business Press Editors Association and had this to say. Incidentally, Mr. Speaker, some of his remarks do answer very clearly the questions raised by the previous speaker. He said:

I believe most sincerely that there is an urgent need for managerial attitudes to change if Canada is to avoid serious strife and disastrous consequences for our whole economy.

He pointed out that in the years 1957 to 1964 labour costs per unit of production rose by less than 3 per cent, whereas corporate profits per unit of production went up by almost 18 per cent. He said labour in many instances had a lot of catching up to do.

Hon. A.R. Guy (Minister of Public Works): — Where did you get that?

Mr. Smishek: — I will give you the particular reference if you request it, Mr. Speaker. This is Mr. Nicholson's speech of January, 1968. The Hon. H.A. Olson, Federal Minister of Agriculture, in reference to the grain handlers' strike of 1968, at the Lakehead, on September 9, 1968, told The Leader Post reporters this:

His chief concern was that he wanted to dispel the idea that 100 per cent of the blame for the strike lay with the labour union.

He said:

50 per cent or better lies on the other side of the table.

That is the company's side of the table.

I think it is erroneous for the farmers and the general public to think the labour union is the devil in this case. In my opinion it is not.

Well, Mr. Speaker, while the Federal Government has not been prepared to kick labour in the teeth at every turn of the road as the case is with the Saskatchewan Liberal Government, its labour policies, like the farm policies, are confused and are economically and socially unsound.

While on the surface one may conclude the Federal Liberals would reject this Resolution out of hand, Ottawa Liberal agricultural policy is so bankrupt I am afraid they would be prepared to ditch the responsibility on anybody else at the first possible opportunity, including putting the blame on labour, if some minor industrial dispute flares up which may in some way interrupt the movement of grain. We may, therefore, get roped into compulsory arbitration for political reasons rather than a solution to

industrial disputes.

Mr. Speaker, this Government's anti-labour record is well known throughout Canada and particularly by the wage earners of Saskatchewan. I do not propose to recite it. I described it in some detail last year when Bill 35 was up for second reading.

One thing remains abundantly clear. The Saskatchewan Liberal Government's policy is one of creating divisions among people. Their policies and legislation consist of pitting one group against another, farmers against the workers, trustees against teachers, hospital boards against employees, rural people against urban people, adults against youth. This has been their programs; this is the old divide and conquer rule they play.

Perhaps nothing made the Saskatchewan Premier and the Saskatchewan Liberal party more angry last fall than when the 3200 longshoremen on the West Coast agreed to load grain, I believe without pay, even though they were in dispute with the shipping industry. The longshoremen realized the economic difficulties our Prairie farmers faced, and offered and agreed to help the farmers while still fighting for their own improvement in working conditions. I am sure the farmers of Saskatchewan appreciated this hand of cooperation and understanding by the longshoremen. Mr. Roy Atkinson, President of the National Farmers' Union, put it this way:

This demonstrated the union people and farmers can have a great deal of understanding and that we can work ourselves into an alliance.

Mr. Speaker, the Legislature may be interested in some views expressed by employers, by prominent public leaders, university authorities and students who have studied this matter, including highly experienced and knowledgeable mediators. Let me give you some references and some quotes. Mr. C.L. Eldridge, Director of Industrial Relations for Stokely-Van Camp Company, a food canning company, had this to say:

It is my opinion that compulsory arbitration would definitely destroy the entire concept of collective bargaining as it has been accepted for many years. I am of the definite opinion that compulsory arbitration is not the answer to issues arising out of collective bargaining, because I am absolutely certain that, if those in industry charged with the responsibility of collective bargaining and those in the unions charged with the same responsibility conscientiously do their job, no outsiders will be required to settle issues.

Leon Keyserling, former Chairman of the US President's Council of Economic Advisers had this to say:

Compulsory arbitration is not consistent with industrial freedom, and therefore in a free society it is not consistent even with industrial peace, as experience elsewhere has shown.

Robert W. Kenny, former Attorney General of California — Ronald Reagan's State — one of the most ultra-right States in the United States, referring to the US railway arbitration laws put it this way:

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Collective bargaining in the United States has taken a century, often featured by violence and bloodshed, to evolve to its present state. Except in wartime, the principle of voluntarism has prevailed, meaning that free collective bargaining has determined the terms and conditions of employment at the workplace. The union's ultimate weapon of strike has been counter-balanced by the employer's right to resist and minimize the effectiveness of the strike. The imposition of compulsory arbitration in the railroad negotiation is an unwarranted, one-sided intrusion by government bureaucracy on the side of management, upsetting the delicate balance which has made collective bargaining workable in our society. Such interference is even more inexcusable considering that it occurs in a period when we had the lowest incidence of strikes in many years.

Don Hayworth, Professor of Speech at Michigan State University and former US Congressman, had this to say:

Let me say that I conceive it to be a basic principle of the economic and social thinking of our people that no man or woman should be compelled to work under conditions that are imposed upon him or for compensation to which he has not agreed. Anything else is a denial of democracy and an insult to individual freedom.

George Odiorne, Director of the Bureau of Industrial Relations, Graduate School of Business Administration, University of Michigan, put it this way:

The recent trend toward strong intervention of government into the free process of collective bargaining is one which should be viewed seriously by every citizen as well as the interested parties. While temporary advantages may seemingly be achieved through the solution of disputes under compulsion, the long-run disadvantages clearly outweigh them and experience both here and abroad with compulsory arbitration shows that the presence of compulsory arbitration is inimical to the collective bargaining process. As government expansion into new areas of free operation of our society is a concern to all people, I see the protection of free collective bargaining as being worth many difficulties and tribulations for consumers and users that far outweigh the temporary advantages of an enforced peace.

And there are others. Here is a free enterpriser, Mr. Speaker, Eugene Hayman, Director of Industrial Relations of the New York Air Brake Company. Let me quote him:

I firmly believe that in a society like ours people should have the right to make and be responsible for their own decisions. Compulsory arbitration would remove this freedom of choice and expression and make the majority of people of the United States subject to government fiat. This is entirely incompatible with the spirit and tenor of our constitution.

David I. Ashe, Member of the National Panel of Arbitrators and a noted authority in labour law, stated this:

Although at the moment compulsory arbitration is limited

to the railroads, if this legislation is allowed to stand unchallenged, it will only be a matter of time before the principle will be extended to others, and ultimately to all industries. If that day comes, we will have the imposition of employment conditions and the fixing of wages, as well as the fixing of prices and the general regulations of industry by governmental agencies.

If we are to preserve the free-enterprise system, we must continue to have free collective bargaining, and we must continue to adhere to mediation without compulsion in labour-management disputes.

Mr. Speaker, what he is saying is that compulsory arbitration is incompatible with the free enterprise system. Where it has been introduced it has not worked and, if it is introduced in the grain-handling industry, it would be only a matter of time before the principle could be extended into other industries and ultimately to all industries.

Mr. Speaker, much has been said by the Liberals from time to time about Sweden and its labour courts, leaving the impression that some compulsory judicial body exercises great powers over industrial relations in that Socialist country and that strikes are prohibited. Nothing can be further from the truth.

In Swedish labour relations, collective bargaining is singularly free from compulsory arbitration. Legislature enters only at four points: 1. It protects the rights of association and negotiation on each side against certain measures on the other that violate these rights. 2. It makes existing collective contracts enforceable and compels adjudication of disputes over their interpretation or application. 3. It makes the intervention of a government mediator obligatory if the parties cannot reach agreement in negotiations for new contracts. And 4. it requires one week's notice of strikes or lockouts if mediation fails. This is the extent of compulsion that exists in that country. This means that compulsion is limited to the interpretation and enforcement of existing bargaining contracts. Although a mediator is required before negotiations on a new contract are abandoned, the mediator cannot enforce an agreement. He can only try to help the negotiating parties to find common ground. The right to resort to strike and lockout, the right to open conflict as a final argument in disputes over new agreement terms is considered an essential part of the system and plays an important role in their collective bargaining.

Only cases of contract violation and disputes over the interpretation or application of collective bargaining agreements which cannot be settled by the parties concerned may be taken by either of them to a special Labour Court. The composition of this seven-man court is interesting: The Swedish Employers' Confederation and the Swedish Confederation of Trade Unions each choose two members; the other three members are drawn from the outside, and two of them must be experienced judges. There is no appeal procedure from this court and the decisions are announced fairly quickly. Only one session is usually required to try a case. By its balanced judgment, the court has won the confidence of all parties. The Labour Court adjudicates and does not arbitrate. Very few cases are considered by this tribunal. It must be remembered, Mr. Speaker, that more than 70 per cent of the Swedish workers belong to unions.

The other country that is often referred to is Australia as an example to argue for a compulsory arbitration law. Anyone who has taken the trouble to examine Australia's record will conclude quickly that Australian compulsory arbitration does not work and it does not prevent strikes. Let us compare Australia's record with compulsory arbitration and Canada's without a universal compulsory law. the number of industrial disputes in Australia and Canada compares this way: in 1945 in Canada, 197 — in Australia 1276; 1955 Canada 159 — Australia with compulsory arbitration 1532; 1960 Canada 274 — Australia 1145; 1965 Canada 501 — Australia 1346; 1966 Canada 617 — Australia 1273.

Mr. Speaker, the record is conclusive that compulsory arbitration not only has not worked but has in fact been the cause of industrial conflict in Australia. It must also be noted that Australia's population is only about one-third that of Canada. Now Mr. Speaker, I will concede that generally their strikes are of shorter duration. Briefly here is what two students of Australia's compulsory arbitration law have to say — Kingsley Laffler, senior lecturer in economics, University of Sydney, after giving credit for some of the achievements of the Australian system of compulsory arbitration concludes that:

. . . at present, however, this system appears to be operating without any clear thought-out purpose of sense of direction. In important sections of the industry arbitration seems to be retarding rather than assisting the development of good industrial relations. The growth of legalism is having adverse effects, both on the industrial relations and on the trade union movement, and important problems in the economic sphere remain to be solved.

E.P. Kesall, an industrial psychologist, writes this:

. . . it is hard to avoid the conclusion that the Australian arbitration system, using the approach and methods natural to legal institutions and engendered by legal training and traditions, is inappropriate to the problems.

Mr. Speaker, two years ago 32 Canadians, eight of whom were trade unionists, visited Australia to participate in the Duke of Edinburgh's Third Commonwealth Study Conference. A paper submitted by a representative group, studying industrial relations, indicated that the Australian experiment is hardly one that we should draw on for ideas on how to solve the problems of industrial relations in this country. The group, in a written report, stated that as a result of compulsory arbitration there has developed an impersonal relationship between the workers and management, absence of arrangements to air problems or grievances, apathy on the part of rank and file union members, a remoteness between the different groups involved, and a tendency to hand over the problems the parties ought to be able to resolve themselves.

The Canadian delegates reported that wildcat strikes and work stoppages are very numerous, as the Australian system fails to involve union members of plant management in decisions that affect them. Communications break down completely at the plant level, and in spite of heavy fines Australian workers are not deterred from striking.

So, Mr. Speaker, the experience is there to prove conclusively that compulsory arbitration which has been in existence in Australia for many years has not worked and is not a practical solution to the problems facing industrial relations.

The Hon. Member during his address made reference to the setting up of some independent board. Other Members probably taking part in this debate will no doubt refer to the Task Force on labour relations. Perhaps we might consider or recognize that one of the most exhaustive studies ever undertaken in this country into the area of industrial relations was undertaken by the Woods Commission, the Task Force on Industrial Relations, which was in fact an independent body. The Task Force Report made a great many recommendations. It deals extensively with the so-called "essential service industries." It recommends against compulsory arbitration law. It proposes consideration of a Public Interest Disputes Commission, independent of any Government Department. Take paragraph 583 of that report, what does it say?

The Commission would have power to prescribe a procedure short of seizure, trusteeship, partial operation, statutory strike (full operation with complete or partial impounding of incomes and profits) or compulsory arbitration.

Recommendation 584 states:

Some choices which the parties and the Public Interest Disputes Commission might consider in devising new procedures are conciliation and mediation, non-binding arbitration, voluntary binding arbitration, involvement of the Public Interest Disputes Commission itself, special industrial inquiry including the functions of fact-finding and making recommendations, postponement of work stoppage, and special bargaining or consultative procedures. The parties and the Commission would be free to waive the services of a conciliation officer if they so desire.

Mr. Speaker, the Woods Commission states, "In our view only Parliament should have power to impose an end to a strike or lockout."

Mr. Speaker, I am also reminded of the 1966 report of the Saskatchewan Labour-Management Legislative Review Committee, established by the present Government and even though the Committee was weighted to express the views of the Government it has this to say:

The committee was of the opinion that so far as it is possible labour negotiations should be left to management and trade unions to carry on with as little interference from the outside as possible.

Hon. L.P. Coderre (Minister of Labour): — Mr. Speaker, I would just like to ask the Member where he gets that quote.

Mr. Speaker: — Order! If the Member wants to accept the question I suppose it's in order.

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Mr. Smishek: — It's right in the Committee's report.

Mr. Coderre: — Read it, it's not in the report.

Mr. Smishek: — The 1966 Committee. I beg to differ, that's what I'm quoting, Mr. Speaker, The 1966 Committee has certainly reported and I'll refer the Member to the exact page and the exact quotation if he wants me to.

Mr. Speaker, this Government established a second Labour-Management Review Committee in July, 1968. Perhaps the Minister can enlighten us whether this Committee has submitted its report to him, and, if not, what is the delay? I wonder whether this Committee has considered this question, and if it has, what are its views? Perhaps the Member for Notukeu-Willowbunch (Mr. Hooker) may want to get leave of the House to withdraw his Resolution at least until the Minister of Labour is able to table that report. That Committee has sat for a long time, more than two years, Mr. Speaker.

Mr. Speaker, I would invite my free-enterprise Member (Mr. McPherson) to take part in this debate and to state his position on this issue in the same manner as he did in 1968 when he moved the Address-in-Reply and said:

The right to strike, the right of employers and employees to disagree, is a guarantee of the freedom which we cherish. Government should stock to conciliation and stop there and permit labour and management to practise free bargaining.

I agree with him.

Neither side can ever hope to bargain freely when they are hampered by laws bending one side or the other to certain predetermined procedures and conditions. It is preposterous to claim that bargaining between two parties is free, when a third party, government, is sitting on the shoulders of the bargaining teams, pointing . . .

An Hon. Member: — Who said that?

Mr. Smishek: — The Hon. Member for Regina South West (Mr. McPherson).

. . . out that one or the other has certain privileges not available to the other.

Mr. Speaker, I invite the Member to speak on this Resolution and to express the kind of views that he did before. I invite him to use his influence to persuade Members on the Government side of the House to defeat this Resolution.

Mr. Speaker, you know I am convinced that workers would gladly see an end to strikes providing the reasons for strikes could be eliminated. One of these reasons which today is the major cause of strikes is economics; others are improvement in working conditions, security and union recognition. This Legislature could take some positive measures to remove many of the causes for labour-management strife by sharply improving

labour standards, by increasing the minimum wage to \$2 per hour, reducing the work week to 40 hours a week as a maximum, implementing a universal sick pay plan, raising workmen's compensation benefits. These and other programs will help eliminate strikes. May I suggest that this Government set an example for other governments and other jurisdictions to follow in this kind of a positive way. Hon. Members are no doubt aware that strikes in the so-called Iron Curtain country have been prohibited by law and so has freedom. I therefore cannot and will not support a Resolution that not only denies freedom, but enslaves people, as witnessed and experienced by the hospital workers in the province a few months ago, when the iron hand of this Government came down heavy on the hospital workers and forced them to accept wages below the poverty level. This was punitive action on the part of the Government because they dared challenge the Government unrealistic wage guide-lines.

Mr. Speaker, some have said that strikes have become obsolete in resolving industrial disputes and differences. One labour spokesman put it this way. Strikes will never become obsolete until freedom becomes obsolete. Mr. Speaker, we in the New Democratic party cherish freedom and we will not allow freedom to become obsolete and outlawed, we will and must oppose compulsory arbitration because it is a denial of democracy and an insult to freedom, Mr. Speaker.

Mr. G.T. Snyder (Moose Jaw North): — Mr. Speaker, I think the previous speaker has covered the ground rather thoroughly and I am indebted to him for conveying some of the thoughts that I would like to have expressed. I think we are indebted to him additionally for reminding us of the remarks made by the Member for Regina South West when he was either moving or seconding the Address-in-Reply some time ago. I think perhaps we need this kind of a reminder from time to time to give us some kind of an indication that there are at least one or two Members sitting to your right, Mr. Speaker, who have some kind of democratic inclination with respect to collective bargaining procedures. This may also account for the fact that the Member for Regina South West still finds himself occupying the back benches of the Liberal party opposite.

I think, Mr. Speaker, that the Member for Notukeu-Willowbunch (Mr. Hooker) in his remarks did unfortunately lower himself in the estimation of all those who have been associated with and who have deep and abiding understanding in the collective bargaining process which this Resolution seeks to destroy. I think he displayed the kind of bias that we have come to expect and has become traditional with the Liberal party opposite. He made some reference, Mr. Speaker, to the increase in American grain sales following a tie-up on the St. Lawrence some months ago. I think as a farmer, Mr. Speaker, the Member knows quite well that the increase in American sales was directly attributed to the fact that at that time the United States of America disregarded agreed-upon prices. They slashed prices and caused international confusion at that time in international grain sales abroad. This was the reason for the increase in American grain sales and the tie-up on the St. Lawrence Seaway for a few days had nothing to do with it. The Member knows, Mr. Speaker, that these were conditions which brought about the increase of American sales at that time and it is dishonest to suggest otherwise.

Well, I just want to say just a few brief words, Mr. Speaker,

and I don't intend to take too much of the time of the House. But it is my intention very briefly today to advance what I believe are honest and reasonable arguments in opposition to the Resolution that is before us at this time. Considering the performance of the Government opposite in days gone by, I have no doubt but that it will use its superior numbers to carry this Resolution regardless of any arguments which may be advanced on this side of the House. There is, however, a very comforting aspect of the whole matter, and I would be willing to wager, Mr. Speaker, that the Federal Minister of Labour, Mr. Mackasey, will choose forthwith to ignore the recommendations of the Thatcher Government, even if this Resolution is accepted by this Assembly. Ottawa, Mr. Speaker, has long since ceased to regard Saskatchewan Liberals as either reliable or trustworthy advisors. The Federal Liberal Minister of Labour has shown himself to be a person with an independent mind who will not be persuaded by his very doubtful allies in the Liberal caucus here. Furthermore, Mr. Speaker, I have some genuine doubts about the enthusiasm of the Member for Notukeu-Willowbunch for the Resolution which he has just moved. This Resolution, Mr. Speaker, has a peculiar political aroma about it which appears to be designed to remind people of past events which have been largely forgotten. It isn't difficult for me to visualize the Premier, as he fearfully contemplates an election in the near future, kneeling by his bed with his hands raised in supplication saying, "Dear Lord, please provide me with a giant wheat sale and a grain handlers' strike at the same time." The last occasion, Mr. Speaker, when there was a work stoppage on the West Coast and employees involved agreed to continue to load grain in recognition of the difficult situation which agriculture found itself in at that time, the Premier and his Liberal Government in Saskatchewan were unable to level their usual tirade against labour. I believe the Premier even found it advisable at that time to send a letter of commendation to the workers involved. At the same time, Mr. Speaker, the Premier and his colleagues couldn't bring themselves to criticize the employer group who were the ones who were responsible for the delay in grain shipment when they refused to carry on shipping operations at that same time.

I expect, Mr. Speaker, that the Government hopes to use this Resolution for some devious political purpose at some future date. I believe it is regrettable that they should use a resolution of this sort for their own political purposes. If such measures were adopted, Mr. Speaker, this Resolution would limit and restrict the basic freedoms and the hard-won rights of the many thousands of Canadian workers who have committed no crime and who are to be condemned in advance by Liberal politicians in this Legislature. I believe it is worth the effort and the time, Mr. Speaker, to recall for a moment just a few facts in connection with labour-management relations and the basic right of Canadian workers to join together for the purpose of bargaining collectively with their employers. In actual fact, Mr. Speaker, that is the issue that is at stake when decisions are made to place large numbers of workers in an economic straitjacket by forcing compulsory arbitration upon them.

It will be know, Mr. Speaker, to most Members that a large number of police forces and fire-fighters accepted compulsory arbitration of their volition many years ago. When this happens within a select group of worker who are employed in an area of activity that is that vital to the community, then the act of

placing these workers under compulsory and binding arbitration carries with it an obligation to see that their wages and their working conditions are maintained at such a satisfactory level so as to preclude the need for any militant action by these particular groups of workers.

Some Hon. Members: — Hear, hear!

Mr. Snyder: — This Resolution, Mr. Speaker, contemplates no such obligation by employers to compensate workers for the loss of their right to enter into true collective bargaining. Instead, Mr. Speaker, it contemplates placing many thousands of workers in an economic yoke, with all of the advantages accruing to the management groups who, if this action were taken, Mr. Speaker, would find it to their advantage to wait out a contract dispute and to allow an arbitration board to rule on the settlement. This concept has the effect of destroying completely the whole recognized structure of free collective bargaining. It isn't necessary, Mr. Speaker, to travel beyond Saskatchewan's boundaries to discover the effect of this type of autocratic legislation.

The introduction of The Essential Services Emergency Act in Saskatchewan, Mr. Speaker, was a mistake. It was a miscarriage of justice. The Thatcher Government by its action in introducing this Resolution into the Legislature attempts to add an air of respectability to their former action by encouraging the Federal Government to restrict the long-held rights of longshoremen, grain handlers, terminal workers, railroad running and operating personnel as well. The old axiom, Mr. Speaker, suggests that the proof of the pudding is in the eating. With this in mind, Mr. Speaker, I suggest that all Members take a moment to assess the results and the relative merits of the Saskatchewan Essential Services Emergency Act in Saskatchewan to this date.

Saskatchewan hospital workers, Mr. Speaker, in several areas of the province, including the area in the province where the murmurs are emanating from in the south east corner, have been placed in a position where they were obliged to accept settlement in recent weeks which have not been sufficient in a number of categories to balance the increased costs of living over the last number of months. Workers in Saskatchewan hospitals, Mr. Speaker, are faced with a choice of working for the substandard wages or terminating their employment and seeking work in other lines of activity or in other areas of Canada. Many have done this already, Mr. Speaker, many have reacted just this way. The numerous For Sale signs which we see on city homes today are related at least in part to the fact that for these workers, Mr. Speaker, Saskatchewan is no longer a good place to earn your daily bread.

The mover of this Resolution, Mr. Speaker, attempted to convey the impression that binding and compulsory arbitration would offer a solution to contract disputes and would put an end once and for all to work stoppages in the future. The result of this kind of action will be completely contrary to the facts when they are seen, Mr. Speaker. I ask Hon. Members if they believe that the problem of hospital workers in this province has been solved with the use of compulsory arbitration. If Members opposite, Mr. Speaker, have their fingers on the pulse of public opinion, they will know that there is a resentment and a fierce frustration growing among these, the lowest paid workers in Saskatchewan, our hospital workers. It is only

a matter of time, Mr. Speaker, before the problem manifests itself into major proportions.

The Essential Services Emergency Act in Saskatchewan has in large measure nullified the requirements of management to sit down and bargain in good faith with their employees. In a number of instances at this moment, Mr. Speaker, in institutional bargaining, management is blatantly refusing to listen to proposals from workers, refusing to offer counter proposals and has given the indication that it is prepared to let their fortunes be decided by a friendly arbitration board which in some instances will have two of its three members chosen by the benevolent Government opposite. Surely, Mr. Speaker, even the most naïve politician and even the most hard-headed of the management group should be able to understand the implications and recognize the fact that this is an intolerable situation which will not be accepted indefinitely by hospital and other institutional workers.

It should be remembered, Mr. Speaker, that recognition was given to the need and to the right and the desirability of management and labour groups joining together in collective bargaining even before the turn of the century in Canada. By 1900, Mr. Speaker, Canadian criminal law recognized the legality of union organizations. It recognized the use of the strike and peaceful picketing. It recognized the closed shop as a legitimate object and it gave universal approval to the basic concept that free collective bargaining represented the only civilized way to resolve differences and develop mutual understanding. The action contemplated in this Resolution, Mr. Speaker, will in the long run inspire disobedience to and defiance of the law. The Member who spoke just before me, Mr. Speaker, has showed rather conclusively that, in the case of Australia where compulsory arbitration has been the order of the day for many, many years, this has not been a vehicle which has prevented strikes from taking place. I suggest once again the only way that strikes can be prevented is by meaningful and honest collective bargaining with the two disputants joined together to solve their differences by common dialogue.

I think, Mr. Speaker, the passage of The Essential Services Emergency Act and the Resolution that is before us today, must be regarded as unfortunate incidents and the passage of The essential Services Emergency Act in Saskatchewan must be regarded as an unfortunate step into the past, one which is out of step at a time when other countries in Western Europe, the Scandinavian countries in particular, Mr. Speaker, have developed a sophisticated system of labour-management relations which has led to mutual cooperation and understanding.

Some Hon. Members: — Hear, hear!

Mr. Snyder: — This Resolution, Mr. Speaker, if accepted here and if it were acted upon by Ottawa, would deepen the rift and it would increase the tensions between employer and employee. Instead of this unfortunate turn of events, we should be searching for ways to bring these groups together for continuing dialogue.

Finally, Mr. Speaker, before I resume my seat, I want to point out once again that the villain in the piece is not the “power-hungry labour boss” or the “greedy selfish trade unionists” as some people opposite would have us believe. Inflation with

all its ramifications is the factor that has caused the problem of recent years in labour-management relations. These problems are predictable, Mr. Speaker, and economists are able to forecast with accuracy the extent to which labour problems will be a factor in any given year, merely by judging the amount by which the cost of living has risen, equating this with the number of contracts which are about to expire and relating these to other factors which are pertinent to the question. To propose a solution to a complex problem, the simple act of placing thousands of Canadian workers in bondage is either dishonest, Mr. Speaker, or politically naïve. These problems will be solved only with a concerted and a genuine desire to improve labour-management relations but first of all action must be taken to bring a halt to the inflationary spiral which has been the root cause of the problem in the first place. This is the kind of action which we in the Legislature should be advocating to the Federal Government at this time, Mr. Speaker, instead of nibbling away at the fringe areas of the problem and ignoring the basic cause of a widespread Canadian ill. It is because the Resolution creates more problems than its purports to solve, Mr. Speaker, that I must vote against it, and I encourage all Members and especially the Member for Regina south West (Mr. McPherson) to join with us in defeating this resolution.

Some Hon. Members: — Hear, hear!

Mr. T.M. Weatherald (Cannington): —Mr. Speaker, I have been observing the debate this afternoon with interest, and I think there is a good deal of interest in this Resolution to many of the people of Saskatchewan. The Members opposite, Mr. Speaker, this afternoon have been pretty nervous. They have been pretty nervous because they don't like to talk about these subjects. They like to keep quiet what the situation is with strikes and what unions are and so forth. We haven't heard, Mr. Speaker, from one single farm Member yet, not one. We'll hear from them if they have the courage to get up and say something. Mr. Speaker, the fact is this. The Member for Kelsey (Mr. Messer) can sit in his seat. I hope he won't — he has given some good speeches in this House — I hope he gives us a good speech on this subject to tell us what he thinks about it. I hope he along with a number of other farm Members will get up and tell us what we really want to know, Mr. Speaker, whether they think that everything is just find in this country the way it is as far as strikes are concerned or whether they think something should be done about it.

An Hon. Member: — You tell us . . .

Mr. Weatherald: — I am going to tell you exactly what I think about it. We'll be very interested to find out, Mr. Speaker, because if they vote against this Resolution, what they are really saying is that the way we now settle strikes is just fine, that the farmer can take his beating, that everything is all right, and therefore we won't make any changes, if the unions and management can fight it out and the innocent third party staying in the middle, and takes the beating. You know, the Member for Regina North West — North East possibly, I am not sure . . .

An Hon. Member: — There are a lot of things you're not sure of!

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Mr. Weatherald: — along with quite a few others . . . Anyway, Mr. Speaker, he likes to talk about freedom, but he very conveniently leaves out freedom of other people that are not involved in unions or in big business and so forth.

Some Hon. Members: — Hear, hear!

Mr. Weatherald: — I don't belong to any union and I don't belong to any big business, I'll fight just as hard against the things that big businesses do wrong as I will against the things that the unions do wrong. I will always reserve that right, Mr. Speaker.

Mr. Romanow: — Remember what your rights are!

Mr. Weatherald: — Anyway, Mr. Speaker, I want to continue on. The facts are, Mr. Speaker, that we are concerned about freedom of a lot more people than just the big tough unions and big touch business too. While the unions have in this country done a lot of things, they have done a great deal to better social conditions. I'll be the first to recognize this, and many other Members, I am sure all the Members will agree that they have done a great deal to recognize and improve social conditions in the past. But they are just antagonistic, they are just archaic when they refuse to recognize the fact that wages do contribute at all to inflation, which is absolutely ridiculous. The President of the CLC, Donald McDonald says that inflation has got nothing to do with wages, nothing to do with wages at all! Even by the most rudimentary economics, Mr. Speaker, when you go into the grocery store, if he ups the wages of the man who works for him he either takes wages out of net profit or the prices go up. It is completely ridiculous. Yet, Mr. Speaker, we have the spectacle of the unions proclaiming to all the countries that wages have nothing to do with inflation whatsoever. Along comes the Leader of the NDP and the national party and he says, "Ah you're right fellows, we don't have a thing to do with inflation, that's just big business; the people being gouged by the corporations." Complete nonsense. Mr. Speaker, any of those Members who all read what the labour unions have been saying that they have nothing to do with it. How archaic can we really get? We can't get much worse than that, Mr. Speaker.

Now, Mr. Speaker, the previous speakers from Moose Jaw and from Regina talked of freedom for individuals and freedom of unions and collective bargaining. They not only leave out the individuals that are left in the middle, who are concerned about this problem. They leave out the problem of freedom for them. They won't recognize any of the problems that are concerned with inflation, Mr. Speaker, they also leave a third critical area out, in my opinion, that is, Mr. Speaker, that the big tough unions, like the IWA — the International Woodworkers and the automotive unions have no more sympathy whatsoever for the low-class working people than does big business. It is obvious, Mr. Speaker, by the big increase in wages which is going to steel companies this year and which is being passed on to the consumer, that the person it hurts most is the small man on the small income. They love to tell us that inflation hurts the working man. The truth of the matter is that the corresponding large increase in wages in the past two or three years has been going to the tough unions, it has been going to the unions with the

most power, also the unions that have the highest wages and the best standard of living for the working man. The IWA, the automotive union, the International Woodworkers, to name only a few are also the unions getting the biggest wage increase, Mr. Speaker. It is pretty obvious that when we talk about working conditions and improving them that the working conditions that are being improved by the unions are heaping it on to the people that are always the best off, because they are getting the big increases. The little fellow, the little guy that is unorganised, that's in the small store, that is completely unorganised with a weak union, is getting a very small increase.

An Hon. Member: — Let's organize them!

Mr. Weatherald: — It is pretty obvious that if the big unions were really concerned about their little man they would do something to help them, but . . .

Mr. Romanow: — They can't because of his claws!

Mr. Weatherald: — Take a look at the last settlement with the steel union, Mr. Speaker, which is the toughest union we have . . . The point is this, that while the unions love to blame big business and we are just as willing to correct those abuses, Mr. Speaker, that the unions still have a lot of things wrong with them. There are a good number of things that need to be corrected. It is about time that some of the farm Members over there got up, got enough courage to stand up and tell us that everything isn't all right, that we have to do something about it.

Some Hon. Members: — Hear, hear!

Mr. Weatherald: — That is exactly, Mr. Speaker, what this Resolution does. It says that we are not satisfied with the present situation. We have to do something. There are other people getting hurt, not just the guy that is in the union or in big business. It is about time that somebody in this country stands up and says there are a few other people that have interest somewhere and that is what we are trying to do. I support the Resolution.

Some Hon. Members: — Hear, hear!

Mr. A.E. Blakeney (Regina Centre): — Mr. Speaker, I hadn't intended to enter this debate at this stage of the game, but I did want to answer a couple of the issues which have been raised by the Members opposite. I particularly wanted to deal firstly with the basic arguments put forth by the Member for Notukeu-Willowbunch, because I think we were all impressed with his footwork. He put two basic arguments and they are quite inconsistent. He argued, and you and I heard him say, "Here are all these big wage increases." He recited them one after the other, after the other, and he outlined how much these increases were driving up the prices and what a bad thing this was. The next thing he talked about was these work stoppages and how much they had tied up the grain economy. Well now, he can either ride one of those horses or the other. I can't really see how he can ride both!

Hon. D.V. Heald (Attorney General): — He did it very well!

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Mr. Blakeney: — He did it very well, it was amazing. He stood there and said, “We think these work stoppages are a bad thing. We propose compulsory arbitration.” Then he began to list the longshoremen’s strike and the very high wages they got, by compulsory arbitration, by Judge Lippe. Then he talked about the railways, and how much they got, too high. By what process? By compulsory arbitration, Judge Munroe. He talked about the Seaway Union, and how they were getting too much money. Who did that? That was compulsory arbitration by Senator MacKenzie, Norman MacKenzie. Either he favours compulsory arbitration with the wage increases which go with it, or he doesn’t. He worked both sides of the street. He said, “I don’t want work stoppages, I want compulsory arbitration, I want wage settlements to be determined by compulsory arbitration.” Then he started saying, “But all these decisions by compulsory arbitration are bad.” You really can’t have it both ways. I think with the Member for Notukeu-Willowbunch that there is much to be said for finding some other ways to settle disputes in essential industries. Don’t get me wrong. But I think that he is whistling Dixie if he thinks compulsory arbitration is going to make it cheaper for farmers . . .

Mr. Hooker: — I didn’t say . . .

Mr. Blakeney: — All right, if all he wanted to get done was to load the boats then every word he said about wage increases was irrelevant.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — If he is complaining about the size of the wage increases, then he can’t be complaining about compulsory arbitration because most of them came that way. Now he can have it either way but I just suggest that it is not possible for him to say, “I favour compulsory arbitration, I’m against strikes, I favour compulsory arbitration but I dislike the wage increases which come from compulsory arbitration.” I think with him that there is much to be said for trying to find a way to stop these interruptions, but I do not agree with him that the results will be cheaper for the farmer. I don’t think this is true; I think that the history of compulsory arbitration is a history of high wage increases. Therefore I don’t see this method of compulsory arbitration as putting any money in the farmers’ pockets. I think that the farmer will find that the interruptions to the free flow of grain which he has suffered will cost him less money than the wage increases which will come about from any system of compulsory arbitration. That’s what I think.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Secondly, I don’t think that it is necessarily true that any method of compulsory arbitration is going to stop interruptions to work. Some of you may have read your daily paper today or heard the news broadcasts and the news broadcasts today were that the United States Post Office has advised the Canadian Postal Authorities not to send any mail to New York. You’ll wonder why. You’ll wonder why, particularly when you know that it is illegal for postmen to strike in New York. But

that hasn't stopped the strike. The strike is there, there's an injunction stopping it; but nothing is happening, no mail is moving. You can say that can't happen here but those are famous last words.

Mr. Heald: — What about decertification?

Mr. Blakeney: — It will work with respect to lowly paid hospital workers. But you try it with longshoremen. They will say, "Load the ruddy boats yourself."

Mr. Heald: — . . . the Power Corporation — work from there.

Mr. Blakeney: — The Power Corporation — that's a public corporation and it is a little bit different but you try it with the longshoremen. They have . . .

Mr. Heald: — They want the boats loaded.

Mr. Blakeney: — Look, they have tried this in Australia; the longshoremen said, "Load the ruddy boats yourself." And, the Government has said, "All right, we will put the leaders in jail." They put the leaders in jail and the longshoremen still said, "Load the ruddy boats yourself." And those boats did not get loaded until the settlement was made.

Mr. Heald: — They wouldn't let them.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — I want to raise a couple of other points. My basic point is that while we agree with the analysis of the problem put forward by the Member for Notukeu-Willowbunch (Mr. Hooker) that we would like to see the free-flow of grain, we suggest that his solution won't work. I am suggesting it won't work for two reasons: one, it is going to cost more money than the present system to the farmer; and two, if you try to coerce employees on a steady and continuing basis, it doesn't work. Witness New York now, this day, witness Australia, witness Montreal, witness wherever it has been tried.

I want now to comment for a moment on the remarks for the Member for Cannington (Mr. Weatherald). He talks about the big unions and I admit that big unions are out for their members as quite a few organizations are, but . . .

An Hon. Member: — Hear, hear!

Mr. Blakeney: — Yes, that's right, we could say the professional organizations haven't shown any touching regard for the people on welfare either, at least that is true of the lawyers' organization of which I am a member. But I invite Members to consider unions like the United Automobile Workers who have gone in and said to the company, "We admit that our wage demands have an effect on your prices, but we think you are going to put your prices up anyway so therefore we have to get more wages because we think the price spiral is going to continue. However, if you

will put your prices on the bargaining table, if you will agree that, if we don't ask for anymore increase than this, you won't raise your prices, we'll negotiate on that basis. Now how about it?" General Motors said, "Under no circumstances will we discuss price with you." This is the sort of thing which some of the responsible unions like the Auto Workers tried to do. They had said, "We admit that our demands have an effect on prices but we don't admit for a moment that if we didn't ask for wage increases you wouldn't raise your price because you do so anyway." So the only way we can be protected is to say, "Let us put on the bargaining table a proposal whereby we will get X dollars in increases, or perhaps even no increases, provided that you don't increase your price." But we haven't found a management in Canada or in the United States who will buy that. So you see it is a little difficult to say that trade unions or at least some of the responsible ones have not been trying to get at this problem of inflation. They have indeed. I'm not here to speak for the auto workers or any others. They are quite able to speak for themselves but some of them have very substantial welfare programs. The auto workers are an excellent example of a union which has welfare programs among Negro groups in Detroit and in Los Angeles and the rest. However, this is neither here nor there.

Turning our attention particularly to the Resolution, I am going to suggest to you we aren't the first people in Canada who have looked at this problem. Other people have looked at it and I want particularly to refer you to the Task Force which the Member for Regina North East has mentioned, the report of the Task Force on Labour Relations by Professor H.D. Woods. I want to refer Hon. Members to page 172 of this. They go through with a good deal of care proposals for compulsory arbitration with respect to what they call "emergency disputes." They agree that there should be a process of compulsory arbitration or let us say the compulsory settlement of disputes. But they propose that this be by no means one of the first steps in the game. They propose in effect that a tribune will be established, a Canadian Industrial Relations Council, which would try a whole range of solutions, a whole range of solutions which would involve seizure, trusteeship, partial operations, statutory strike, etc. before any compulsory arbitration would be introduced. They suggest that the power to act to bring about compulsory settlement of an emergency dispute reside only with Parliament. In effect they say, "We favour the retention of this reserve power in the sovereign authority of Parliament." That is their best thinking on the problem. They say that, because they believe that compulsory arbitration at an early stage in the game destroys the process of collective bargaining, the process of collective bargaining should be used to solve almost all labour disputes and that the disputes where you need something else are comparatively rare, therefore the sovereign authority of Parliament at this point in the dispute is sufficient. This is their proposal. They propose, I may say, a number of intermediate steps such as mediation and that sort of thing. I propose, Mr. Speaker, to lay before the House an amendment which would ask this House to acknowledge the problem raised by the Member from Notukeu-Willowbunch (Mr. Hooker), to suggest that his proposal for solution is defective, and to suggest that the Canadian Industrial Relations' Task Force solution is a better one. So that I might have an opportunity to prepare the amendment and lay it before the House, Mr. Speaker, I beg leave to adjourn the debate.

Some Hon. Members: — Hear, hear!

Debate adjourned.

RESOLUTION NO. 14 — STUDY OF THE PROBLEMS OF FEED-GRAIN MARKETING.

Mr. G.R. Bowerman (Shellbrook): — Moved, seconded by Mr. J. Kowalchuck (Melville)

That this Assembly urge the Federal Government and the Governments of the Prairie Provinces to consider a joint study of the problems of feed-grain marketing with a view to devising a plan, under the Canadian Wheat Board, which would permit movement of feed grains on a uniform basis both within and between the individual Prairie Provinces.

He said: Mr. Speaker, it is said that over 85 per cent of Saskatchewan's gross productive wealth is vested in agriculture. It therefore should naturally follow that the security of such an industry must have the prime consideration of any government which administers this province. I suggest it is reasonable to expect that the Saskatchewan Government should be the first government in North America to act on behalf of the agricultural industry and certainly there is no excuse for it not being the first in Canada. In times of agricultural distress and economic despair such as we are now facing in Saskatchewan, it is inexcusable for the Legislature and particularly those who govern its actions, if we are allowed to leave this Session and do not resolve some, if not most, of the gritty problems facing the rural Saskatchewan today. It is totally inconceivable that this Legislature should prorogue having paid nothing more than political lip-service and something over 3 per cent of its Budget to a distressed farming economy. There are many areas in which the Government of this Province can assist, which will restore order and which will strengthen the economy and which will boost the morale of rural Saskatchewan. Much of this, Mr. Speaker, I suggest can be accomplished without direct commitment of the Treasury or large expenditure of Provincial funds. I believe it can be accomplished if the Government will, at the very least, honour its own election pledges and promises that were made specifically to the farmers of Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Bowerman: — I am moving a Resolution today, Mr. Speaker, that fits with the promises of the 1964 Liberal party and therefore I am sure that we can expect all of the Government Members to rise and to support our proposal here today.

Some Hon. Members: — Hear, hear!

Mr. Bowerman: — I am sure that the Members of the Government will be appreciative of the fact that we will continue to draw to their attention those election promises which were made and apparently have now forgotten, election promises, Mr. Speaker, that were designed to do one of two things and that were either to bring about parity for farmers with the economy of Saskatchewan or to use the farmers as suckers for their own election victory. Let

me quote from the Saskatchewan Liberal of April 10, 1964 with respect to the agricultural platform which was authorized by the Saskatchewan Liberal Association. I indeed must confess, Sir, that it was a good program, at least a good program on paper, and admittedly it must have struck home to some of the Saskatchewan farmers on ballot day. But I hasten to add that it is also true that it is now striking home and on the pocket books of Saskatchewan's desperate farm situation. It is in fact of course true that Liberal times are hard times, whether we have promises or whether we don't have. The quotation, Mr. Speaker, in the 1964 Liberal election platform is and I quote:

Immediately enact short- and long-term measures to give Saskatchewan farmers a fair share of the income.

If that, Mr. Speaker, refers only to the Government's budget of expenditure from the Treasury, the Government obviously has failed and continue to fail for we now spend less of Saskatchewan budgets on agriculture than we did in 1964. To take into account the broader interpretation which I suggest is completely reasonable, for I am sure that voters were encouraged by Liberal candidates to interpret the maximum from the statement of policy, simply places greater doubt upon the sincerity of the Liberal party and its election programs and the present Government with respect to its total outlook on the farmers and the agricultural industry today. The Resolution which I am moving this afternoon calls upon this Assembly and the Government of Canada and the Governments of our sister Provinces of Alberta and Manitoba to undertake a joint study of the problems that we are now facing in our marketing of feed grains. It is encouraging to know that the Federal Government has already led in this action by empowering its Standing Committee on Agriculture to examine and enquire into the problems of distress and unreasonably low prices for non-quota feed grain being marketed in the designated area, as defined by the Canadian Wheat Board Act. With this Assembly's support of the Resolution I would suggest that we are well beyond the 50 per cent of our way in accomplishing something which I believe will both directly affect the short- and the long-term financial position of Saskatchewan farmers. This Resolution proposes actions which do not call upon the Treasuries of the Governments of Canada or of the Province to inject large sums of capital funds into agriculture. It does, however, seek the same objectives by committing the various agencies and segments of agriculture to resolve internally greater responsibility to the producer of feed grains. The feed-grains producer has become a victim of exploitation by the unprecedented circumstances of the current grain surpluses in Canada. Without certain legislative control the selling of produce in this kind of a market becomes a system of dog-eat-dog or survival, and survival not necessarily of the fittest, but of the most shrewd and the most cunning actors in the business. Certainly the matter of orderly marketing under the Canadian Wheat Board cannot be cast aside as inherently bad, as so many Members of the Government would attempt to represent. Continued distressed selling at less than cash costs is not satisfactory and must come to an immediate end. When the basic orderly marketing structure is compromised or removed from the marketing place the producer unavoidably suffers. It is interesting to note that, comparatively speaking, commercial fishermen are not unlike farmers as food producers; that problems of marketing and production of these two groups are indeed similar. There is evidence beyond controversy that, when Saskatchewan Government of 1944 to 1964 established the Fresh Water Fish Marketing Board in Saskatchewan

with the necessary associated legislation which gave the producer powers to arrange production and marketing controls, he did in fact become increasingly independent and financially and more competitive in the market place. It is further worthy of observation that from that Provincial system of orderly fish marketing came the present National Fresh Water Fish Marketing Board involving the Province of Saskatchewan, the Provinces of Alberta and Manitoba, Northern Ontario and the Northwest Territories. Some may ask if this has been good for commercial fishermen. I simply challenge any Member of the Government to deny that this system of marketing has revolutionized fresh-water fish marketing and that fishermen have as a direct result in fact benefited in all areas that are affected and influenced by that control. They have benefited both financially and in their social security.

Mr. Speaker, may I relate the comparative advantages of this orderly marketing of fish with what we are asking in this particular Resolution. Fresh-water fishermen across Canada looked at the orderly fish-marketing scheme of Saskatchewan from 1944 to 1964 and from these observations as evidence, it was possible to establish inter-provincial and national communication and cooperation for the establishment of the National Fish Board. Agreements have been reached whereby all fishermen in the fresh-water areas of Canada as I have alluded to earlier are required now by statute to market all their species of fish through the Marketing Board. There is undeniable evidence that this orderly marketing system has benefited the respective producers.

Mr. Speaker, the Resolution I am proposing today is asking for similar consideration and cooperation of the Prairie Provinces and Ottawa to control the present confusion and distress in the feed-grain marketing business. Your Government, Mr. Premier, was involved in and accepted the principle of orderly marketing of fish and it turned to using that National fish Board which is now established. I suggest that it would be inconsistent for your Government or for the Government of today to not permit grain farmers to benefit from the similar government assisted possibilities in feed-grain marketing. The National Fresh Water Fish Board was established with a close resemblance to the Canadian Wheat Board. Orderly marketing does work if you have a government that is sympathetic towards making it work.

Mr. Speaker, in 1960 when the Federal Government requested the Canadian Wheat Board to amend its regulations, which freed the feed mills from quota and pricing regulations of the Board, the producers of feed grains have consistently been subjected to depreciating prices and unsatisfactory marketing methods. This policy legalized distressed selling and provided a course of vehicle to creditors enforcing farmers into such areas as distressed selling. It has been estimated by the Canadian Wheat Board that 170 million bushels of feed grains have been marketed through the non-quota feed mills since 1961 and that these marketings have in fact been at below world-market prices on export grain. If this money was today in the hands of the producer it is very unlikely that his plight would be near so serious as it presently is nor would the Saskatchewan economy be near so grave. Therefore, Mr. Speaker, without going into any further elaboration of the Resolution which I am proposing, the present economic situation in which grain farmers find themselves can at least in part, I suggest, be attributed to the overall effects of no firm policy on orderly marketing of feed grains.

Some Hon. Members: — Hear, hear!

Mr. J. Kowalchuk (Melville): — Mr. Speaker, my comments are going to be quite short. I think the Hon. Member for Shellbrook (Mr. Bowerman) has made some very good comments on the Resolution that he has proposed. The Resolution as proposed by the Hon. Member for Shellbrook I think deserves the support of all the Members of this House. It is very evident from what has transpired this last number of months, Mr. Speaker, on the fire-sale prices that feed grains that have been going on and the number of convictions that have been laid and are still going to be laid within the next couple of weeks, I think that it is all the more inevitable that we deal with this problem in a real sensible way, more so today than ever before. It is a known fact that land that had hither-to been in the main used in growing wheat, will, if this sensible proposal is going to be accepted, in the next stage of adjustment, be put back into the production of wheat, because I say, Mr. Speaker, that — (and I think most of us agree) — there are areas in Saskatchewan where wheat is best grown and other areas where barley and other feed grains are also best grown. Now I think if this were made possible whereby grains got the proper kind of legislation, whereby it could be moved freely and at the price we could make it beneficial for these people where the growing of feed grains is going to be beneficial for them, then I say we will have done something to making it possible to grow feed grains where feed grains should be grown and what grown on lands where wheat should be grown. I suggest that with a joint study of this kind, and proper analysis of growing areas, and consequently the marketing of coarse grains, things will settle into some sort of perspective. As I said again that wheat will be grown on good wheat land, and coarse grains on lands suitable for growing of coarse grains. This can only happen, Mr. Speaker, if the grower of coarse grains has the problems of marketing these coarse grains resolved to make it economically suitable for the farmer to grow coarse grains. He needs a guaranteed price for the coarse grains and a market for them. This again can only be achieved if this coarse grain can be moved within and between provinces on an orderly basis. Without this orderly marketing plan under the Wheat Board chaos such as we have today is inevitable. When prices have no stability the downward trend on partisan and open competition, particularly when cash is short, is also inevitable, Sir. Back of all this must be of course a judicious Federal Government, a government with the understanding that the Wheat Board decisions aren't bound by an iron-clad governmental structure. I think this has been a main weakness.

The Wheat Board should be empowered to formulate and carry out decisions even to the extent of infringing upon support of the Federal Treasury. Our loss of the Japanese 60-million-bushel barley sale a year ago was not because the Canadian Wheat Board did not want to sell it, but it was powerless with the stiff regulations laid down by the Federal g. If we had a government that had given some leeway to the Wheat Board at the cost of a few cents a bushel to the Federal Treasury, the farmers would have benefited, Sir, the grain would have been sold, the barley would have been sold. Instead the Canadian Wheat Board or rather the farmers were penalized by more than double that difference in storage cost alone since that time. Storage on some of that barley is still being paid today. In the interest of Saskatchewan farmers I ask all the Members of this Legislature to give full support to this Resolution. Let us get this joint study together,

get at the root of the difficulties involving the problems of feed-grain marketing. The plan should be under the Wheat Board providing an orderly marketing movement of feed grains within and outside the Prairie Provinces. Let us in the name of common-sense take an economic outlook as this Resolution suggests, to make it worthwhile for feed-grain farmers to grow feed grain. Let us give unanimous support to this Resolution.

Some Hon. Members: — Hear, hear!

Mr. W.J. Berezowsky (Prince Albert East-Cumberland): — Mr. Speaker, there are many opinions and ideas as to how we should market feed grains. I live in an area where we grow feed grains and we have some difficulty in disposing of them. I can say this that the Wheat Board has definite present policies and other organizations have their own views on the matter. The Federation of Agriculture for example — I have heard them — has its own suggestions. Then you have other farm organizations again that have made certain proposals. But in all cases I think that it is agreed that there should be some kind of orderly marketing. No one would disagree with orderly marketing, that it is in the best interests of Saskatchewan farmers, particularly those who grow coarse grains. But because we are uncertain as yet as to what course we must pursue, I think this Resolution is a very good one. I would like to discuss the matter in more detail at a future time and so therefore I would like leave to adjourn the debate at this time.

Debate adjourned.

SECOND READINGS

Hon. D.G. Steuart (Provincial Treasurer): — Moved second reading of Bill No. 36 — An Act to amend The Income Tax Act.

He said: Go ahead, you may be sorry after. Mr. Speaker, this is Bill No. 36 — An Act to amend The Income Tax Act. I am sure that all Members will welcome it.

The purpose of this amendment is (a) to adjust the rate of individual income tax on Saskatchewan residents, and (b) to require corporations to accelerate payment of corporation income tax in line with changes in the Federal Act. Corporations will now be required to pay instalments on the same basis as individuals.

I would remind the House that this shift in taxation is in line with that requested by the Saskatchewan Association of Rural Municipalities and all of this \$2 million that will be raised by this change, and much more, will be given to local governments. I am sure that we all welcome the news in the paper tonight that the city of Regina will be able, even on the preliminary estimates, to hold its mill rate increase to within one mill. I think if Henry can refrain from giving away some free flour, he might even be able to reduce the mill rate, thanks to the generosity of the Budget that I introduced and this shift in taxation, that I am sure you are all going to support.

I would remind the House, also, that our rate will not be just back up to 34 per cent where it was when we became the Government, back at the same level that was established under the

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CCF. Manitoba's rate under the NDP is 39 per cent, the highest in Canada.

Mr. Speaker, no one lies to pay increased taxes but it is in this case a shift in taxation and as I say, all the money and more that is raised by this slight increase in taxation will be given to local government.

Mr. Blakeney: — Mr. Speaker, I beg leave to adjourn the debate.

Debate adjourned.

Mr. Steuart (Provincial Treasurer): — Moved second reading of Bill No. 37 — An Act to authorize Reciprocal Arrangements with the Government of Alberta to Provide for Additional Estate Tax Rebates to Saskatchewan Domiciled Estates.

He said: Mr. Speaker, The Estate Tax Rebate Act passed last year provides for rebate of that portion of the tax paid by Saskatchewan estates on Saskatchewan assets which is paid to Saskatchewan by the Federal Government. The situs or location of assets was formerly determined by private international law. To facilitate Federal-Provincial fiscal arrangements the Federal Government changed many of the situs rules. The result is that, instead of the personal property of a deceased individual having a legal situs where he was domiciled, such assets may have situs in different provinces and jurisdiction.

At the present time under existing legislation, an Alberta estate receives a rebate of a portion of the tax on Alberta assets, and a Saskatchewan estate receives a rebate on Saskatchewan assets. Where the deceased has assets in both provinces there is presently no means by which an estate may receive a full rebate. The proposed legislation will authorize an agreement with the Province of Alberta whereby the present difficulty will be partially overcome.

The Act will authorize an agreement with Alberta whereby it will pay rebates to estates of Alberta residents on assets in Saskatchewan and we will provide rebates to Saskatchewan estates on Alberta assets. Alberta will reimburse Saskatchewan to the extent the tax on Alberta assets of Saskatchewan's estate is received by it and Saskatchewan will reciprocate to the extent the tax on Saskatchewan assets of Alberta estate is received by this Province. Alberta is, in this session, passing similar legislation so that we can reciprocate in this situation.

Just very briefly, we have had some problems. I am not sure that we have had any problems yet, but we have had complaints and inquiries from people on our side of the province living in Saskatchewan part of whose assets and land, for example, is in Saskatchewan and part of it is in Alberta. Alberta has had the same problem so we got together and decided that we would both attempt to pass similar legislation so we could make a reciprocal agreement. I would hope that Members on both sides would support this, because having passed the original Act, then I think this is a good piece of legislation because it allows us to carry out the intent to a full extent of the original Act.

Mr. Blakeney: — Mr. Speaker, as the Provincial Treasurer has indicated

this is a piece of legislation which is to facilitate one aspect of that which we did last year. We had our debate on it last year. Members will be aware of our reservations with respect to this legislation. I think we on this side of the House take the position that with respect to this piece of legislation there is no point in going into all of those points again. So with the reservation, and having in mind the fact that this year's legislation is quite technical and will best be dealt with in Committee, I will confine my remarks to those which I have already made and will be supporting the Bill under those conditions.

Motion agreed to and Bill read a second time.

Mr. Steuart (Provincial Treasurer): — Moved second reading of Bill No. 38 — An Act to amend The Treasury Department Act.

He said: Mr. Speaker, this is an annual Bill almost. As all Hon. Members know the salary level of the Provincial Auditor is set by the Legislature and this Act merely allows us to increase his salary in line with those of the Deputy Ministers.

Motion agreed to and Bill read a second time.

Mr. Steuart (Provincial Treasurer): — Moved second reading of Bill No. 39 — An Act to amend The Fuel Petroleum Products Act.

He said: Mr. Speaker, the interpretation section of The Fuel Petroleum Producers Act is being amended to give a clearer meaning to some of the terms used in the Act. For example, motor vehicle will be redefined to ensure that only farm vehicles registered under The Vehicles Act in class F and SF are in a special category for purposes of the Act. (B) Snowmobile is defined to ensure that for purposes of this Act the courts will interpret a snowmobile to be a vehicle. And (c), purchases is redefined to provide that an inter-provincial transporter who brings diesel fuel in the tanks of his vehicle into the province is a purchaser within the meaning of this Act. In the field of truck transportations Saskatchewan is often referred to as a corridor province. Under existing regulations it is possible for an inter-provincial or international transporter to enter Saskatchewan to pick up or deliver a shipment without purchasing any fuel in this province. Some transporters may purchase more fuel in Saskatchewan than they consume in proportion to the miles travelled. However, all indications are that Saskatchewan is not receiving fuel tax revenue from some inter-provincial and international transporters in proportion to the total use made by them of the highways.

Commencing July 1, 1970 inter-provincial and international transporters will be required to report mileage travelled in Saskatchewan and to pay the tax in proportion to those miles travelled. Saskatchewan was one of the last provinces to introduce enabling legislation in this regard. At present other provinces in Canada require certain categories of inter-provincial and international transporters to pay tax on a mileage-formula basis. It is our intention to require complete reporting of all international and inter-provincial transporters commencing July 1 if this Act passes.

During the past three years tax officials from all provinces have met to study the problems of fair distribution of tax revenue

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payable by the inter-provincial and international transporters. These meetings will continue in the interest of achieving a fair and equitable distribution of tax revenue.

Standard reporting and avoidance of double taxation. The amendments in this area include provision to license transporters under this Act and there will be no fees; to require the filling of returns; to require payment of the tax levy and to collect assessment where the tax has not been paid; and generally to achieve compliance.

There is also provision for the Provincial Treasurer to enter into arrangements with other provinces to exchange information and audit on a reciprocal basis.

In my Budget Speech I announced the removal of the two cent per gallon tax on purple fuel purchased by farmers. Also the rate of tax will be increased on other fuels as following: the rate of tax on clear gasoline will be increased by two cents, from 17 to 19; the rate of tax on clear diesel fuel will be increased by one cent, from 20 to 21 cents; the rate of tax on purple fuel used for industrial purposes will be increased to four cents; the rate of tax on aviation fuel will be increased to two cents to four cents a gallon.

The present Act is designed to primarily facilitate collection of tax from the vendor. In recent years there has been an increasing amount of evasion through blending of clear and purple products and through misuse of purple fuel in motor vehicles by transporters, contractors and others. Since January 1, 1967, \$84,000 has been collected from blending activities and approximately \$50,000 from illegal use of purple products in commercial vehicles. To improve and facilitate recovery of tax evaded directly from the purchaser or user, amendments will therefore provide for: (a) authority to assess vendors who blend purple products with clear; (b) authority to assess purchasers who use purple products illegally; (c) authority to reduce the records to require that records must be kept in prescribed form; and (d) authority to levy penalty and interest on overdue assessments. Section 5. The penalty for the illegal use of purple fuel in a motor vehicle is presently \$40. Convictions have increased substantially each year since 1965 and it is evident that a \$40 minimum fine is not an effective deterrent. As a result the minimum fine for first offence is being increased from \$40 to \$75.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — I knew that this would hit some of you fellows. If you just quit breaking the law you'd have nothing to worry about. And the fine for a second or subsequent offence, when the owner has disposed of the vehicle prior to conviction, is increased from \$75 to \$100.

Tax in excess of \$80,000 has been assessed and recovered from vendors who illegally blend purple products with clear products for sale to service station pumps. The assessments result from investigations conducted by our field officers. In some cases blended fuel is found in service station pumps, whereas in other cases blended fuel was found in tanks of motor vehicles owned by persons who claimed all purchases were made in service stations on which the tax was paid. Now the general

penalty for violations is \$10 minimum and \$50 maximum for a first offence; \$25 minimum and \$100 maximum for a second or subsequent offence. These penalties are obviously not a deterrent in the case of a blending violation and are therefore being increased to a minimum of \$50 and not more than \$100 for a first offence and to a minimum of \$100 and not more than \$500 for a second or subsequent offence.

Section 8. Provision is made in the regulation section for the Lieutenant Governor in Council to set the rate of interest payable on overdue accounts. In this matter the rate of interest can be kept in line with commercial rates. Actually it is so low right now that it pays them to let it fall in arrears and not pay it, and we are just going to put ourselves in the position so that the rates will be more in line with the commercial rates.

The remainder of the changes in the Bill are of administrative and updating variety, and again, I would remind all of the Members that all this little bit of extra money that will be raised and much, much more will be given to local governments. I am sure that all of you, including Henry, will welcome this.

Mr. Blakeney: — Mr. Speaker, the comments of the Provincial Treasurer were obviously rather technical in nature. I would like to look them over before I comment and I accordingly beg leave to adjourn the debate.

Debate adjourned.

Mr. Steuart (Provincial Treasurer): — Moved second reading of Bill No. 40 — An Act to amend The Education and Health Tax Act.

He said: Here is one that you will enjoy. This is an Act to amend The Education and Health Tax Act. It consists of 21 changes to nine sections of the Act. I will try and explain this in words of one syllable so that Members opposite will grasp the true meaning and intent of this Bill, so that they can all support it in their usual enlightened manner.

All the amendments will be effective April 1, 1970 (if it passes) and also, incidentally, besides tightening up the Bill and making it easier to understand for my officials and those Members opposite, it may just raise a little money at the same time.

1. The definition of sale is being amended to clarify it. 2. Manufacturers who enter into lump sum supply and installation construction contracts have in some cases interpreted the law to mean that they are only required to pay the tax on the cost of the raw material, in cases where they manufactured tangible personal property which they subsequently installed. We do not accept this interpretation as being the intent of the legislation, and the manufacturing contractor will now have to pay the tax on the finished cost of the article in the same manner as a contractor who purchases the same article from the manufacturer.

For practical reasons regulations will be introduced to exclude automotive repair firms, carpenters, garages, plumbers, steam fitters, or other persons or firms manufacturing or processing, tangible personal property, unless they manufacture tangible personal property to a value of \$5,000 or more per annum. In other words the people involved in very minor endeavours

would not be called manufacturing if they do less than \$5,000 business a year and will be exempt.

3. Rental charges are now subject to tax. In recent years some lessors have attempted to reduce the rental charges for tax purposes by deducting there from consideration for royalty, finance, insurance, maintenance and similar charges, notwithstanding the fact the lessee is obligated to pay these charges as an element of the total rental. This will be changed and tightened up.

4. The Power Corporation Act authorizes the Corporation to levy a surcharge on electrical bills and this surcharge is payable to a local authority in lieu of municipal taxes. Now, to date, this surcharge has been subject to tax. The administration interpretation has been questioned and this amendment will make it clear that these surcharges are a part of the consideration paid by the user and subject to the tax.

5. Telecommunication services are also subject to tax. In some areas such a service is provided by an agency of an adjoining province. Doubt has been raised that such a service which is brought into the province by another jurisdiction is taxable under existing legislation. This amendment will ensure that telecommunications service, paid for by a resident of Saskatchewan, will be taxable whether purchased outside the province or obtained from Saskatchewan Telephones.

6. The next amendment will be dealing with second-hand goods on which the tax was previously paid in Saskatchewan and are not subject to tax when resold. The goods brought into Saskatchewan are subject to tax whether they are new or used and persons bringing them in or receiving delivery of them within the province must report and pay the tax. The Act will be amended to make it more practical to collect taxes in this particular area.

7. Petroleum products are subject to tax under The Fuel Petroleum Products Act and are exempt from Education and Health Tax. As I announced in my Budget Speech, the two-cent tax farm fuel purchased by farmers will be removed. And since farm fuel will no longer be taxed under The Fuel Petroleum Act, it will be necessary to specifically exempt such purchases from the Education and Health Tax. Otherwise such purchases would automatically be subject to the tax under this Act.

8. The penalty for failure to account for Education and Health Tax collection is now 10 per cent of the tax payable with no minimum or maximum. This provision is being amended to establish a \$5 minimum and a \$500 maximum. In addition, provision is made for extending the penalty provision to consumers or users who file regular returns but who fail to report all taxable purchases.

9. The Act provides for payment of interest at the rate of six per cent per annum on tax collections which are in arrears. This rate is far below the commercial lending rate and is not a deterrent. It is proposed that the interest rate be set by the Lieutenant Governor in Council and maintained at current levels.

10. Fines for infractions such as failure to file returns or remit the tax, is not less than \$10 or more than \$500. This

provision has been in effect without change since 1937. The minimum penalty of \$10 is no longer effective and it is proposed to increase the minimum from \$10 to \$25. The maximum will continue to be \$500 as it is now.

There is increasing evidence that vendors and large consumers are using tax funds at the present time to finance some of their own operations. To discourage such practices we are extending the penalty in interest provision to purchasers who bring goods into the province for their own use and fail to report and pay the tax until a liability is established by the Department.

There are some other major administrative amendments. I would like to stress that the above amendments will not change the administrative policy which has been in effect. The only exception is the application of penalty and interest which apply on returns to be filed by purchasers. In this category are the large contractors, and companies who purchase goods for use in Saskatchewan and who are required to report and pay the tax.

A new section is being introduced to permit the administration to accept tax on rental charges as opposed to taxing the full value of such goods when leased from a non-resident lessor who is not licensed under the Act. The present provision creates hardship in some cases, where specialized or expensive equipment is brought into Saskatchewan for short periods of time. This new procedure will be in line with similar transactions within the province. To qualify, the lessee will have to be registered with the Taxation Branch, but it is not intended to apply to travelling salesmen who lease cars or to other persons not filing regular returns, who lease similar items from non-resident suppliers.

Also effective April 1, 1970, the \$1.99 minimum on meals will be removed and meals selling for 15 cents or more will be subjected to tax, in the same manner as any other tangible personal property. Regulation will define meals and will exclude such items as single or multiple purchases of coffee, soft drinks, etc.

We estimate that at best we are only obtaining on meals selling for \$2 or more tax revenue of \$250,000 per annum. (That is when we put the tax on meals). We estimated that it would bring in about a quarter of a million dollars. We estimate at the best we only obtain about half of this amount. By lowering the threshold to 15 cents it is anticipated that an additional \$600,00 in revenue will be obtained, which of course, we will turn over to the local governments for schools, playgrounds, health and recreation facilities.

Commencing April 1, 1970 — now hear this and I would like you to just be quiet as this is very important — electrical energy to heat a building or a home will be exempt from tax provided that the entire structure is heated solely by electricity. This will place electricity in the same category as fuel oil, coal, wood or gas, which is exempt when used for heating purposes.

Electrical energy used for lighting and other purposes will continue to be taxable — I thought I would remind you of that so you wouldn't be up tight — Present provisions of the Act lack a practical and an effective means to collect tax directly from the purchaser in certain cases, for example, a person who

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purchases or leases goods from a non-resident supplier, or a person within Saskatchewan purchases goods, equipment or machinery from a non-resident, who did not report or pay the tax thereon. In such cases unless the purchaser agrees to pay the tax it is necessary to proceed by way of civil action. Since collection of the tax is the main objective, an amendment is proposed which will permit the Administration to levy an assessment, serve notice of liability by way of a registered notice and proceed to collect in the same manner as it would against a licensed vendor. The purchaser will have the same right of appeal to the Board of Revenue Commissioners or to the courts as a vendor. In effect, collection procedures as well as penalty and interest provisions will apply equally to vendors and to purchasers. These provisions will in no way alter responsibility of licensed vendors. Again, the little bit of extra money that will be raised in this much more equitable manner, will be handed on, as you already know, to the homeowner grants. You really don't want me to enumerate them all but I am sure that you will support this and I move second reading.

Mr. Blakeney: — Mr. Speaker, I am sure that we are all grateful to the Provincial Treasurer for bringing in this Bill, which as he says, will clarify and indeed make crystal clear the application of this tax. I am sure all of us who have picked up this Bill and scanned it will thank him for the clear and unambiguous prose in which it is written. There is no possibility of misunderstanding a little section like, "Sections 18 to 21, apply mutates mutandis for the purpose of recovering the tax payable under subsection (8), (8A) or (8B) of Section 5." it is perfectly clear.

It is always possible that I may not have grasped the full import of it and since I have come not to rely completely on the Provincial Treasurer's explanation to contain the full import of a Bill, I beg leave to adjourn the debate.

Debate adjourned.

The Assembly adjourned at 9:58 o'clock p.m. on the motion of the Hon. Mr. Heald.