

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session — Sixteenth Legislature
36th Day

Tuesday, April 7, 1970.

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

REPORT OF THE SELECT STANDING COMMITTEE
ON CROWN CORPORATIONS

Mr. G.G. Leith (Elrose) moved, seconded by Mr. F.K. Radloff (Nipawin) — That the First report of the Select Standing Committee on Crown Corporations be now concurred in.

He said: Mr. Speaker, I wish to present the annual reports and financial statements for the last completed fiscal year of the various Crown corporations and related agencies.

As referred to it from time to time by the Assembly, the Committee has satisfied itself that they reflect the true state of the corporations and agencies to which they severally relate as operated in accordance with Government policy.

In conducting its examination the Committee interrogated the responsible Ministers who attended with the chief officers with the corporations and agencies, no restrictions being placed on questions asked within the order of reference, save and except questions, the answers to which, in the opinion of the responsible Ministers, might disclose information contrary to the public interest or prejudicial to the commercial positions of the corporations or agency concerned. Your Committee recommends that, except where otherwise provided by statute, Crown corporations pay grants in lieu of municipal taxes equal to the taxes which they would be required to pay if they were private undertakings.

This Committee recommends to the Legislature that it be reduced in number from 29 to 20 members and that membership on the Committee other than the chairman and the vice-chairman be transferable by assignment from one Member of the Legislature to another, such assignment to consist of written notice to the chairman.

Mr. W.J. Berezowsky (Prince Albert East-Cumberland): — Mr. Speaker, I think there was a motion made by me in the Committee and it is not included in the Report. I would like to see that it be included.

Mr. E. Whelan (Regina North West): — Mr. Speaker, I think this motion was in regard to installation of facilities in schools — independent generating facilities in schools and hospitals — and the motion read specifically that it be included in the final report of the Committee.

Mr. Leith: — Mr. Speaker, may I leave to withdraw this motion until it is properly amended.

Motion withdrawn.

QUESTIONS

ORDERS FOR RETURNS

Mr. F.A. Dewhurst (Wadena): — Mr. Speaker, before the Orders of the Day I would like to ask the Government when we can expect some of these Orders for Returns which have been asked for. As of yesterday there were over two dozen Orders for Returns which has not yet been tabled, some of them dating back to the beginning of March. It is true that one or two of them were in April, which is fairly recent, so we are not expecting that they would be tabled immediately. Some of them have been over a month now and I wonder if the Government could give us some assurance as to when they are going to be brought down.

Hon. D.V. Heald (Attorney General): — Well, they will be brought down, Mr. Speaker, just as soon as they are ready. I think that we are getting along very nicely in a general way with Returns this year. One of two of the ones that you are referring to do require a great deal of work, and as you have stated some of them have only been asked and ordered since the 1st of April. I have instructed my officials to get in touch with all the Departments and we will get as many as we can before the Session ends.

ADJOURNED DEBATES

RESOLUTIONS

RESOLUTION NO. 2 — FAVOURABLE FREIGHT RATES FOR SASKATCHEWAN

The Assembly resumed the adjourned debate on the proposed motion by Mr. Charlebois (Saskatoon City Park-University):

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

Mr. W.S. Lloyd (Biggar): — Mr. Speaker, when this Resolution was before the Legislature previously I had the opportunity to say only a few sentences before it was time for adjournment.

At that time I indicated first of all general support for the Resolution which is on the Order Paper under the name of the Member for Saskatoon City Park-University. Secondly, and more important I think, I had indicated the opinion that the Resolution as it was presented is quite inadequate and does not really express a request for action that is necessary, if we are to get any fair deal with respect to transportation costs and transportation services in the Province of Saskatchewan.

As a result, I probably indicated that I would, at a later date, be proposing an amendment which I trust will get the unanimous support of the Legislature and that I will do later this morning.

May I first of all discuss some of my feelings about the Resolution and the suggestions that I want to propose. I think, first of all, Mr. Speaker, we have to be disappointed in what seemed to me to be a very serious oversight in this Resolution.

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It may be recalled that the Resolution was introduced originally shortly after the 1st of March. On March 1 the railways had announced freight rate increases. I think it was a very real shortcoming of this Resolution that it did not specifically draw attention to those increases, ask that they be stopped and ask that they be rolled back at that time.

Some Hon. Members: — Hear, hear!

Mr. Lloyd: — I don't think this Legislature can possibly afford to be quiet on that very specific aspect. These increased, Mr. Speaker, which went into effect on March 1, and to which the Resolution fails to draw attention, range from four per cent to eight per cent. They were originally scheduled to go into effect on February 1 of this year. They were delayed for a month, but even so there was a rate increase of two per cent to four per cent allowed as an interim measure during the month of February.

When that happened, it will be recalled, we were right in the middle of well-sounding pronouncements from the Federal Government about controlling inflation. I suggest that the Federal Government lost one more round against inflation when it allowed these freight rate increases to go into effect on March 1st, because these freight-rate increases have a very cumulative effect.

These March 1 rate increases are made worse by virtue of the fact that they were piled on top of an earlier increase of April 1, 1969. It is just less than one year before that we had an increase in freight rates. Then on March 1 a further increase in freight rates. Putting these two together it has meant a total increase of at least 12 per cent in freight rates in 10 months up to March 1. I regret the relative silence of the Provincial Government with respect to these specific rate increases.

Mr. Speaker, it is particularly important, I think, to note that some of these rate increases have applied very directly and in my opinion quite heavily on agricultural products and on some of the inputs into agricultural production. The rate increase, for example, will increase by six per cent, the freight rates on livestock and meat products. That means among other things less of the producer's dollar going back to the consumer and the experience of recent years has been a constantly and frightening shrinking part of the consumer's dollar going back to the producer. This rate increase adds to this shrinkage and I think it needs to be protested.

Secondly, the rate increase lay pretty heavily, I suggest, on some of the inputs to farm production and farm living. Let's look, for example, at farm equipment. We have had much evidence in recent months of how big a burden and how increasing a burden this is on farm people. The interim increase which I mentioned as going into effect on February 1, affected farm equipment by increasing the rate of some four per cent. The March 1 increase again raised the rate for farm equipment. Putting the February 1 increase together with the March 1st increase on farm equipment, it meant an 8.6 per cent increase on the freight rate of one of the biggest inputs into agricultural production. When I say an 8.6 per cent increase it must also be noted that among the items rated as having a high freight rate, farm implements were one of the higher ones at that time. It

is not good enough Mr. Speaker, to try to control inflation by increasing unemployment or by holding down wages, some of which are already low, and by not controlling charges such as transportation.

Here we have an example that within a period of ten months the railways have been able to open the throttle to the extent of a 10 per cent increase on freight rates and this Resolution fails to call attention to it whatsoever. I think this is a pretty serious deficiency in the Resolution.

The second point that I want to make in supporting my argument that the Resolution isn't adequate is that the problem of freight rates certainly isn't because there has been any lack of investigating commissions and committees. Ever since I can remember it seems to me that there has always been a Royal Commission or a committee of some kind investigating freight rates. One thinks of Mark Twain's well-known dictum that everybody talks about the weather but nobody does anything about it. One might almost assume that that has happened with respect to freight rates.

I suggest that the Resolution must go further if it is to be meaningful. I think we have to start taking a look at just what railways are. What are they best used for? How are they best shaped? I think we need, in Canada, a different point of view as to what railways are. Are they corporate instruments to be used as any other thing by corporations or are they, indeed, instruments of Canadian development which ought to be directed at the needs of the Canadian people by the Canadian people? Does the balance sheet of the corporation determine how the railway shall be operated, or should it be the balance sheet of the whole nation that decides how the railways are going to be operated? Whose costs and whose benefits are going to determine the decisions about rates and services?

I submit that it is these kind of questions that we have to think about and we have to find the right answer to these kind of questions, if we are going to have any justice, any fair play, with respect to railways and the services which they provide.

I am saying, Mr. Speaker, that we need a new sense of responsibility for directing the development of Canada. And in that new sense of responsibility railways should be a vital instrument of development, particularly of regional development. They have been so used, I may say, they have been used as a part of the national policy in the past to build up and to assist in the development of Central Canada. They have not really been used as an instrument of national development to support the growth of Western Canada, the Prairie provinces.

Railways should be key tool in promoting Canadian growth. They have been, these transportation services, used as a key tool in the past in promoting the growth of other parts of Canada. They have not adequately been used as a key tool in promoting growth on the Prairie Provinces. Railways should be built and maintained and operated to meet broad social and economic needs. Transportation services which have such a vital effect on production costs and living costs and growth patterns can't be judged on the isolated economic factors related to any single corporation. Yet in the main, I submit, the development of railway and transportation services has been judged on

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such isolated economic factors rather than on the total impact of the economy and the people of Canada.

I think that we have to look forward to the time when public benefit and regional benefit will be given a larger role in the decisions as to what railways are and how we use them. This, I believe, means an enlarged public responsibility. It means more public intervention with respect to the development and use of railways. And, indeed, I shall argue briefly that it means more public ownership with respect to the Canadian railways.

So tinkering around with freight rates, interminable arguing and pleading with railways clearly haven't done the job. We have been around that horn year after year, after year, after year, decade after decade. The need then is not just for another commission to attempt to do some more tinkering, some more arguing. The need is to urge on the Government of Canada a new approach in this whole matter of transportation services. The need is for a more comprehensive and more Canadian view of what railways ought to be and how railways can be used in developing our total economy.

So I suggest that we need to urge in this Resolution that there be established first of all a comprehensive transportation authority to rationalize all services, all systems of transport.

Some Hon. Members: — Hear, hear!

Mr. Lloyd: — I suggest, secondly, that we need to remove from the back of the Canadian national Railways the outrageous and crippling burden of watered capital which has prevented that railway system from doing its job for the public of Canada for a long time.

Just in support of that statement, Mr. Speaker, I might refer to a report which appeared in the Saskatoon Star Phoenix, as far back as April 1967. It reports in the year just previous to that an operating profit of \$40,100,000 on the publicly owned CNR the year before. It says, however, that this operating profit was turned into a deficit of \$24,600,000 by, and I quote: "An extremely heavy interest burden." These were the words of the CNR in this annual report.

The report was tabled in the Commons by the then Transport Minister Pickersgill. It said that interest payments on the CNR's debt amounted to \$64,700,000. It went on to say that this interest rate "results mainly from obligations taken over from former privately owned railways when the CNR was forced in 1923." The CNR has always been bedevilled and restrained and restricted and defeated, because it had to make provisions for this intolerable debt which it took over when this system of private railways was put together as long ago as 1923.

Today's users, Mr. Speaker, as a result have to continue to pay homage to the shareholders of some bankrupt railway systems which have made up the major part of the CNR. I submit that the privilege of yesterday should not continue forever to be the burden of tomorrow.

Thirdly, I think this matter of rationalization is necessary to avoid wasteful competition. And there are tremendous numbers of examples of wasteful competition between railways in our

province and across the country. It is desirable that we be able to rationalize in order to make the best use of existing lines and services. If we don't do that now, it is desirable to rationalize, to make possible the full use of transport services as instruments of national development particularly of regional development.

I want to go back to the proposal that I made with respect to a comprehensive transportation authority. There are some who may argue that we have this in the present Canadian Transport Commission. And to some extent there is some substantiation for that argument. There is a great deal more authority made available to the Canadian Transport Commission than the Commission has ever used or, indeed, I think has been directed to use. I don't think that this body at the moment is playing a positive role. I think there is ample evidence of that in the continuing deficiency and inefficiency displayed with the distribution and supply of boxcars for Western grains. This problem with regard to boxcars eloquently supports the failure to use our railway systems as a positive force. It has assumed and is given largely a regulatory function. As a minimum, I submit, it lacks any direction from the Government of Canada or even from any other place. Even where the legislation gives it power to act it hasn't really done so.

Secondly, I argue again for the reform for the outmoded and archaic financial structure of the CNR. This I believe is currently under discussion by a committee of the House of Commons and I would hope that a Resolution from this Legislature would strengthen that committee in its resolve to do something about that archaic and outmoded structure. It has been discussed for a long while. There are many who feel that this continuation of large debt is a deliberate attempt to saddle the publicly owned enterprise with impossible obligations which were not of its own making.

My urging is that we free this enterprise to do the job which it can do. Mr. Speaker, I said before in this House that we have two national railway systems in Canada. We have the CNR which we own and haven't paid for and we have the CPR which we paid for but don't own. I think that it is time that we did something about this situation.

Some Hon. Members: — Hear, hear!

Mr. Lloyd: — A very interesting article on the Canadian Pacific Railway and all the benefits and the blessings that have been bestowed upon it by the Canadian people appeared in the Toronto magazine, *Saturday Night*, the issue of August 1969. This article referred to the CPR as, and I quote: "A fourth generation welfare case." I think that is a reasonably apt description of the Canadian Pacific Railway. A fourth generation welfare case which has enjoyed the benefits of the public dole longer than anyone or anything else in Canada.

One has to think back to the beginning of the CPR, I submit, because at the time it was built it was in fact viewed as an instrument of Canadian development. And it was in fact so defined and so directed at that time. It was, indeed, one of the means that were necessary to guarantee a Canada from sea to sea. It was a very essential part of Canadian development. It was a very essential instrument of regional development at

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that time. And really part of my argument is, let's return it and other railway systems to what was their traditional function, something to develop Canada and to develop the regions of Canada which had development potential.

I can't refrain from mentioning that some other purposes crept into this whole matter of construction of the CPR. I suppose one of the classic telegrams ever sent in Canada, originated during the election campaign of 1872. That was a telegram from the leader of one political party to a representative of the Canadian Pacific Railway. It was a very frank telegram. It said this: "I must have another \$10,000. Do not fail me. Answer today." That is what the telegram said. And the guy who got it knew what it meant and the \$10,000 was forthcoming, \$10,000 which by the way was in addition to \$287,000 already received for the same purpose. One has to assume, I suppose, that in one way those investments of \$10,000 plus \$287,000 paid off, because it is worthwhile noting again, kind of public assistance which was made available to the CPR at that time and subsequently in the form of gifts. The CPR got a cash government subsidy of \$25 million. It got in addition 25 million acres of land in Western Canada, Mr. Speaker, and let's not forget that — 25 million acres of land in Western Canada. It got the parts of the railways already built on which the Government of Canada at that time had spent some \$14 million. These were handed over holus-bolus to the CPR and it got in addition sections under construction completed at the Government's expense.

That wasn't the end of the story. Later it got more. If one goes back to some of the subsequent activities we find that the total grants which the Canadian Pacific Railway received from all government, Federal and Provincial, added up in original grant is best known. But that grew and over the years the total of gifts, if you will, has added up to some 40 million acres. In addition it has had cash subsidies, plus expenditures on construction lines turned over. These are valued at something over \$100 million. It has in addition had very significant municipal tax concessions continuing over many years, some of them in our province, more, again I think, in Western Canada than in other parts; some of them, some right here in the city until relatively recently.

These gifts formed the foundation for a great investment empire, one of the greatest investment empires in the whole world which I believe today has assets of some two billions of dollars, and this investment empire was largely made possible because of land and other gifts which came to it from the Canadian public. And we shouldn't forget that.

Right now, as a matter of fact, the Canadian Pacific Company takes more than half of its income from its investment subsidiary. It has large interests in gas and oil as well as land and other things. Again, the basis for this empire has been the gifts which it got from the Canadian public. It has in recent years been allowed to divorce the benefit from these gifts from the railway services and costs. It was given these gifts to provide transportation services. It now had been allowed to ignore these gifts in its Resolution of providing transportation services. It now has been allowed to ignore these gifts in its responsibility of providing transportation.

Some Hon. Members: — Hear, hear!

Mr. Lloyd: — And it now acts as one would expect a private corporation to act, of course, that the Canadian people should forget the gifts and pay regardless whatever the traffic will bear. We are charged according to the balance sheet demands of the railway and really not according to anything else.

I think that this matter then suggests that the CPR ought to be brought under public ownership. I think when it is to be brought under public ownership. I think when it is brought under public ownership there should be consideration given to these tremendous gifts which made this great empire possible. In support of that argument, I want to refer to another article of several years ago. This one appeared in the *Western Producer*, January 27, 1966. It reports on the meeting in Winnipeg of the Western Agricultural Conference. It quotes Arnold Platt of the Province of Alberta, who was representing at that time the Farmers' Union of Alberta Cooperatives, as saying that nationalization of the Canadian Pacific Railway will eventually take place. I want to read a few sections from this news item:

The CPR was paid government grants to offset losses on certain sections of the system, said Mr. Platt, it should be nationalized and any losses paid directly from taxes instead of through grants from the Federal Treasury.

The conference passed several resolutions, one of them recommending that the CPR be nationalized with the assets taken over at actual value, less a reasonable amount for land grants, mineral rights, and other concessions made to the Railway by previous governments.

A resolution asked the Canadian Federation of Agriculture to request Ottawa to unify the CPR and the CNR under one management so that the whole could be modernized to provide a better but less costly service.

Some Hon. Members: — Hear, hear!

Mr. Lloyd: — And on and on goes the requests of this group of farm organizations meeting in Winnipeg back in 1966. These of course are not new requests. These are requests which have been coming out of farm organizations in particular for decades, Mr. Speaker, and I think we need to reinforce them at this time.

Some Hon. Members: — Hear, hear!

Mr. Lloyd: — If we are going to have integration of transportation services, if we are going to remove some of the wasteful competition which we cannot afford, and less now, if we are going to have railway transportation systems as instruments of national, particularly of regional development, and have these in public hands, then public ownership of the CPR is one of the steps to be taken. I submit we can no longer continue to treat the CPR as a fourth generation welfare customer. As a result, Mr. Speaker, I want to move, seconded by my colleague, the Member for Turtleford (Mr. Wooff), this resolution:

That Resolution No. 2 be amended so as to delete all the words after "Canada" and to substitute therefore the following:

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to immediately roll back the increases in freight rates which took effect March 1st, 1970, and to investigate and enact necessary measures to bring about more favourable freight rates for the Province of Saskatchewan, and further urge that such investigation include consideration of:

- (a) eliminating as an operating burden the cost of the watered capital debt inherited by the CNR;
- (b) bringing the CPR under public ownership in order to facilitate the development of an integrated transport system; and
- (c) establishing a comprehensive transport authority to nationalize all systems of transportation.

Mr. Speaker, I so move.

Some Hon. Members: — Hear, hear!

the debate continues on the motion and the amendment.

Mr. R.H. Wooff (Turtleford): — Mr. Speaker, because of the importance of the Resolution it is a pleasure, as far as I am concerned, to second the motion as it is amended. My Leader has done his usual thorough, exhaustive analysis of the problem and has presented some very good suggestions and answers to the problem.

In our modern world of speed, in every phase of human existence transportation plays an ever-increasing role of importance. In fact, Mr. Speaker, take transportation out of life as we know it and Canada today and our whole civilization would grind to a halt. Listen to the advertising of air lines, rail lines and truck lines and one realizes that transportation of goods and people is a most integral part of Canada as we know it in 1970.

One only needs to look at nations whose transportation within their own borders lags far behind that nation's need to have driven home the importance of a country's need of rapid transportation. China and India have both suffered terrific famines in the memory of most of us. One factor has always stood out, lack of the means to transport food already existing in the country to the areas that were suffering. Transportation has plagued a great country like Russia because of its immensity and the lack of the essential transportation services. Yet on the contrary, it was the lightning mobility of Hitler's military force that was so terrifying and which gave him such an initial advantage.

Because of the immensity of Canada, because of our geographic, climatic and varying terrain, transportation accounts for a greater share of the gross national product than in any other country. I would just like to repeat that for the benefit of the House — because of the immensity of Canada, because of our geographic, climatic and varying terrain, transportation accounts for a greater share of the gross national product than in any other country.

Mr. Speaker, I must admit the Member for Saskatoon City Park-University (Mr. Charlebois) — and I am sorry he is not in

his seat — almost took my breath away by his candour and forth-rightness. Whether I accepted all his deductions or not, I commend him for his presentation. I couldn't help the thought that perhaps he had been reading some of the addresses of CCF and NDP Members over the years. If he had not, I would suggest that he do so and discover just how far behind he really was.

Because of the importance of transportation, as I have already pointed out, the (a), (b) and (c) portions of the amendment suggest the answers to these problems. Over the years we have had comparisons drawn between the nationally owned CNR and its competitor, the privately owned CPR. We should always remember that we do not have a nationally owned railway because the Federal Government of that day believed in public ownership. It was rather because it made a great effort to bail private investors out of ruin at public expense, great care being taken not to clear the CNR of debt altogether, but to leave the private investors a great block of shares in the new so-called "National Railway" from which they could draw annual payments of interest, the real clincher, Mr. Speaker, being that these shares had no date of maturity. But we, the people, Mr. John Canuck has paid for these shares five and six times over and is now working on another lap. What a bonanza, but for whom?

The long-term debt of the CNR on January 1, 1969, was just about \$2 billion. Interest alone in 1968 amounted to \$70 million. Certainly the CNR has had its deficits over the years but the CNR made as much profit in 1968 as the CPR did - \$41.3 million — but with an interest debt of \$70 million it meant the CNR was faced with a deficit of \$29.2 million. This is how the long-term debt keeps increasing. And this is why the Canadian people must keep paying higher and higher freight rates. Actually it was designed to do just that, and that of course is what happens each year. and we profess concern and wonder why the CNR should be in difficulties. It is the elimination, Mr. Speaker, of these horrible, yes, and diabolical handicaps that the (a) section of the amendment calls for:

and further urge that such investigation include consideration of eliminating as an operating burden the cost of the watered capital debt inherited by the CNR.

I recall the days when the bankrupt railways finally became the CNR. Those railways that became the CNR got into financial trouble and appealed to the Federal Government to bail them out. I recall a humorist of that day writing a rippling rhyme a few lines of which have stayed in my memory from boyhood days:

Sir Dan is after dollars and Sir Will is after cash,
With a gentleman called Hanna and the patriotic lash.

It went on and one and pictured these gentlemen that owned the various railways at that time at Ottawa seeking cash to bail them out of their difficulties.

And so, Mr. Speaker, we have the birth of the so-called national railway spawned and cradled and spoon-fed by a free enterprise government at public expense.

Let us turn to the (Bill) section of the amendment: free enterprisers love to point to the successful private railway as a great argument for so-called free enterprise as against public

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ownership. CPR profits for the railway only, in 1968 were exactly the same as the CNR - \$41.3 million. Because of other factors I would have to say that the management of the CNR must have been a little superior to the CPR. One of those factors being that the Canadian Pacific has always had the cream of the business. But let's look at the Canadian Pacific for a moment. Including railway, steamship lines, airlines, trucking firms, hotels, telecommunications, the CPR has over \$2 billion worth of assets. Perhaps someone will say, "Bravo CPR." The mover of it will be repetition. Let's look at it a little closer. Most of the affluence of the Canadian Pacific transport system can be traced to the 25 million acres of land the CPR was given back in the 1800s. This land was granted in the choicer areas of the province but not in a single block. It was scattered as every other section so that the homesteader could not increase the value of his own land without increasing the value of the CPR land, free of charge. This is where the free enterprise angle comes in, Mr. Speaker.

On top of this, they have helped pay subsidy after subsidy over the years along with constantly rising freight rates and received diminishing services. Just as though that was not enough the CPR was given all the mineral rights while the poor homesteader's mineral rights went to the Crown. Today the CPR Company is reaping its millions from its mineral rights.

In 1968 the CPR received from public funds a subsidy for passenger service of \$96 million. In 1969 it got another \$82 million. In 1968 the CPR profits and subsidy took \$137.3 million out of the pockets of Canadians. In interest alone in 1968 the CNR took \$70 million out of the pockets of the Canadian people. This means that in 1968 along the two railways had a total in subsidies and profits of \$297.3 million. Is it any wonder transportation is in difficulty? Is it any wonder freight rates are ridiculously high? Is it any wonder taxes go higher and higher? Is it any wonder, Mr. Speaker, even Saskatchewan Liberals are growing weary and short-tempered over Saskatchewan always being short-changed as far as transportation is concerned?

Mr. Speaker, there is only one answer to the CPR monster and that is found in the (Bill) section of the Resolution as amended:

and further urge that such investigation include consideration of bringing the CPR under public ownership in order to facilitate the development of an integrated transportation system.

In a country such as Canada so important a service as transportation which affects the lives of all Canadians every day we live, be it water, rail, highway or aeroplane, should be under direct government control as section 3 of the Resolution outlines.

My Leader pointed out in the last 10 months we have been faced with a 12 per cent increase in freight rates. The Resolution calls for a rolling back of these increases. Such an authority as the amendment to the Resolution suggests, Mr. Speaker, would rationalize the whole transportation system to bring order out of chaos, be it freight rates, movement of wheat, or the passenger service which at the present time is
a

real bottleneck and a real problem and in many cases pure lack of services.

And so the (c) section of the amendment reads:

and further urge that such investigation include consideration of establishing a comprehensive transport authority to rationalize all systems of transportation.

Some Hon. Members: — Hear, hear!

Mr. T.M. Weatherald (Cannington): — Mr. Speaker, I wonder if I could ask the Hon. Member one question before he takes his seat if he would permit it. Would you permit one question?

Mr. Wooff: — Yes.

Mr. Weatherald: — The Hon. Member went to considerable length on the CPR profit and so forth. I just wonder if he would go one step further and calculate what the CPR profit was on their investment and possibly when he gets this calculated he could inform us what the return on investment actually was. Maybe he has already done this. If he has, well I would be glad to hear it.

Mr. Wooff: — I know, as you know, over the years what you and I have contributed to the CPR Company.

Some Hon. Members: — Hear, hear!

Mr. Wooff: — That in itself should give you the answer that you are asking me.

Mr. D.M. McPherson (Regina South West): — Mr. Speaker, in seconding the motion by the Member from Saskatoon city Park-University on this freight-rate Resolution I really believe this is one of the most important Resolutions that we have had before us this Session. I think it is a Resolution that — I notice that the Leader of the Opposition has done a great deal of research, and some very good research I might add — because I have dealt with these problems very thoroughly. I want to assure the Member from Turtleford that any of the speech that I am going to give today didn't come from the NDP. This is a speech that is written by myself and I just didn't get it out of any of the NDP books. But it is very important and I think that is a Resolution that this whole House should support.

I would like to first speak about the freight rates, Mr. Speaker, on something that we all know a lot about, on both sides of the House, first speaking about cattle, carloads of cattle from Regina to Toronto and to Montreal. As of March 1969, the rate for a 36-foot car on a 20,000-pound minimum was \$2.38. As of March 1, 1970, this was raised to \$2.67 which was a 12.2 per cent raise. I looked this over very carefully and what it added to a carload of cattle leaving Regina — carload weighing 20,000 pounds — the old rate was \$780 and the new rate would be \$876.41. I point this out, Mr. Speaker, because this is so important because the freight rate is added on to the

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consumer price of food and every article that we do use today. It just shows what is happening in freight rates. There is no warning — suddenly we get a new freight rate. Now these freight rates that went on the cattle on the 1st of March were protested by the Saskatoon Chamber of Commerce, they were protested by the Regina Chamber of Commerce, the city of Regina, the city of Saskatoon and the Provincial Government. I think everything has been done to see if we can't hold these rates or roll them back. I also want to say that I am not completely against the way the railways do it, suddenly you wake up and you get a new freight rate on your desk in the morning, and being in business there is no way you can set your prices. The competition just isn't here in the West and we do have railways and motorways and all these different trucking firms giving a rate. I'd like to quote before the House, Mr. Speaker, the rates on articles up to 100 pounds coming from Peterborough, Ontario, which are used by the farming population and used by everyone. Before the 1st of March the rate was \$3.52; the 1st of March we got notification that the rate had gone to \$7.00 which is a 100 per cent increase. On the 15th of March if the railways and the motorways don't come along and say that they have raised these rates to \$12.75. I point this out, Mr. Speaker, to show just what can happen. The railways and the trucking firms do not want this type of merchandise, anything that is 100 pounds. I don't know where we are going to get transportation to handle this type of thing. We must go to the transportation companies and they must handle this type of freight at a reasonable rate. It happened to be agricultural equipment that was brought in under 100 pounds and as you can see when you raise it three to four hundred per cent this is pretty bad.

I would like to go into a few things about transportation, Mr. Speaker, and what it means to Saskatchewan producers and also what it means to the consumers. Historically and currently concern has been and is voiced by the Prairie Provinces and more particularly by Saskatchewan, Mr. Speaker, regarding the problem of paying an unfair share of the transportation costs in marketing productive output in common world and domestic markets. Also Saskatchewan residents have had to pay a high price on transportation for consumer goods purchased predominantly in the major markets in Eastern Canada. Because of Saskatchewan's continental location, approximately 1,100 miles to Tide Water at the west and about 800 miles to the Lakehead, wheat producers in the Province of Saskatchewan pay the highest average rail rate relative to the other Prairie Provinces on export grain. Potash producers in the provinces have the highest inland transportation cost compared with other world potash producers and exporters. To place potash at Tide Water and proportionally higher rate on the movement of wood pulp into the common market, for example, Chicago, than do either the producers at Hinton, Alberta, or in Northern Ontario. It is therefore, Mr. Speaker, obvious when looking at a map of Canada that Saskatchewan has a real price differential to overcome because of distance. When buying and selling in major domestic and foreign markets this distance, however, is not the only factor affecting freight rates in Saskatchewan. Competitive factors are also very important. The railways' practice of charging different rates for the same service has been recognized by some as legal if the discrimination can be justified on the basis of competitive forces. The existence of or non-existence of competition is probably the most widely applied reason for differential pricing of transportation. The railways should never be denied the right

to meet competition. However, there is no doubt that the lack of competitive prices in parts of Canada, particularly Western Canada, has had a tremendous impact upon the railway revenues.

The availability of water competition in Eastern Canada has from the beginning of the railway era exerted considerable influence on the rate structure of the area. Saskatchewan recognizes that, to some extent for a portion of the long hauls inbound and outbound from Eastern Canada, the existence of waterways has eased somewhat the burden of overall costs for the movement of Saskatchewan products and the requirements that we have. However, as water competition is concentrated exclusively east of the Lakehead, except for the existence of transcontinental rates due to the Panama Canal which benefits only the Province of British Columbia, the complete lack of water navigation on the Prairies places Eastern Canada in a much more favourable competitive position. As compared with the situation on the Prairie, a very large proportion of the total productive output in Eastern Canada is moved under the influence of water competition. Practically all of the large industrial centres in Eastern Canada are located on natural waterways.

Proportionally, the development of road transport in the East and its consequent competitive impact on the railways have benefited, Mr. Speaker, Eastern shippers to a much greater extent than has been the case on the Prairies. The railways have been forced to establish very low rates in Eastern Canada to meet this competition, thus placing a heavier transportation burden on the Prairie shippers who lack the advantages gained from this competition. The lack of and the dispersion of population in the Prairies and the much higher per capita mileage of road and the higher cost of constructing and maintaining all weather roads due to physical climatic conditions in Saskatchewan, these have mitigated against the economic feasibility of the development of comparable trucking competition on the Prairies.

It can be clearly stated, Mr. Speaker, that producers in areas in Canada, such as in the land-locked Province of Saskatchewan, that lack advantage of competitive transportation, when competing against producers and shippers in Eastern Canada and British Columbia, that benefit from the transcontinental rates, are clearly subsidizing those areas better endowed by available competitive transportation facilities.

Mr. Speaker, during the development of modern competitive transportation facilities in Canada following the war, chiefly trucking in Eastern Canada, much of the high-value freight traffic that moved under the rail, competitive rates were taken over by trucks. The lower rated heavy-loading good, however, remained on the rails. the railways were thus faced with a declining revenue in relation to traffic volume. At the same time rail costs were rising fairly substantially. Attempts to solve this dilemma were mainly in the form of horizontal rate increase allowed under the terms of The Railway Act. This is a fixed percentage on all except statutory rates. The railways were free to apply the increase to traffic where, in their judgment, they would be more effective. This method resulted in increases in rates for non-competitive traffic and little or no increase on highly competitive traffic. In other words, Mr. Speaker, the old principle of charging "what the traffic will bear," still applied. Ultimately, this system was self-defeating because each increase in rates on the so-called non-competitive sector left more of that traffic open to competition.

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Thus, each rate increase had to be applied to a narrower and narrower base of non-competitive traffic.

Comparative figures on rates, Mr. Speaker, and revenues illustrate the problem. Between 1948 and 1958, 12 horizontal freight rate increases for a total addition of 157 per cent yielded only 55 per cent increase in revenue per ton mile, excluding statutory and competitive movements.

It is in those parts of Canada where competition to the railways is less severe that the inequities of the present freight rate structure are more evident. Although the railways no longer enjoy their former monopoly position in Canada as a whole, monopoly is still evident in the Maritimes and the Prairie regions, particularly Saskatchewan, Mr. Speaker, where because of distance to markets, nature of traffic and scarcity of population normal development of competition tends to be inhibited. It is true that the number of competitive rates and agreed charges are increasing in both Western and Atlantic provinces. For instance in Saskatchewan, in terms of revenue to the railways agreed charges and competitive commodity, Mr. Speaker, rates have increased respectively from 14.9 per cent and 13.7 per cent of total rail revenues in 1964 to 15.1 per cent, and 21.8 per cent in 1967. Nevertheless, the increase falls short of similar developments in Central Canada. The uneven distribution and impact of competitive are particularly noticeable on long-haul shipments from both the Maritimes and Prairies to the markets of Ontario and Quebec. An example of inequality of horizontal freight rate increases is evident where for example a 10 per cent increase in freight rates will increase a \$500 per car long-haul shipment by \$50 and, Mr. Speaker, a \$50 per car short-haul competitive shipment by \$5. Also, the short-haul competitor has the likely advantage of availability of competitive transportation which the railway had to consider before applying the rate increase.

The last of these horizontal freight rate increases allowed by the Board occurred in December 1, 1958, Mr. Speaker, at which time, after strong representation from the Maritimes and Western Canada, the Government of the day passed The Freight Rate Reduction Act — and we will all recall the roll-back subsidy — effective August 1959, which amounted to about \$20 million annually. As a result, the rollback subsidy removed approximately 8 per cent of the original 17 per cent increase authorized by the last horizontal increase by the Board, which applied almost entirely to the captive or non-competitive segment of traffic. It is this imbalance in the freight rate structure, Mr. Speaker, caused by the application of these former rates and the increases that they gave them on predominantly non-competitive traffic, that the Prairie Provinces and particularly Saskatchewan are being forced to live with today and which is having a profound influence on the level of our current rates.

I would like to elaborate now on specific cases of ratemaking which are affecting the level of currently established rates on major commodity movements in Saskatchewan. The controversy resulting from an attempt by the railroads to increase the rate on potash — which you all recall — by 6 per cent from Saskatchewan points to Vancouver and the already imposed increase of 6 per cent to Fort William and United States points, coming at a time when the world market for potash is not keeping pace with production, is very distressing to the producers, residents

and also the Government Saskatchewan. The 6 per cent or the 54 cents per ton, Mr. Speaker, — this brings it to \$9.54 — increase in the Saskatchewan-Vancouver movement is slated for implementation on February 20 unless additional extensions are granted to this people. The apparent inability of IMC and the railways to negotiate rates into the United States market has led to the development of a truck movement of potash from Esterhazy to Northgate. The \$2.00 per ton saving by IMC on this movement is apparently not beyond the reach of the railways to meet. The CNR and the CPR have offered IMC a reduction of \$1.10 per ton on all potash shipped from Saskatchewan into the United States but the industry must agree to maximum loading, Mr. Speaker. the railways also have offered an additional \$1.90 per ton reduction, if the potash industry will agree to equalize shipments on a monthly basis over the year rather than continue to ship on the basis of seasonal market requirements. In other words they want it to stretch right across the whole year. The combination, Mr. Speaker, of maximum loading and equalized annual shipments could save the industry a minimum of \$3.00 per ton which would more than meet the truck rates and would contribute to a stabilized movement. Part of this saving, however, would be required to provide storage facilities at the market end of the operation which perhaps is where the major storage facilities could be located. A similar prediction can be made on the Saskatchewan-Vancouver movement and perhaps with greater advantages. More will be said about this later.

Of vital concern to the Province of Saskatchewan is the fact that Saskatchewan potash producers must meet the market competition of the world. These enjoy much shorter distances and hence less costs to move the product from mine to Tidewater. For instance, the latest cost to Spanish producers to place the product aboard vessel for export is \$2.08 (U.S. funds) per ton. If Saskatchewan is to compete successfully, Mr. Speaker, in existing and expanding world potash markets, it is of utmost importance that the industry and the railways collaborate to the fullest extent to protect their market position. It is equally true with the railways as it is with the industry. Neither will gain if through inability or unwillingness to adjust technology to hold or even reduce costs markets are lost. This is why, Mr. Speaker, any attempt by the Canadian railways to maintain parity in rates with their American counterparts on the movement of potash to export has little meaning when viewed in the knowledge that the United States potash industry is facing increasing production costs.

Our Premier, Mr. Speaker, as you all know was quick to recognize the danger signals in the potash industry and subsequently through his initiative established with New Mexico producers and authorities a quota system for Canadian delivery of potash into the United States at the minimum base prices. Insofar as our United States markets for potash are concerned there appears to be little we can do at the moment to influence the American railway policy of maintaining parity on rates with Canadian railways. so much for the American market.

Our major energies, however, should be diverted to our off-shore markets with the view to meeting the challenge of increased pressure from world competition through maximum efficiencies in producing the potash itself, and our techniques must be up to the top in marketing at all times.

Mr. Speaker, I think there are several things I would like to say further on this, but I think it all boils down to a

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summation how Saskatchewan is faced. We are watching very close what is happening to the cost for Saskatchewan shippers. I think we must watch this and watch this very closely. We are watching the CPR too in every way that we can and we are protesting in every way that we can. It is all too apparent what an increase of approximately 10 per cent in the level of tolls will have on the water movement of wheat from the Lakehead. Likewise any increase in the tolls will reduce somewhat the competitive effect the seaway has on the existing railways. All in all in order to help our farmers, our producers, we must work at all times to keep the freight rates down, and we must protest as vigorously as we can, because Saskatchewan as I pointed out today is in a bad position geographically. If we don't do something it we are going to be seriously affected economically.

Mr. Speaker, I think the Resolution by the Member from Saskatoon City Park-University (Mr. Charlebois) is very plan and I am certainly going to support it.

Some Hon. Members: — Hear, hear!

Hon. W.R. Thatcher (Premier): — I would like to say one or two words about this amendment and motion. Certainly I think Hon. Members on both sides of the House are in agreement that Saskatchewan is receiving a very poor economic deal from our railroads. We simply cannot see why, as citizens, we should pay freight rates which are higher than those paid by the people of Ontario and Quebec. I can certainly tell you, Mr. Speaker, that these unfair discriminatory rates are hurting us in a very major way, as we go out to try and find new industries. As the Hon. Member for Regina South West (Mr. McPherson) very ably pointed out, our potash industry is being discriminated against; our pulp industry and our lumber industry are being discriminated against, and so are many other manufacturing plants in this province. I don't know whether this motion moved by the Leader of the Opposition (Mr. Lloyd) is the answer or not. I think the original motion was a good one. It calls upon the Government of Canada to investigate and put into use effective measures to bring about more favourable freight rates. It was moved because we want this whole Legislature unanimously to be on record. I'm sure that Members on both sides of the House ultimately will vote for the motion. I can't say very much, however for the amendment. To me it is mostly meaningless verbiage. First of all it calls upon the Government of Canada to immediately roll back the increases in freight rates which took effect March 1, 1970.

Some Hon. Members: — Hear, hear!

Mr. Thatcher: — As usual the Leader of the Opposition is about three months late in making such a proposal because our Government many weeks ago officially asked Ottawa to do precisely that. We have asked the Prime Minister and we have asked the Transport Board. then the sub-motion or the amendment goes on to say that we should urge that such investigation include. . .

Mr. Speaker: — Order, order! The Member for The Battlefords (Mr. Kramer) on a point of order.

Mr. E. Kramer (The Battlefords): — Mr. Speaker, I am informed that someone just took a picture in the galleries.

Mr. Speaker: — Everybody knows you can't take pictures in the House and if somebody did take a picture they shouldn't have done so. I thought I saw a flash myself, to tell you the honest truth. Pictures shouldn't be taken in the galleries and that's it. If anybody has a camera up there they are not supposed to have it there. I would ask the Sergeant-at-Arms just to make sure that this doesn't recur.

Mr. Thatcher: — Mr. Speaker, if I may proceed, this amendment has (a), (b) and (c) clauses. Clause (a) suggests that the Government should consider eliminating as an operating burden the cost of the watered capital debt inherited by the CNR. Well, again he is about ten years late. The House of Commons about a decade ago substantially reduced the bonded indebtedness of the CNR. Oh, yes, I happened to be there. Maybe Parliament didn't proceed as far as the Leader of the Opposition would like, but it cut out many, many millions of dollars. Still the CNR continues to have a deficit. Then the Hon. Leader of the Opposition suggests we might help the Western producer by bringing the CPR under public ownership. After the experience which my hon. friends opposite had with public ownership in Saskatchewan, surely they wouldn't bring that old turkey up again. When they introduced Crown corporations here, half of them went broke or folded up. Almost every other one of them that had to meet any competition lost millions of dollars. Why even the Power Corporation under the Socialists couldn't make a dime. Once we put proper management in of course, today, the Saskatchewan Power Corporation is making money. But generally speaking every Crown corporation couldn't operate. Today we see the CNR year after year losing money. I don't think we want the CPR taken over by the Government, because public ownership just isn't efficient. People won't work for the Government the way they work for themselves. I'm sure this side of the House wouldn't want to see some theoretical people or teachers or preachers trying to run the CPR. Clause (c), Mr. Speaker, suggests that we should establish a comprehensive transport authority to rationalize all systems of transportation. I suppose by that statement, the Leader of the Opposition means that this transport controller should look after the railroads, trucking and seaways. I'm not particularly opposed to such a motion, though I don't think it would help the West very much, first of all because we have no water competition out here and secondly, because we have very little trucking competition. So all in all I think this amendment is very impractical. It doesn't mean very much, thus Members on this side of course will vote against it. I'm sure that, as I said earlier, when our motion finally comes to a vote the Socialists will be in favour. They frequently talk against motions, as they did yesterday, but when the squeeze is on they invariably vote for them.

I must say that Members on this side of the House are very incensed at the attitude of the railroads. We have made request after request to the CPR and the CNR for better treatment. We believe that freight rates are one of the main causes of national disunity in the West. We have watched the Prime Minister time and again tell us that we must contribute to Confederation and to national unity. He is always interested in bilingualism and biculturalism. I don't blame him. But if he is interested in things that are vital to Western Canada, we wish he would take a look at freight rates and do something meaningful about them.

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In the meantime this Government believes there may be a step which we can take now. I may tell you, Mr. Speaker, that in the next day or two days we expect to have a Bill before the Legislature which will substantially increase the mineral tax which large holders of leases will be called upon to pay. We have in mind particularly the CPR and the CNR. Our Attorney General is working out the final mechanics with the Minister of Mineral Resources (Mr. Cameron). As I say, within two or three days we hope we will have a Bill which will make the CPR and the CNR pay for some of the advantages which they have enjoyed in Western Canada.

Mr. Speaker, we will oppose the amendment and vote for the motion.

Mr. Lloyd: — Would the Premier permit a question before he sits down?

Mr. Thatcher: — Certainly.

Mr. Lloyd: — Would you table for the information of the Legislature the representations that you have made with respect to rolling back the freight increases to March 1.

Mr. Thatcher: — No, we will not, Mr. Speaker.

Mr. Lloyd: — I didn't think you would.

Mr. Thatcher: — You read our brief to the last Federal-Provincial Conference. Our viewpoint is there. It is available to the public. As a matter of principle this Government will not table correspondence with Federal Cabinet Ministers. We believe this is privileged. If we want to write a Federal Cabinet Minister, we see no reason why we shouldn't be able to write him confidentially. For that reason we will not table such correspondence. But we have made representation after representation by mail, by telephone and by personal contact on this subject.

Some Hon. Members: — Hear, hear!

Mr. D.W. Michayluk (Redberry): — Mr. Speaker, I had not anticipated in taking part in this debate. However, the Premier always amuses Member when he rises in this House and brings in issues which need some clarification. It is on this point that I rise, Mr. Speaker. The Premier thinks that he is speaking to the Medical Association, somewhere in the United States or to some other organization. Today he made particular reference to Crown corporations during the period when the CCF were the government. I want to clear some of the misrepresentations and misconceptions which the Premier brought forth. It so happens, Mr. Premier, that I have a 20-year record of the particular Crown corporations to which you made reference in your remarks. This is the period from December 1944 to December 1966. I have the statement and report for 1967, after your party became the Government. Here is the picture in respect of these Crown corporations that the Premier and some of the Members opposite have castigated and are still castigating us. Let Member begin with Government Printing. In the 20-year period, the profits were \$1,052,865 and the assets amounted to \$333,687. SGIO, this is another CCF Crown corporation. Mr. Speaker, total profits for the 20-year period amounted to \$6,144,564. Mark

this, Mr. Speaker, with total assets for SGIO along of \$26,482,095. Saskatchewan Minerals. . .

An Hon. Member: — . . .

Mr. Michayluk: — I'll come to that, Mr. Deputy Premier. Saskatchewan Minerals, for that same period, had profits of \$5,492,560. . .

Mr. Thatcher: — On a point of order, Mr. Speaker. . .

Mr. Speaker: — Order, order! Now we have got a point of order.

Mr. Thatcher: — Would you make a ruling as to whether the details of each Crown corporation are in order when talking about a railroad Bill. Oh yes, I mentioned the matter in a general way as the overall subject, but we know how much they lost over the years and I don't think the House needs to be informed again and I would ask you to make a ruling Mr. Speaker.

Mr. Speaker: — Well, I think the fact that the amendment. . .now we are debating here a motion and an amendment concurrently. Clause (Bill) of the amendment says, "Bring the CPR under public ownership in order to facilitate the development of an integrated transport system." I would think this brings up the whole questions pro or constituency of public ownership whether it is a good thing or whether it isn't.

Mr. Michayluk: — thank you, Mr. Speaker, for your ruling. Saskatchewan Minerals, Mr. Speaker, and Mr. Premier, for your information, had a total profit of \$5,492,562, with total assets of \$3,147,801. Saskatchewan Forest Products' profits were \$7,059,008. Total assets in this Crown corporation, and I am relating this to the amendment to that Resolution in which our Leader in his amendment is asking for the nationalization of the CPR.

Hon. D.G. Steuart (Provincial Treasurer): — What about the CNR?

Mr. Michayluk: — The assets of Saskatchewan Forest Products for period 1944-64 \$4,931,062. The Fur Market Service made profits of \$444,501; assets, \$182,000. The Saskatchewan Transportation Company made a profit in that period of \$1,727,171; assets of \$2,792,227. The Saskatchewan Government Finance Office made no profits, but assets amount of \$12,901,043. The Estevan Brick Company up to 1966 the profits were \$35,656 and assets amounting to \$569,102. In other words, Mr. Speaker, the total profits for the period of 1944-64 amounted to — profits for the people of Saskatchewan — amounted to \$22,221,223. The total assets of all these corporations together were \$52,339,147. Now for the losses for the shoe factory, the tannery, the wool mill that are thrown at us. Sure we had losses. How about some of your losses in the Prince Albert Pulp Company? You have losses too. The total loss for the tannery, the shoe factory, the box factory, the fish filleting plant and the woollen mill, amounted. . .

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Hon. C.P. MacDonald (Minister of Welfare): — What about Guarantee Fidelity?

Mr. Michayluk: — . . . Mr. Speaker, to \$1,675, \$1,675,220. In other words, the net profit amounted to \$20,546,013. The Premier, Mr. Speaker, has the nerve to rise here and castigate these Crown corporations, but in 1967, this is after three years of free enterprise rule. I have a clipping here from the Star Phoenix of February 28th, 1967, under the title, "*Eight corporations net over \$2,000,000.*" In other words, even the Liberals couldn't halt the profits of these Crown corporations that were instituted by the CCF Government over the 20-year period.

Here, Mr. Speaker, is a very concrete example of what Crown corporations could do. In reference to the CPR, the Hon. m from Turtleford and our Leader (Mr. Lloyd) and several Members on this side who have spoken have brought facts to prove that the CPR has been fleecing Canada and the Canadian public over a period of many years. We recognize that this was one of the factors which assisted to unite Canada during the initial stages of Confederation. British Columbia's condition to entering Confederation was a railway connection between the East and West. Somewhere during the building of this railway erupted the Pacific Scandal. Yes, Mr. Speaker, the building of the railway created unity. The CPR was given large tracts of land and mineral rights which they have held and still hold. I will support the amendment and I hope that the Premier, when he rises again, will ask Member for a copy of these figures so that he may give correct figures in respect to the Crown corporations which were operated during the period the CCF were the Government.

Some Hon. Members: — Hear, hear!

STATEMENT

PICTURE TAKEN IN GALLERY

Mr. Speaker: — Before any other Member rises to speak, I wish to say a few words in connection with the picture which was undoubtedly taken a few moments ago. A lady in the gallery admitted to having taken it. She has promised she will not use it, that she will destroy it. She expressed her apologies to the House and there the matter ends.

RESOLUTION NO. 2 CONTINUED

Mr. E.I. Wood (Swift Current): — Just before the questions is put in regard to the amendment, there are a very few words that I would like to say. I believe your ruling has been that the debate may be both on the amendment and the motion at this time, if we have not already spoken in regard to the motion.

Mr. Speaker: — the Member spoke on the original motion, didn't he?

Mr. Wood: — No, I have not. This is the first time I have entered the debate. This is very true, this is the first time I have entered this debate.

I would like to pace myself very strongly on the record in favouring what has been said by the Leader of our group and also the Hon. Member from Turtleford. I do think that the

Canadian Pacific Railway should not be in a position to totally disregard all the benefits that have been bestowed upon it through the many years in which it has been in operation in Canada. There is no use reiterating these things that have been said earlier in this debate. I would not wish to endeavour to go into that more deeply at this time. I do think that this is something that the general public of Canada and possibly we as Members of the House are a little prone to forget, but from time to time they are brought rather forcibly to our attention, as they have been this morning, all these things that have been given to them in the past in regard to cash grants and also land grants as well. Many of these land grants of course have been disposed of through the years, but of my own personal experience I farm a half section of land which was originally CPR land. I find that on my title is still a caveat to the fact that the CPR owns all the oil and the coal under my land. This is a very common occurrence throughout the West and the CPR still has a very large holdings in this regard throughout Western Canada. When we are talking about profits and losses and what should be done with these things, we must not forget that these things have been given to them by the people of Canada and the people of Western Canada in particular. If these grants had not been made to the Canadian Pacific Railway, undoubtedly these mineral rights would not be in the possession, many of them, of the people of the Province of Saskatchewan. These grants to the CPR can certainly not be disregarded.

Another think I would like to say, Mr. Speaker, is that — I am sorry the Hon. Member from Cannington is not in the House — I feel that I am in agreement with the questions that he asked a few minutes ago. I definitely would like to have a computation made of just what this company's return is on the original investment. I think you will find that the return, say in the year 1969, that has been given to this company in regard to the amount that was originally invested — it would be a tremendous one — it would overshadow by far the majority of organizations that are in operation in Canada today. I would like to support what the Hon. Member from Cannington has said. I would like, if it was possible, to have divulged to the House just what the figure would be.

In regard to what the Hon. Premier has said in regard to the amendment which we have before us, I don't happen to have a copy, but I do believe that the amendment has suggested rolling back of present increases in freight rates. The Hon. Premier says we are too late on this; the Government has already made representation to the House and we will have to accept his ruling on this. I don't think the Hon. Premier should take the position that what his Government has said in this regard is the last thing that can be said. I think that a matter of this kind is something that this House should stand up and support, I think we should stand up and support the Government in what it has done. I think that the vote of this Legislative Assembly along this regard would openly add weight and a good deal of weight to what the Government is purported to have already done in this way. I think it has taken the attitude that it has done everything that can be done and nothing more can be done. That is certainly not the position that should be taken on this.

Again the Premier spoke of the cutting back or dealing with in some way the huge deficit of the CNR. He intimated that 10 years ago when he was in the House in Ottawa that this was taken care of. I am certainly not in a position to say

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what the Hon. Premier did when he was a Member of the House of Commons, but one thing I would like to say is that he certainly did not, or the House in which he sat certainly did not, look after in a very effective way the deficit of the CNR. As the Hon. Leader of the party already pointed out, there are huge deficits. I am just not too sure whether he read this earlier, but I would like to repeat it at this time, with your consent, Mr. Speaker. He was referring to a report back in 1967, it says:

The Report tabled in the Commons by Transport Minister Pickersgill said interest payments on the CNR debt amounted to \$64,702,000, double the amount paid only 10 years earlier. It results mainly from obligations taken from former privately owned railways when the CPR was formed in 1923.

If the House of Commons, when the Hon. Premier was a Member thereof, dealt with this thing effectively and it doesn't need to be raised again at this time, I would say they made a very, very poor job of it. I would definitely say that this does not hold water. But when we have the amount of interest doubling over a period of 10 years and amounting to some nearly \$65 million, if the Hon. Premier considers that this was effectively and satisfactorily taken care of 10 years ago, I certainly must disagree with him.

There have been some things said about the Saskatchewan Power Corporation and such. I think that the Hon. Member from Redberry effectively dealt with this argument. I would simply like to repeat to the Assembly at this time that I certainly do concur in the amendment put forward by the Leader of the Opposition and I will certainly be supporting it.

Some Hon. Members: — Hear, hear!

Mr. Speaker: — I owe the Member for Swift current an apology. I happened to have it ticked off on the score sheet here and I mistook once again the name Wooff for Wood. I apologize for that.

The amendment was negated on the following recorded division:

YEAS — 20

Lloyd	Berezowsky	Matsalla
Bowerman	Thibault	Wooff
Kramer	Whelan	Willis
Messer	Snyder	Kwasnica
Wood	Michayluk	Kowalchuk
Romanow	Brockelbank	Byers
Dewhurst	Pepper	

NAYS — 30

Thatcher	MacDougall	Radloff
Howes	Grant	Weatherald
McFarlane	Coderre	Mitchell
Boldt	Larochelle	Gardner

Steuart	Estey	Coupland
Heald	Hooker	McPherson
McIsaac	Gallagher	Charlebois
Guy	MacLennan	Forsyth
Barrie	Breker	McIvor
Loken	Leith	Schmeiser

The debate continues on the motion.

Mr. J.J. Charlebois (Saskatoon city Park-University): — Mr. Speaker, I would like to say simply that I think the approach that this motion should be used as an excuse to discuss the nationalization of industry is to Member quite wrong. This is not the intent of the motion at all. I would like to say that we as a Government are still in favour of free enterprise wherever it can do the job. I would like to say too that I think the. . .

Mr. R. Romanow (Saskatoon-Riversdale): — . . . jobs . . .

Mr. Charlebois: — Mr. Speaker, if you would ask that yakky so and so to shut his mouth for a minute I have only a few remarks.

As far as the other side is concerned I would like to say that the NDP seem to have trouble making up their mind about how far they should go toward nationalization. When we look at your left and your right, brother, we are looking at quite a time you are having. What with the young NDPs wanting to nationalize all the farms and Mr. Watkins wanting to get on with his Waffle group and then some of these entrepreneur types wanting to go the same direction as their friend Mr. Schreyer, and inviting free enterprise and inviting American capital in, I don't think we should get carried too far off on a tangent about nationalization in this debate. I think it was entirely out of order that it was every introduced. I would say for your benefit and the others on your side, when you were speaking about your Crown corporations a short while ago. . .

Mr. Wood: — Mr. Speaker, you have ruled that this debate is on both the amendment and the motion. But where an amendment has already been taken care of, has been defeated, in closing the debate is the hon. Member entitled to go back and rehearse and go through the arguments advanced in regard to the amendment?

Mr. Speaker: — In closing a debate a Member is entitled to answer the arguments advanced by others in opposition to or in support of his motion or he may elucidate a misunderstood part of the speech which he had previously made. Because this was a concurrent debate, my personal contention is he has a right so to do. He has the right to answer any argument that was advanced by any Member at any time in a concurrent debate. Now, had the questions been strictly on the amendment, then of course he couldn't do so. But this has been a concurrent debate, therefore, I consider the mover of the original motion has the right to answer any arguments that were advanced by others in any part of the debate. But I draw your attention to the fact that he can't bring in new arguments or arguments that weren't presented by anybody else previously.

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Mr. Charlebois: — Mr. Speaker, I won't belabour the point, but I would like to make the point, and thank you for your ruling. I would like to say, though, there was the discussion about the amount of money that can be made by Crown corporations. I would like to remind the Members opposite that this year we will make more money with the Saskatchewan Power Corporation under a free enterprise government, than your Government made with all your Crown corporations in the whole 20 years. You can put them all together, put the whole thing in one bundle and in one year under a free enterprise government we'll make more under that one. . .for your benefit Michayluk. . .Do you want to get up, or do I have to sit and listen to you yap too? We have no need of the nationalization of the CPR. Certainly this would not achieve the purpose of the motion. What we need in freight rates is competition and certainly the nationalization of the CPR would not achieve this in any way. It would only make the situation worse.

I would hope, Mr. Speaker, that in my earlier remarks in opening the debate that I covered the thought that I wanted to present to this House at that time. I certainly would hope that all of the Members in this House would vote for this motion. I can't believe that anyone in this House would vote against it because it is for the benefit of Western Canada that the motion was presented. It never was meant in the first place to get into any debate on nationalization or anything of this kind. It is simply to put ourselves in a more favourable position as far as freight rates are concerned and I would hope that my remarks were clear enough to lead us toward that end. I will be voting for the motion and I hope all other Members will too.

Motion agreed to on the following recorded division.

YEAS — 50

Thatcher	Gallagher	Wood
Howes	MacLennan	Romanow
McFarlane	Heggie	Dewhurst
Boldt	Leith	Berezowsky
Steuart	Radloff	Thibault
Heald	Weatherald	Whelan
McIsaac	Mitchell	Snyder
Guy	Gardner	Michayluk
Barrie	Coupland	Brockelbank
Loken	McPherson	Pepper
MacDougall	Charlebois	Matsalla
Grant	Forsyth	Wooff
Coderre	McIvor	Willis
Larochelle	Schmeiser	Kwasnica
MacDonald	Lloyd	Kowalchuk
Estey	Bowerman	Byers
Hooker	Messer	

NAYS — 0

Nil

ADJOURNED DEBATES

MOTIONS FOR RETURNS

RETURN NO. 71

The Assembly resumed the adjourned debate on the proposed motion by Mr. J.E. Brockelbank (Saskatoon Mayfair) for Return No. 71 showing:

- (1) Whether Information Services or any other Government department or agency has purchased television broadcast time for promotion of "Homecoming '71".
- (2) If so: (a) a copy of the scripts used in such promotion: (b) the names of the stations from which broadcast time was purchased, together with total cost of such time.

Hon. W.R. Thatcher (Premier): — Mr. Speaker, I would like to answer this question verbally, if it is in order. There was no such expenditure. If the Hon. Member still wants to go through the motions, we can agree to the Return.

Mr. J.E. Brockelbank (Saskatoon Mayfair): — I don't see any problem, Mr. Speaker, in presenting it.

Mr. Speaker: — . . . I didn't hear what he said.

Mr. Brockelbank: — I stated, Mr. Speaker, that if there is no problem in presenting a written reply, I don't see why the Minister won't go ahead and present it.

Motion agreed to.

RETURN NO. 80

The Assembly resumed the adjourned debate on the proposed motion of Mr. J. Messer (Kelsey) for Return No. 80 showing:

With respect to development of the silica sand deposits east of Hudson Bay by Northern Silica Ltd: (a) the extent of development work performed as of February 28, 1970; (b) the disposition of the project, including disposition of plans for construction of a plant, together with relevant dates, as of February 28, 1970; (c) whether the Saskatchewan Economic Development Corporation or any other agency of the Government has granted any assistance in respect of development to Northern Silica Limited as of February 28, 1970; (d) the amounts of any such assistance granted.

Mr. Thatcher: — Mr. Speaker, the Government or the Department of Industry for more than two years has been working with this particular company in an effort to obtain a development in North-eastern Saskatchewan. The negotiations are still under way, and I believe it would not be in the public interest to answer the questions which the Hon. Member has placed. Therefore I would ask the House to turn this motion down.

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Mr. J. Messer (Kelsey): — Mr. Speaker, I think that the Premier if he is knowledgeable in regard to the development of this Prairie Silica, is aware that there is a great deal of confusion in the area, a great deal of confusion in regard to who does have the mineral rights for this particular natural wealth and that due to the confusion of the circumstances at the present time, there are a number of people in that area who would like to be participating in the development but are not able to because they have not had the facts presented to them as to what the Government's intention is in regard to assisting development. Who are the developers going to be? If they happen to be Northern Silica or other companies that have been mentioned, Prairie Silica or Kind Industries, the fact is that there is an element of concern as to whether these people indeed have the mineral rights in order to properly develop this property. Now I think, if there could be some clarification given to not only interested parties, but in particular the community of Hudson Bay which hopes to prosper from the development of this natural resource, that then we would be making progress at a much faster pace than we are now. Because of that I am asking the Minister to reconsider releasing the information that is asked for in this order.

Motion negatived.

ADJOURNED DEBATES

RESOLUTIONS

RESOLUTION NO. 6 — CASH INJECTION TO FARMERS

The Assembly resumed the adjourned debate on the proposed motion of Mr. J. Messer (Kelsey):

That this Legislature urge the Government of Saskatchewan to consider 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.

Mr. N.E. Byers (Kelvington): — Mr. Speaker, I would like the opportunity to say a few words with respect to this Resolution. Let Member say at the outset that I think the farmers and the people of Saskatchewan share some concern that this major proposal was not put forward by this Government at the Federal-Provincial Conference in Ottawa in February of this year. This proposal is one that has had the support of a number of organizations in Canada and Western Canada particularly. I might point out that it has been supported by such bodies as the Wheat Pool, the Farmers' Union, the Canadian Federation of Agriculture, and many other public individuals have added their voice to this suggestion. I don't think it should be necessary for Member today to bring to the attention of the Members of this House some of the factors which got Western agriculture into its present predicament. I think that factors, such as the failure of the IGA Agreement, the fact that this has resulted in a major drop in Canada's share of the total wheat market, the fact that the Canadian farmer in Western Canada is among the few, if not alone in the world, in that he receives no subsidy whatever from direct subsidy, product subsidy, for his product in the market from his Government. These facts surely are well known to the farmers of Western Canada. They should be well known to the Members of this Legislature

representing rural constituencies. We cannot let pass the idea that there has been considerable support for the principle of a major infusion of cash into the Western economy. I am not here to argue how that payment should be made, whether it should be made on the basis of delivery of the 1968-69 crop year, whether it should have been made on an acreage basis or whether it should have been paid on the form of a deficiency payment which our party stressed very, very strongly about a year ago. We urged that the Government of Canada consider paying a deficiency payment of 20 cents a bushel at that time on the basis of the grain deliveries for the 1968-69 crop year.

It might be well for us to recall some of the voices raised in support of this proposal. I draw to the attention of the Members of the House an article in *The Leader Post* of January 23, 1968, when the situation wasn't quite as acute as it is now. Dean Lloyd Barber of the College of Commerce at the University of Saskatchewan — he was speaking at that time to a Western liberal Conference — he suggested direct cash payments by the Federal Treasury to the farmers to bring their incomes into line as a possible alternative to crop subsidies and fixed prices. Now, Mr. Barber did stress that the views expressed in this paper which he gave to this Thinkers' Conference, or whatever it was, were his own, and weren't necessarily to be construed as representing the views of the Saskatchewan Liberal Association. They were presented to stimulate discussion. Well, I hope, Mr. Speaker, that the discussion has taken place since January of 1968 and I certainly invite all the Members of the House to support this particular Resolution.

I think that support for this Resolution and action on it afterwards are necessary because I know that, in my own particular part of the province, the constituency which I represent, the recent action of the Federal Government through Operation LIFT is interpreted by the farmers as a long-term program that is being applied in the short term. It is not the total answer to the agricultural problem or the cash situation. I might point out that I don't find much support for this Operation LIFT in the constituency, which I represent, for some very obvious reasons. I might tell the House that I think the average farm acreage in North-eastern Saskatchewan is considerably lower than that which you find in many parts of the province. It is certainly much lower than you find in the Prairie regions. There are a good many farmers in North-eastern Saskatchewan who have on their permit books a total acreage of 300 to 400 acres, because they are half-section farmers, three-quarter-section farmers and section farmers. We do have in our part of Saskatchewan some very successful and very well developed diversified farm operations. And I want to lay before the House what might be considered a typical example of a farmer in North-eastern Saskatchewan and how the LIFT program will affect him.

Let's take a farmer whose crop rotation goes like this: wheat 150 acres, forage 50 acres, and I think that adds up to something around 400 acres. What does this mean? This means that even under the improved cash advance allowance that this farmer can only collect a maximum of \$2,400 per year. There has been some improvement over the previous system. But for this particular farmer who is running about 150 acres of wheat acreage, if he is to benefit from LIFT he certainly shouldn't be required to reduce his acreage by more than 50 acres down to 100 acres for which he will get in return \$300. Therefore,

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this is one of the reasons why the farmers, many of whom are diversified, three-quarter section farmers and section farmers with herds of livestock, 20, 30, 60, 80 head are going to be penalized very, very badly by the LIFT program. They are being pressured to alter a crop rotation system that they have been years in building up and maintaining to become strong and viable farm units. This then is not the answer to their problem.

The LIFT program is certainly not going to benefit the farmers too greatly in my part of the province. It is certainly not going to add must additional cash to their income. I want to put on the records of this House a letter which came to Member from one of the farmers' union lodges in my constituency. This was sent to the Federal Minister of Agriculture, to the Federal m of Parliament for our area, Mr. Korchinski, and to myself. In this letter the lodge laid out some of its sentiments in respect to the LIFT program and their disappointment that the Government did not see fit to adopt an approach whereby a major injection of cash would be provided by other means. The writer of this article talks about the economic annihilation and I draw the attention of all Members of the House that I think that this reflects very accurately the sentiments of a good number of rural Saskatchewan people at this particular hour:

Economic annihilation is about us and we know it is, for we can taste it in the wieners and bologna we eat. We can feel it in the patched combination and work clothes we wear. We can feel it tight around our throats every time another power bill arrives, or land payment falls due. And we can hear it every time a news announcer tells us the price of wheat or rape has dropped another 20 cents. We don't smell it yet but wait until this summer and the prairie dust blows this way.

Well, Mr. Speaker, I think that states much better than I could do the feeling of the people of my area with respect to this particular program. I would be remiss in my duties as a Member, Mr. Speaker, if I didn't bring to the attention of this House that sentiment of rural Saskatchewan.

Time is going and there may be others who want to take part in this debate, I think this is a questions that has had a fair amount of ventilation throughout the province, but I would sincerely hope that all Members in the House would join in saying again, through this Legislature to the Federal authorities, that now is the time for the injection of a major amount of cash into the Western agricultural economy to halt the migration of people from our communities and to preserve the businesses and farm units of which our rural people are truly proud, that all Members of the House would join in expressing the sentiments of rural people for this type of action. I think that is the job that we ought to do and I think that this Resolution merits the support of all Members of this House.

Some Hon. Members: — Hear, hear!

Mr. B.D. Gallagher (Yorkton): — Mr. Speaker, there are a few remarks I would like to make on this Resolution. First of all I want to say that I think it one of the most important, if not the most important Resolutions, that we have to deal with at this Session and particularly at a time like this. I hope, if nothing else will, that the discussion that takes place on the Resolution will make the people, that are in a position to do something about it,

aware of the problem that the farmers of Saskatchewan face today. I hope also, Mr. Speaker, that the discussion that takes place on the Resolution is constructive. I hope that the whole matter of subsidies is well discussed in this House during the course of the debate. If the Resolution does no more than spark a lively discussion on the entire farm problem it will have accomplished something. It would be my hope that the discussion that takes place on the Resolution will be constructive, that it will be kept at a level above the typical political debates that follow in this House whenever a matter of this nature is discussed and at this point, Mr. Speaker, I will say that I will try to heed my own advice when I am dealing with the Resolution.

The Member for Kelsey (Mr. Messer) has suggested an immediate cash injection into the farm economy by the Federal Government and that the Provincial Government urge the Federal Government to provide the cash. I am sure, Mr. Speaker, that no one will oppose a cash injection into the farm economy at this time, and I suggest the figure of \$200 million that he used in moving the motion is far, far short of solving the problem. The method he suggested for getting this injection does little or nothing in getting at the root of the major problem facing agriculture. \$200 million of Federal money to the agricultural industry of Saskatchewan may seem like a lot of money, Mr. Speaker, but I suggest that nothing short of \$6 or \$7 or \$800 million will shake off the depression attitude that has developed in the agricultural industry of Saskatchewan.

I want to remind this House that already this past year, the Government of Canada will have spent somewhere in the neighbourhood of \$200 million in one form of subsidy, assistance or another to the agricultural industry, and it has neither been appreciated nor has it made a dent in the root of the problem.

In the matter of the Canadian Wheat Board pool account that was just recently closed the Government of Canada contributed about \$48 million to balance the books for the past year. I ask this House: how many farmers know this? And if they do know, how many of them appreciate the \$48 million the Government of Canada paid into the Wheat Board account to balance the books for 1968-69? I wonder how many Members in this House when discussing the farm problem with their farmer friends have pointed out this fact. I don't imagine too many Members from the other side of the House have advertised this little \$48 million that came from Ottawa. In the last crop year for which figures are available the 1967-68 crop year no figures will be available for at least one year. With double the amount of money available under the cash advance program and much more need for the cash advance, and considerably higher interest rates, I would estimate the figure at somewhere between \$15 and \$20 million this year. Under the Temporary Wheat Reserves Act for the year 1967-68, the last year for which figures are available, the Government of Canada spent about \$46 $\frac{3}{4}$ million. This year with a much larger carryover the figure will likely exceed \$60 million. Again I emphasize that this is only an estimate but I believe a rather conservative estimate. The figure could run well over the \$80 million mark by the time the crop year is ended and accurate figures are known. Just these three figures alone add up to \$130 million.

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I am not going to bore the House with a lot of figures, Mr. Speaker. There is the amount of money that the Federal Government pays in Prairie Farm Assistance payments, the contribution it makes to crop insurance, ARDA, PFRA programs, payments under the Agricultural Prices Stabilization Act and many other programs that involve a direct payment from Ottawa to Western agriculture.

I am sure that even without the payments that will be made under Operation LIFT, the amount of money received from Ottawa in the way of agricultural programs will exceed \$200 million this year. I mention these programs and some of the costs of these programs, not to suggest that the national Government has done enough or spent enough money to help Prairie farmers but rather to suggest that, although we appreciate all that has been done, the payment of \$200 million which has already been spent and the injection of another \$200 million that we might ask Ottawa to spend, will do little to solve the cash shortage position of a the farmer and do nothing to attack the root of the problem.

Mr. Speaker, the greatest natural resource this province has is our farmland with its millions of acres of fertile soil. One of the greatest wastes we witness in this province is the human resources on our farms. Surely, Mr. Speaker, in a country with the best farmland in the world, with some of the best agriculturalists in the world on these farms, we should not be talking about paying farmers to produce nothing. I don't altogether blame the Federal Minister for his program. He inherited the problem when it had reached disaster proportions, so some sort of short-term policy had to be thought out and worked on immediately. But I suggest he got some bad advice. Some people in the farm organizations were consulted before the program was announced. I suggest that, if the Minister did not know better, surely some of the people who were in a position to advise him know better than to embark on a program that will virtually put some farmers out of business. If farm leaders and Government leaders think some farm people should be put out of business then surely there is a kinder way of doing it. I don't suggest that there aren't farmers today who should not be trying to stay on the farm on an uneconomic unit. What I am saying is that, if farm leaders and Government feel there are 10,000 too many farmers in Saskatchewan and 5,000 too many farmers in Manitoba and Alberta, they shouldn't devise a plan like LIFT to exterminate them. All that this type of program does is to reduce the value of the land that the half or three-quarter section farmer will get for his farm if he has to sell out, thus creating more of a social problem with him off the farm than on the farm.

Mr. Speaker, there are areas of this province that should always be growing wheat that are not going into livestock. There are other areas that should never grow wheat, where they have sold their livestock and tried to make a living out of growing wheat. We have already created the first problem of a wheat surplus; and we may, unless we act to reduce that wheat surplus, create another problem and that would be a livestock surplus. The farmer caught in the worst of this squeeze is the small farmer who through his own choice or through bad advice went out of livestock to grow wheat. I suggest, Mr. Speaker, the Government of Canada should come out with a very major agricultural readjustment program. The Government should force no one off his farm, but it should be prepared to enter into transactions to buy all uneconomic units from farmers wishing to

sell at realistic prices. In turn, once acquired, this land should be sold to farmers who need more land and want more land but haven't got the buying power to purchase it. I would like to see \$200 million spent in this province to help the cash-shortage position of farmers. But just an injection of cash today in the form of a Government cheque does not do one thing to solve the farm problem.

Why not spend some of the \$200 million to subsidize interest rates on the purchase of land that would be sold under the program that I have suggested. Already the Government of Canada is subsidizing interest rates under the Farm Credit Act. This has been a sound policy. I believe and I suggest that a further program of subsidized interest rates for the purchase and resale of the uneconomic units in this province is going to do a great deal more than a cheque from the Government to keep the farmer quiet for another 12 months and prolong the agony for many of our farm people. Coupled with this program, Mr. Speaker, should be a whole new sales approach for cereal grains.

The House recessed from 12:30 p.m. until 2:30 p.m.

WELCOME TO STUDENTS

Mr. Speaker: — I would like to introduce to the Members of this Legislature the following groups of students situated in the galleries: 27 students from the Assiniboine school from the constituency of Regina South West, represented by Mr. McPherson, under the direction of their principal, Mrs. Hubick; 29 students from St. James school from the constituency of Saskatoon Nutana South, represented by Mrs. Forsyth, they are under the direction of their teacher, Mr. Osiway; 14 students from Carl Frederickson high school from Govan in the constituency of Last Mountain, represented by Mr. MacLennan, under the direction of their vice principal Mrs. Romich; 75 students from the Bishop Murray and St. Joseph schools, Saskatoon, in the constituency of Saskatoon Nutana Centre, represented by the Hon. Minister of Municipal Affairs, Mr. Estey, under the direction of their teacher, Mr. Winegar; 60 students from St. Thomas school in the constituency of Regina North East, represented by the Member, Mr. Smishek, under the direction of their teacher Mr. Liff; and 55 students from Campbell Collegiate in the constituency of the Hon. Minister of Health, Mr. Grant. I am sure all Hon. Members will wish to extend to these students in the galleries an extremely warm welcome and express the very sincere wish that they will enjoy themselves and find their stay here educational and wish to each and every one of them a safe trip home.

Hon. Members: — Hear, hear!

Mr. Gallagher: — Mr. Speaker, when I called it 12:30 I had been discussing the whole matter of Government money coming from Ottawa to the farmers of Western Canada and what the injection of cash from Ottawa might do or might mean to the farm economy of Saskatchewan. I said at that time that a payment by the Federal Government by giving the farmers of Western Canada a cheque wasn't going to solve the root of the farm problem.

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Before I go further, Mr. Speaker, I would like to make a few comments on some of the things that were said by the Member who sat down before Member. I believe he was talking something about a three-quarter-section farm in his constituency with approximately 400 acres cultivated, and he suggested I believe that Operation LIFT was not going to help this particular farmer. Well, I will have to agree with this Member that Operation LIFT is not going to help most of the farmers in my constituency. But he went on to say something about this farmer might have 30 or 40, 70 or 80 head of cattle on his farm and he went on and on. Well, I suggest, Mr. Speaker, that school teachers deal with subjects that are related to the Department of Agriculture or the farmers, because to start with any farmer on 400 acres of land who has 70 or 80 head of cattle is likely making a pretty fair living without asking the Government of Ottawa for Operation LIFT. And I would suggest that, when I sit down the farm Members from both sides of the House who might have something to contribute to this debate take part in the debate. I don't want to suggest that every Member hasn't got a right to take part in the debate, but I think that some of the Members who are not farmers can contribute very little, if they only peddle the old party line, whether it be a Liberal line or an NDP line.

Mr. Speaker, before I called it 12:30 I suggested that an injection of cash was not the answer to the root of the farm problem. I suggested that, if we have too many farmers on uneconomic farm units in Saskatchewan or in Western Canada, a program like Operation LIFT wasn't the answer to the farm problem. I suggested that the Government of Canada with its resources should be prepared to invest, to buy up those economic units where farmers want to sell and cannot sell. They are in a position to buy these up at a reasonable price and I suggested that, if we ask Ottawa for an injection of \$200 million, some of that \$200 million should go to subsidize interest rates for those young farmers who would be prepared to buy the land from the Government at a subsidized interest rate. I suggested also, Mr. Speaker, that the Government of Canada should embark on a whole new sales approach for cereal grains. I am going to suggest here, Mr. Speaker, that the Canadian Wheat Board should be retained as the sole marketing agency for wheat because wheat in the main is sold on the export market. I am going to suggest here, Mr. Speaker, that coarse grains should be sold on the open market.

Now, Mr. Speaker, I can just see Members from the other side of the Housing hopping out of their seats to say, "Oh, the Liberals have finally come out and supported the Winnipeg Grain Exchange." Mr. Speaker, any Member who knows what he is talking about in talking about these subjects will realize that, when oats and barley were sold on the Grain Exchange and were transferred over to the Canadian wheat Board as the sole marketing agency for these grains, this was done for one reason and that reason was to stabilize the price of oats and barley. But who did it stabilize the prices for, Mr. Speaker? Not for the farmer of Saskatchewan. It stabilized the price for the Ontario feedlot operator. And, Mr. Speaker, I would like to see the coarse grains sold on an open market to establish an actual price, the actual value of a bushel of barley or a bushel of oats.

Up until a few months ago we had a two-price system for oats and barley in this country. We had the price that the Canadian Wheat Board was asking for the oats and barley, which

in the case of barley for the last two years ranged all the way from \$1.27 down to about \$1.03 per bushel, and we had the price that my neighbour down the road who was feeding cattle and was prepared to pay Member about a cent a pound and it reached a low this winter of $\frac{3}{4}$ of a cent a pound. Now nobody needs to tell Member, Mr. Speaker, that there must not be a price somewhere between that cent a pound, 48 cents a bushel, and the price that the Wheat Board was asking of \$1.03 or \$1.07 or \$1.17, that is the actual value of the bushel of barley. Any person who suggests that the Wheat Board can do a better job of selling oats and barley than an open market can do, just hasn't been in the business of either feeding cattle or of growing oats and barley to sell.

It amazes Member, Mr. Speaker, that some farmers and usually active members of the Farmers' Union have been advocating that all coarse grains be bought through the Canadian Wheat Board. I am referring to those people, particularly the Atkinsons and their cohorts, who have been suggesting for a couple of years that no coarse grains should be allowed to move between farmer and feed lot or farmer and feed mill, without going through the Wheat Board system. Well, Mr. Speaker, some of those people suggest that, if the Wheat Board asks \$1.10 or \$1.20 or \$1.00, or whatever they ask, the feedlot operator be forced to buy from the Canadian Wheat Board. Do you know what this would mean if this had been the case? The feedlot operators in this country would have gone out of business because if there is not a chance to make a dollar in feeding a steer, he is not going to be buying the barley to feed the steer. I have a neighbour incidentally, Mr. Speaker, who was always a great promoter of this idea. Last spring like myself and many other farmers he decided that he would buy some cattle to get rid of some of his excess barley. During the course of the fall I asked him, one day, when we were talking about how our cattle were doing, how much he expected to realize out of his barley. He said, "Well, the way it looks right now, I think I'll get about two bits a bushel." He said, "What do you think you're going to get?" "Well," I said, "I didn't get quite as badly beat when I bought my cattle so I think I'll get about 45 cents," which I actually got. I asked this gentlemen, after he told Member he would get about two bits a bushel for his barley, whether he still believed that feed-lot operators and feed mills should be forced to buy from the Canadian Wheat Board at the Wheat Board asking price the day that he bought. He said, "Yes." Well now surely, Mr. Speaker, this is typical Farmers' Union NDP thinking. Mr. Speaker, any person who gets up and says that I am wrong in saying this, either has never fed cattle or doesn't grow barley to sell at a realistic price. Surely, Mr. Speaker, as I said a moment ago, there is a price, that should be a realistic price and an actual value of your bushel, somewhere between the one cent a pound price that the feed-lot operator is prepared to pay and the price that the Wheat Board has been asking.

I realize that in the last few months the Canadian Wheat Board has set up a third price, a price for Ontario feed-lot operators or Ontario feed mills. I don't know how many Members of this House realize that, if you are operating a feed lot in Eastern Canada, you cannot buy directly from the Canadian Wheat Board unless you are an agent of the Wheat Board. Mr. Speaker, I don't need the Roy Atkinsons or any other Roy for that matter, Mr. Speaker, telling Member how I should market my grain. I only want the chance to be able to produce to the maximum and be

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able to get a fair price for what I produce.

You know what happened the last few years? There were millions of bushels of American corn coming across the Niagara Peninsula into the Ontario feed mills and the Ontario feed lots and you know why it was done. Do you know why this grain moved across the international border? It did because the Canadian Wheat Board was asking a price that the feed mills and the feedlot operators in Eastern Canada would not pay. I suggest, Mr. Speaker, that, if the Wheat Board had been on their toes, we could have sold another 150 or 200 million bushels of coarse grains in the last couple of years, and the last thing we should do is buy cereal grains of any kind from the Americans across the border.

Mr. Speaker, before I sit down I want to move an amendment to the original motion and I want to thank the Member for Kelsey (Mr. Messer) for having this motion put on the Order Paper. I move seconded by the Member for Notukeu-Willowbunch (Mr. Hooker), that all the words after the word "That" in the first line be deleted and the following substituted therefore:

 this Legislature commends the Government of Canada for recognizing the income inadequacy of prairie framers by instituting programs that will bring some relief in the way of income assistance and further that this Legislature urge the Government of Canada to explore every possible means of disposing of farm surplus products thus improving the cash position of farmers in Saskatchewan.

Mr. Speaker, I so move.

Some Hon. Members: — Hear, hear!

Mr. Gallagher: — Mr. Speaker, while you are considering whether or not the motion is in order, I hope you will permit Member to add this, that the remarks that I made were my own personal feelings. I am not speaking on behalf of the political party which I represent.

The debate continues on the motion and the amendment.

Mr. G.R. Bowerman (Shellbrook): — Mr. Speaker, I would like to have had. . .

Mr. Speaker: — Order, order! Just before the Member goes on with his speech I want to clarify a point in regard to these concurrent debates. I draw the attention of all Hon. Members to the fact that all those who haven't yet spoken on the amendment, and all those who spoke on the main motion but haven't as yet spoken on the amendment of course have the privilege of speaking to the amendment. Possibly I should have clarified this before. The Member who speaks in moving the amendment or after it is proposed is speaking concurrently to both the main motion and the amendment. A Member who has already spoken to the main motion must relate his words strictly to the amendment after it is proposed.

Mr. Bowerman: — Mr. Speaker, once again we have a situation occurring in the Legislature where we have some farm resolutions, if they had been acted upon in the way in which they have been brought

forward to the Legislature, that could have in fact brought some relief to the Prairie farmers and to the farmers of Saskatchewan.

I haven't read and haven't heard, at least I haven't been able to think through the amendment that the Hon. Member has proposed, but I see nothing wrong with the main Resolution. I know that this may be a difference in point of view, Mr. Speaker, but I can't help but suggest to you and to the Members opposite, to the Member who moved the amendment, if we are going to undertake in this province and in the Western agricultural provinces the proposed LIFT program with the Federal Government, that only with some assurance of a cash injection program into agriculture can the Government's LIFT program be successful or even make reasonable sense. I suggest that all one has to do is to take his own particular farm unit and apply to it the provisions that have been allowed for in the Operation LIFT. You simply find that you end up losing money and there is no possible way of getting around this from the cash position that you find yourself in. Unless there is some cash injection into the Prairie agriculture, we are simply going to find ourselves at the end of this year with farmers not being able to pay their tax bill, not being able to pay their fuel and power bills, and simply not being able to meet the obligations which they have undertaken with the Farm Credit Corporation, with their banks, and with their lending or loaning institutions.

The Hon. Member suggested that cash injection was not the answer and he went on to elaborate in some way about suggesting that the Canadian Wheat Board or the Federal Government had picked up the amount that the Canadian Wheat Board lost. This was in a way a \$40 million cash injection into agriculture. I can't conceivably see how he feels that this in itself was a cash injection, but perhaps he has used it in the same light as he does the Resolution and obviously he does.

I believe, Mr. Speaker, that, if the Members opposite are not prepared to support this cash injection program — and it would appear that they are not — the rural public of Saskatchewan will have been deceived and will have openly been rejected by the Government of this Province. I suggest to you, Sir, that if this Resolution is to be treated, and apparently it is going to be treated, with the usual comedy that breaks forth from the Provincial Treasurer at times and the usual non-committal attitude that many of the other resolutions in this House have been treated with respect to the farm problems by the Members of the Government, then I say that the farmers of this province have a moral right and I believe they have the responsibility as well to call upon the Government to produce something meaningful, either move a motion which does mean something to Saskatchewan agriculture or offer their resignation to the people of this province, at least to the farmers in the province.

Some Hon. Members: — Hear, hear!

Mr. Bowerman: — For the first time in a decade or more we have the intolerable situation where the National Treasury will be taking some \$250 million more out of the Canadian taxpayers' pockets than it is proposing to spend while at the same time we are facing here in Western Canada a farm crisis which is parallel only to the 1930s. Across Canada we face major unemployment problems, and in Saskatchewan there is no questions about the fact that our industry and our agriculture are simply dying on their feet.

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I propose that the distribution of cash, this cash injection which we are proposing in the Resolution, can be made by using the LIFT program which has already been established if that is what the Federal Government would so desire to do. However, I believe minor amendments should be made to the LIFT program for greater individual equality. But unless there is some cash injection, I say again, that that program will not be meaningful so far as Saskatchewan farmers are concerned. At the very least all Canadians will have the opportunity to share with the farmers of Western Canada on a dollar for dollar basis the cost of non-production as is proposed by that program. I suggest that this cash injection could take the form of increasing the acreage payments under the LIFT program by at least 1 ½ times the present \$6 per acre figure. This would certainly make a more realistic figure with today's farming situation. This additional \$9 per acre would be within the total amount of the \$200 million which is suggested by farm organizations and supported by the main resolution which we passed. For the benefit of those who think this is sort of a gravy train suggestion, as sometimes you do, let Member turn to some of the facts that face Saskatchewan farmers today with this \$6 acreage payment. The Farm Corporation debt in Saskatchewan is \$319.2 million. The annual interest to service that debt is estimated at \$14.4 million, for a total of \$333.6 million of Farm Corporation debt in the province. Now if you take and add to this the Farm Improvement Loan debt which is provided under The Farm Improvement Loans Act, this debt is estimated in the Province of Saskatchewan to be \$89.3 million and an annual interest rate to service debt another \$4.4 million or a total of \$93.7 million of Farm Improvement Loan debts. If you put these two together, \$93.7 and \$333.6 million, you come up with a rather startling figure. You apply to that the tax per acre on your land. I know that in the constituency I represent that \$1.50 an acre is not excessively high with respect to the land tax or the municipal tax assessment. I haven't mentioned the mortgage company loans, we haven't mentioned the trust company loans or the bank loans that each individual farmer may have or may have undertaken. But I suggest that, if you put these all together and if you work them out on an acreage basis, then indeed they will very closely resemble, if not exceed, the \$6 an acre for the principal, interest and taxes alone on farm land in the province. Here you have a situation where we are faced with a straight cash output of principal, interest and taxes, which you can't escape, at a figure, if not more than \$6, certainly equal to \$6 an acre. If you add to that, or if you take the Saskatchewan Department of Agriculture bulletin, Outlook for Saskatchewan Agriculture in 1969, and the estimates which were made by the University in this bulleting or by the Department of Agriculture, the estimated cash operating costs of a Saskatchewan farm without depreciation — don't consider depreciation or don't consider any investment costs on your machinery or on your buildings — this alone, just straight operating, fuel, repairs and so on, will run \$6.20 an acre. What you are proposing is, we must be able to pay this with a \$6 cash acreage payment and with an 8-bushel per acre quota.

If the farmer — and I think you must add to this figure, and I think it is realistic to do this — if a farmer is going to eat, going to heat his home, if he is going to clothe himself and his family, you can add not less than \$3.50, Mr. Speaker, for a 1,000 acre farm. that provides the farm operator with a \$3,600 a year income. That is certainly not a very rosy income, but on the basis of a 1,000-acre farm, it is \$3.50 an acre.

If you add these together, you come up with a figure which is very close to \$16.00 an acre, which is a cash operating cost, that you can't get away from, that is a cash operating cost, and if anyone doesn't think it is a cash cost, he only has to sit down for a few minutes and analyse his own operation and find it is very close to being a fact.

If we take the LIFT program and analyse the information that has been presented to us by Mr. Lang in his analysis in the Operation LIFE bulleting he put out, and we apply the absolute maximum, the absolute maximum possible income for that farm unit, under LIFT program, let's see how it stacks up against the facts which we have gathered at this point. You can take the largest operation and take the maximum figure. If you refer to Example No. 1 in that bulletin, Mr. Speaker, in Operation LIFT bulletin, this is a 1,000-acre farm, if you look at the 1969 crop permit book, the farmer seeded a 1,000 acres of wheat and he had no summer fallow. Then he can reverse this situation in this 1970 crop year which some very well have done. By reversing it, he will have no wheat this year in 1970 and he will propose to have 1,000 acres of summer fallow. The maximum acreage payment which he can receive in this regard is \$6,000. His maximum quota is 1,250 bushels, that is on the basis of the 8-bushel recommended or suggested amount. That's a total of 10,000 bushels of wheat that he would be able to sell. Unless something very different happens in the marketing arena of wheat, this price will be about \$1.25 a bushel. Here you can see by adding these two together that the maximum a 1,000-acre farmer can receive in gross income is a total of \$18,500 and that is indeed the maximum. That figure is set, regardless of what his cost is, that's what his return will be. I suggest to you, Mr. Speaker, that, if you add together the cash operating costs which we have enumerated up to this point, if you add together these, you arrive at a \$16 or \$17 figure times 1,000 acres and you come very close to that maximum amount under LIFT. I say, Mr. Speaker, that this is indeed the maximum and there are very few farmers in Saskatchewan that are going to receive the maximum under this LIFT program. They simply haven't arranged their farming on that basis. It is very unlikely that there will be more than 1 or 2 per cent of Saskatchewan farmers who would fit in that position. Therefore, we cannot forget that the extreme maximum obtainable under the LIFT program by far exceeds the average that will be obtained by Saskatchewan farmers.

I think it is obvious, Mr. Speaker, from a balance sheet account or from any analysis in this regard, to draw the conclusion that there is a need for cash injection of some kind into Prairie agriculture. It simply is a must. For us to attempt to excuse ourselves from facing the reality of the Resolution by amending it in some terms which really don't mean anything, and really don't bring to the farmers any result, doesn't excuse the responsibility which we have in fact to act on the Resolution as has been brought down by the Hon. Member from Kelsey. Therefore, Mr. Speaker, I urge that all Members of this Legislature will support the main motion, unanimously, and will proceed to pressure the Federal Government with one voice with respect to the necessity for a cash injection into farm income in this province. I don't see how, Mr. Speaker, we can live, I don't know how the farmers of this province can live without having something more than the \$6.00 an acre payment which we will be paid for if we put our land in summer fallow, and if you don't you simply won't have the quota added to your \$6.00 an acre

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in order to be able to make up this maximum figure. Therefore, Mr. Speaker, I urge that all Members will consider the necessity for having some cash injection into the Prairie agriculture. I believe it could be worked on the basis of the present LIFT program, simply adding to it another few dollars per acre in order to make that program reasonable and responsibility with respect to the situation that Prairie agriculture finds itself in. Mr. Speaker, I can't support the amendment, I support the motion.

Some Hon. Members: — Hear, hear!

Mr. W.J. Berezowsky (Prince Albert East-Cumberland): — The Hon. Member who moved the amendment made a number of suggestions and although I could agree with one or two of his statements, yet I certainly think that one of the most ridiculous suggestions was the one about coarse grains being put on an open market. Now, I don't think he is alone in this kind of an argument, because I have before Member an article, "Feed grains feasible." It was in The Leader Post the other day, and I'll just quote a passage or two before I make my comments. I quote:

Growing feed grains as a temporary alternative to wheat is feasible only if better marketing policies are adopted, said a research economist with the Canada Grains Council. Dr. George A. Friesen of Winnipeg told the service club meeting Tuesday that the world demand for feed grains is increasing, but he added, whether it will become a logical alternative, or just another surplus problem will depend much on future marketing policies.

Then towards near the end of that article, he says this,

I suggest that barley should be offered at competitive prices in the world and domestic markets. If the result is a price below production costs, they will soon react by reducing production.

Now what a ridiculous statement, just as ridiculous as the Hon. Member for Yorkton (Mr. Gallagher) made. Here a farmer works the whole year, produces a crop and then is supposed to be at the mercy of an unscrupulous market; and when he gets to the point that he is losing money then he will be able to cut down on production. This is exactly what the Member is suggesting to us. This is not a stand, Mr. Speaker, that was made by the Wheat Pool, and I have a copy of their booklet, The Pool's Year 1968-69, and page 6, the first paragraph says that what should be done is what we are saying in our Resolution, that the Federal Government should provide some form of immediate cash injection to help meet the present crisis facing farmers. This should be in addition to the Prairie cash advance program. I am surprised that the Hon. Members opposite clapped when their Member spoke because they apparently are opposed to Wheat Pool policy as well as to United Farm Union policies. What farmers need right now is that they must have cash injections. But what surprises Member more than anything else, Mr. Speaker, is that only today, when we were talking about the railway companies, Members opposite came to the defence of railway companies though they are aware as I am that we subsidize them to the tune of many, many millions of dollars. But no, not the farmer. To assist railway companies as a matter of fact, if I quote a figure of from memory the Federal Government has agreed to subsidize them in a period of three years something like \$742

million. For railways the people of Canada can find that kind of money, but when farmers are hard-up it is suggested that subsidies be denied and that we should be thanking the Government of Canada which has put us in this ridiculous position where we produce, where we've got wealth and yet can't buy the goods and things we need as farmers.

Some Hon. Members: — Hear, hear!

Mr. Berezowsky: — I know that all Prairie producers are in trouble and the rest of Canada wonders why. Certainly thanking the Federal Government isn't the answer. The only answer at the present time is a short-term policy. It is that there must be cash injected into our farm economy.

I would like to talk for a long time but I know there are others who will wish to speak. I can only say this, Mr. Speaker, that when my folks settled on the land, they invested, not only their muscles, their energies, their sweat; they saved, they built and now when they have made all these investments, they are supposed to sit back and leave their property and move into the cities on social aid. Again I say this is a ridiculous private enterprise situation. The only thing I can say is that, if the Hon. Members really want to serve the people of Saskatchewan they had better smarten up. When we come to vote on the Resolution that we have proposed, they had better vote for it and help the people of Saskatchewan. With their amendment we will be getting nowhere.

As you can see, Mr. Speaker, I cannot support the amendment and I must support the motion.

Some Hon. Members: — Hear, hear!

Mr. J. Kowalchuk (Melville): — Mr. Speaker, I listened with a great deal of interest to the Member for Yorkton (Mr. Gallagher) who indicated that he is also a man who lives in a constituency where there are a lot of small farmers. I come from one of the constituencies where approximately 80 per cent of the small farmers are less than section-farmers, Mr. Speaker. The Member who proposed the amendment, the Member for Yorkton, started out in a pretty good manner I thought. In fact he sounded like a Member of the Opposition. He suggested that we propose, as a Government body, to buy up the available land at a reasonable price and of course sell it to the aspiring farmers at the low interest rates. That's real good, that's excellent. That is a plank of the NDP platform, Mr. Speaker. It is a proposal that the New Democratic party members have enunciated for a long time. I said the same in my Throne Speech, Mr. Speaker, but because of the time element today I am not going to repeat what I said then. I agreed that the stabilization of agriculture should be accomplished by a great deal of cash injection. I think it is agreed by everybody that this will not be achieved through Operation LIFT. In fact, Mr. Lang admitted the other day that probably it will assist a third of the farmers. What about the two-thirds of the small farmers in my constituency, and in the constituency of Yorkton, who have no cattle or maybe a couple of head or a dozen head and do not get the benefits of a great big cattle herd. So, Mr. Speaker, the Member for Yorkton used the reason that under the Wheat Board the cost of the feed becomes prohibitive to the cattle feeders and they then import

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cheaper American corn. Mr. Speaker, the truth of the matter is that he is asking the farmer, the coarse-grain farmer to sell his coarse grains on an open market, cheaply, so it can compete against all other feeds. I say that this is not a valid statement. What the Liberals are really asking the coarse-grain farmer to do is to subsidize the cattle feeder as they are doing this year, Mr. Speaker. I say, let the country subsidize the farmer or the feedlot operator, not the coarse-grain grower in open cutthroat competition. A free market they call it out of the jurisdiction of the Wheat Board. Mr. Speaker, I say that the cost of coarse grains should be reasonable and favourable to the growers of coarse grains and if not then something is really wrong. If the high cost cannot be added to the cost of the finished product, and if the cost of the finished product is already too high, then someone is really making a killing on that animal. But it is not the coarse-grain farmer. The Hon. Member for Yorkton (Mr. Gallagher) stated that the Member from Kelvington didn't know his facts. May I say he did know his facts. He did mention there are some people who have cattle and others have plenty of cattle, but some have none at all. Mr. Speaker, I say we should support the original Resolution and I can't support the amendment.

Some Hon. Members: — Hear, hear!

Mr. Speaker: — Who is up to bat here, the Member for Swift current or the Member for Kelsey (Mr. Messer)? I must draw the attention of the Member for Kelsey to the fact that he spoke on the main motion. If he speaks now he must relate his remarks strictly to the amendment.

Mr. J. Messer (Kelsey): — Mr. Speaker, in rising to speak in closing this debate, I want to make reference to some of the remarks that the . . .

Hon. D.V. Heald (Attorney General): — Mr. Speaker, on a point of order, I think the Member for Kelsey is a bit confused. He said just now that he is speaking in closing the debate. You are not closing the debate, you are speaking on the amendment.

Mr. Speaker: — You can't close the debate when there is an amendment on the main motion. Only the mover of the main motion can close the debate and he can't close it when there is an amendment on it. He can speak to the amendment because he has not already done so, but he must relate his remarks to the amendment.

Amendment agreed to.

The debate continues on the motion as amended.

Mr. Messer: — Mr. Speaker, I would like to make a few brief remarks in regard to some of the statements that have been made in regard to this Resolution and kits discussion that followed. It has stated that this could well be the most important resolution brought forward in this Legislature due to the circumstances confronting the economy of Saskatchewan and the Saskatchewan farmer. It was stated that it was a constructive resolution and that they hoped that it had constructive results. I believe

it was stated that \$200 million into the economy of the Prairie provinces was not enough, that it was not a total answer to the problems that our farmers in the Prairies are confronted with. It said that there were programs, but these programs were indeed not the type nor the number of programs that would solve the Saskatchewan farmers' problem. I can agree with those statements, Mr. Speaker, but somewhere we have to establish a base that agriculture can work from, whereby we can put into the economy of Saskatchewan some stability so that we can introduce long-range programs, both at a Provincial and a Federal level. We have to have this stopgap measure, so that we can start a long-term program that would be able to tell the farmers of Saskatchewan and the Prairie Provinces what the world needs are in agricultural produce. We have to be able to have this measure so that we can analyse what the world supply of agricultural produce is. We have to have this stop-gap measure so that we can introduce a program of some guarantee to farmers in regard to sales and in regard to the price of the produce that they grow. We have to have this measure so that we can start a new trade policy, a new sales policy, as my hon. friend from Yorkton (Mr. Gallagher) pointed out, that would put Canada in direct competition with other countries that are exporting grains. I think it has been noted in this House before that the United States sells grain on terms of agreements of 40 years in length, with grace periods of 10 years before repayment has to be started with interest rates of two per cent interest on the unpaid balance. It simply boils down, Mr. Speaker, that we cannot as Western farmers sell grain until the Federal Government of Canada comes forward with terms and policies of sale that are in competition with countries, such as the United States, such as Australia and such as France. We certainly have to have a new program in regard to the total movement and disposal of grains, not only within this country but also to dispose of surplus grain that we have at the present time to underprivileged and underdeveloped countries. It is not an easy program to formulate, but I suggest that we have not been putting our efforts towards that objective. Now these programs on a long-term nature would give some stability to the farmer, they would give some future to the farmer, they would in effect give stability and future to the people of Saskatchewan and this Province.

Now I don't believe that we can provide, as has been pointed out by some Members opposite, that we can have stability by selling grains outside the Canadian Wheat Board. The reference was made in regard to feed grains and that they should be put on the open market. A statement was made that feed grains are now selling at one cent per bushel and that the Wheat Board price is somewhat higher than that. It was suggested that, if the market on a supply-and-demand basis came into effect outside of the Wheat Board, some level would be reached. Mr. Speaker, I cannot agree with those statements because we have had examples in the past, we have some examples that are confronting us right now, of feed grains moving outside of the Wheat Board and the price is lower than the farmer who is selling can realize any profit from. I think certainly there is room for updating and modernization, not only of the selling of feed grain but the total selling policies of Canada and the participation that the Wheat Board has in that procedure. However, we have to have a program that shows the Wheat Board is able to assure a price to the farmer, giving him a return and show a profit. We have to have a program that is able to account at all times for the movement of grain in this country, so that

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we can logically assure the farmer of a means that shows him profits in his ventures.

Now the comment was made, speaking on the amendment to the Resolution, that the Federal Government has recognized and should be commended for its recognition of the problems confronting Prairie farmers. This Government has not recognized those problems. The examples of Operation LIFT show that these are not solutions and their recognitions are not the recognition that the farmers of Saskatchewan are looking for. It has not supplied any means of cash or real grain disposal that would alleviate the problems that the farmers are confronted with now. Now because of this Mr. Speaker, and the few brief comments that I have made, I would suggest and I urge all Members of the Legislature to support the main motion and defeat the amendment.

Some Hon. Members: — Hear, hear!

Motion as amended agreed to.

ADJOURNED DEBATES

MOTIONS FOR RETURNS

RETURN NO. 96

The Assembly resumed the adjourned debate on the proposed motion of Mr. A.E. Blakeney (Regina Centre) for Return No. 96 showing:

Copies of all agreements and subsequent amendments thereto, entered into since January 1, 1968, by the Government or any Crown corporations with Saskatchewan Guarantee and Fidelity Company Limited respecting the purchase, sale or transfer of insurance business of any kind, including the transfer of reserves, securities or other similar assets related to such purchase, sale or transfer.

Hon. D. Boldt (Minister of Highways): — Mr. Speaker, the Order for Return No. 96 again is information that we do not want to present. A written agreement of the kind described in the motion has really not been executed by the Saskatchewan Guarantee and Fidelity Company Limited. It is not in the public interest to reveal memorandum and working papers relating to an intended formal agreement or any other transaction between the Saskatchewan Government Insurance Office and the Saskatchewan Guarantee and Fidelity Company Limited. This would make available to competitors information concerning the risk effected thereby and I would urge that this Order for Return be voted down.

Mr. E. Whelan (Regina North West): —Mr. Speaker, during consideration of the operation of Saskatchewan Government Insurance, in the Crown Corporations Committee, it was discovered that claims were being paid by SGIO for this company. Yet there was no evidence or apparently there seems to be none in existence, no agreement of any kind with Saskatchewan Guarantee and Fidelity Company Limited. At that time Members of the Committee raised this matter and thought it was most strange. This is the reason why the Hon.

Member for Regina Centre (Mr. Blakeney) placed the motion on the Order Paper. I am sorry that there isn't an agreement in existence and I'm sure sorry that it can't be tabled, because I think it is most unusual that claims have been paid under the circumstances.

Motion negatived.

ADJOURNED DEBATES

RESOLUTIONS

RESOLUTION NO. 9 — SASKATOON MASTER AGENCY PLAN

The Assembly resumed the adjourned debate on the proposed motion of Mr. R.H. Wooff (Turtleford):

That this Assembly deplores the continued stripping of rail and freight services from Saskatchewan communities as exemplified by the CNR's proposed Saskatoon Master Agency Plan, and demands that the Canadian Railway Transport Commission, before acting on this plan, schedule a series of public hearings across Saskatchewan so that the protests of communities to be affected may be properly heard and considered.

Mr. G.G. Leith (Elrose): — Mr. Speaker, I spoke briefly to this Resolution the last time it was before the House. I want to add several more comments about it before I take my seat.

I believe that all Members of the Legislature are going to be able to support this Resolution. It is aimed at doing something about the problem that is presented by the CNR in their request for a master Agency out of Saskatoon. I think I said that of the four Canadian National sub-divisions in my constituency, all stations except one would be without an agent or any staff at all and that one of them, Eston, would have about nine Canadian National employees and would act as a clearing house for the various operations of the Canadian National in that area.

I have before Member a letter from the village of Wiseton addressed to Mr. C.W. Rump, Secretary of the Railway Transport Committee. I am going to take the liberty of reading part of it.

Dear Sir;

I have just received a petition drawn up by the businessmen of Wiseton with 102 signatures on it and would forward it to you if you so desire.

The businessmen feel that this would definitely be a serious disruption of the excellent personalized service we have had over the years. The appointment of a customer-service supervisor covering an area as large as has been proposed would not provide adequate service. They are concerned enough to let you know that the loss of the station and agent to this community and others involved would seriously affect the social and economic life of the district. It is their opinion that a public hearing should be held and would like to make

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representations. Suggested points for such are: Elrose and Raymore.

Yours Truly,

(signed)
Mrs. S.E. Elliott,
Secretary Treasurer.

I will table this if the Legislature wishes. Generally this letter expresses the sentiments of most of the districts and most of the communities that I represent. I must hasten to add that there are two on the west end of the Elrose sub that have said they are not going to make any representation to the Canadian Transport Commission and those are the village of Glidden and the R.M. of Glidden. They feel that they will be well enough served under the new plan and they have declined to make any representation. But at the meeting which I called and which was represented or had representation from almost every municipality and every small village and town on those four subs, the feeling was almost unanimous that we ought to be opposing the application of the CNR; we ought to be opposing it with every means at our hand. Generally it was felt that not enough was known about the Master Agency and not enough was known about what might happen to freight, how the customer-service supervisor would work, how express would be handled and how tickets would be handled, whether or not the Zenith telephone number, that is the toll free telephone ordering would be effective.

Now after I had called that meeting the CNR had a series of meetings and came to every place in the constituency that is affected and presented their side of the picture. I must say in honesty that, after they left, after they had explained some of the questionable areas, there was some differences in feelings about whether or not there should be representation against the Master Agency. We were informed that, if we wished to appear or to make representation against the Master Agency, it should be done by February 16. Accordingly several of the communities that I represent did write letter like the one I read to you. I wrote one myself. I oppose it not for all time, but until we've had a chance to see how the Master Agency is working, out of Edmonton, for instance.

I said earlier when I addressed the House that there are now 35 of these Master Agencies that the CNR is operating. They tell Member that they are doing very well and that they are providing as good and, in many cases, better service than they did before. Personally I'd like to wait and see. I'd like to really take a look at the Edmonton Master Agency. I'd like to find out what is going to happen to the 505 employees that will be affected in Saskatchewan. I realize that the CNR has said that about 300 of them will be employed in the province in other forms of work. I realize that some of them are 60 to 65 years old and will be able to take advantage of early retirement. Some of them of course will wish to do so but there are many others who are serving their communities or who would serve their communities, if they were allowed to continue to do so, people who are 35 to 50 years old, people who will find it difficult to be retrained. For these reasons I will support the Resolution and I urge other Members of the House to do so.

Mr. J. Kowalchuk (Melville): — Mr. Speaker, I think that most of the sentiments that I have to express are very similar to what the Member for

Elrose (Mr. Leith) has already said. I have had quite a number of meetings in the constituency of Melville and outside the constituency as well. We have a large CNR area from Melville east and west. Much of what has already been said in opposition to the total initiation of these Master Agency Plans, Mr. Speaker, I go along with. I want to make a number of comments regarding the same and point out some other difficulties as the Master Agency Plan will affect Saskatchewan, and particularly I want to say how it will affect Melville, the city of Melville itself and the Melville constituency.

I want to reiterate that we all know that technology has affected and will continue to affect all phases of life on the Prairies. It will affect transportation, marketing, the servicing industry, and the agricultural industry as well. But it is our hope that it won't be used to do away with many aspects of life as we know it, discriminately, coldly and without consideration of people. We know that changes are inevitable but, having said that, I want to say as strongly as I am able that these Prairies and the people in them have laboured many years, have had to bear the brunt of making these Prairies productive and fruitful, have invested their life's work in the rural and small town districts, and today are being told that the many things that have meant everything to them are going to be done must be accepted. A Master Agency Plan is to most people a forerunner of all negative things to come. To our smaller communities as we know them. In many cases it leaves people who have given many years of service without a job. A man in his 50s has no future in another field of endeavour unless he is unusually gifted. The basis for closing many of these small centres should be based on the slower, but less painful form of closure by natural attrition. People are pensioned off and people pass away. If this changeover was spread out to make it possible to adjust to these changes in an orderly manner and only to a point where services that the people in small communities must have are not totally depleted. An Agency Plan less harsh to communities should be made available. We've already had some experience with the changeover in a number of smaller centres in the Melville constituency, small villages like Goodeve and Fenwood whose CN stations were closed and the agents removed. Now these places have what is called a drop-off point. Mr. Speaker, people realize the extent to which technology affected our communities and did not object too strongly to this move. The Board of Transport Commissioners and the CN people made certain commitments at meetings held in Goodeve. Some of these were: 1. A drop-off agent. 2. All train reservations and timetabling of trains to be made available to people by collect telephone calls. 3. Telegrams, etc. would also be phoned in collect and reported without cost. A number of other commitments were made but to their sorrow, Mr. Speaker, the people found out that there seemed to be an effort to deny such privileges, once the station was closed and the agent removed. Only after some protest was it made possible to make these telephone calls collect. In the Canadian Pacific areas that have been closed out, long periods of waiting resulted many times after calling Zenith before their call was answered. Furthermore, the CP people have admitted that they did not retain the business where the services were dispensed with. In fact there was a substantial loss particularly when speaking of our Prairie points. Mr. Speaker, the situation in Melville is even more serious. The location of another Agency Plan is being strongly heralded for Yorkton when every aspect of common

sense indicates that Melville is a logical choice. Now Regina and Saskatoon, as they indicated, will have a Mater Agency Plan with a number of customer-service centres in the surrounding area. One Master Agency Plan will be set up in the Melville or Yorkton area. It seems that through certain political movements there is a strong pull for Yorkton even though reasoning would indicate otherwise. A customer-service centre is already in operation in Melville. The customer service centre is already doing partial work in servicing the customers in Melville and the surrounding areas of Melville and vicinity. I think it would be of interest to know what is involved in this kind of a plan. What are the meanings of these plans? What is a customer-service centre? Well, it is a home office for the travelling sales representative who will travel to certain adjacent towns and villages to check all the difficulties involved in such a set-up. I assume that there will be plenty of difficulties, Mr. Speaker. He will also be in charge of the office to settle claims, and it is there that out-of-town people as well as personal calls. It makes sense to keep the Master Agency Plan in the same location as the customer-service centre, if it is to make any sense at all, Mr. Speaker. The Master Agency Plan is really an accounting centre. If the CN is really interested in providing good alternate service at the least cost, then it would choose the best possible place.

Now let Member give you some reasons why I think that Melville should be the choice, even though the location is being manipulated for political purposes and privileges. Now Melville has office spaces for the assistant superintendent, the general yard master, the track supervisor, all road masters' offices are there including the one over the Yorkton sub-division. In Melville there is a continuous marshalling of trains in the yard and yardmasters oversee all the work 24 hours a day. There is a steady roll in of cars day and night including all freight traffic going through to Yorkton. Approximately 95 per cent of this stop at Melville and are distributed to Yorkton, Regina and so on. Melville is on the mainline between Winnipeg and Saskatoon, a junction for rail traffic north, east, south and west. It is estimated that Melville can handle rail traffic as fast as any centre in Canada. The communication set up, Mr. Speaker, — if you would see some of them, they are really something to behold — is already there. It has one of the most advanced communication schemes you can find anywhere. It has a private line to Winnipeg, a Comtel machine, a new telegraph office, CN to handle all telegraph messages. Interchange with the CP through Yorkton could easily be arranged. Melville's IBM machines are even now processing the work of Comtel from Yorkton.

Now, Mr. Speaker, as I have said before, that if they are going to research the location of the Master Plan they should point out where it should be located, it should be most serviceable to as many people as possible. Mr. Speaker, these Master Agency Plans, if instituted, should be studied further with much consideration being placed on what is already available, with more consideration for the smaller and more distant communities, and only after thorough investigation proceeded with, always keeping in mind the great gifts of land and money our railroads have already been given as was so clearly set out this morning by our Leader, Woodrow Lloyd, when he spoke on another Bill. More important is the necessity to consider service to the people, and once again I say, Mr. Speaker, that

people should come first.

Some Hon. Members: — Hear, hear!

Mr. Kowalchuk: — To Member all this stems from the original demands of the railroads for rail-line abandonment, Mr. Speaker. We should support this Resolution. This is the final onslaught by the railroads on the people of Western Canada. Persistently it keeps coming out loud and clear that, whatever benefits the Canadian railroads have garnered — and I say millions of dollars — and the railroads have realized in outright land grants, etc., all that we have given to them will be forfeited if we don't fight. Let us fight against the cutting of services, let us fight against the freight rate increases. Let's fight against this total rail-line abandonment. It is clearly evident that the railroads are going to dispense with the passenger services altogether. And believe Member, Mr. Speaker, the only thing that the railroads are interested in, is freight hauling by the carload lot. This is not the kind of service we want; this is not the kind of services we need. Let us voice our objections to this type of phasing out of our community services by voting for the Resolution. Let us make sure that the public gets a fair hearing. Let us ask and demand joint meetings of the people, the Board of Transport Commissioners and the railroads involved, Mr. Speaker, we owe all that to the people of these Prairies and to the future of this province and to the future of this country, to have a thorough and a public hearing before final decisions are made on the CN Master Agency Plan. We should support the Resolution unanimously.

Some Hon. Members: — Hear, hear!

Motion agreed to.

RESOLUTION NO. 13 — ENACTMENT OF A NEW LANDLORD AND TENANT ACT

The Assembly resumed the adjourned debate on the proposed motion by Mr. Romanow (Saskatoon Riversdale):

That the Legislature recommend to the consideration of the Government the enactment of a new Landlord and Tenant Act for residential premises which would incorporate inter alia the following principles, as more specifically set out in a draft act tabled with this Resolution,

1. The establishment of a Rent Review Board to protect tenants from unjustifiable rent.
2. The establishment of a Landlord and Tenant Relations Board so that tenants could be recognized in appropriate units for purposes of bargaining collectively with landlords respecting all matters of their landlord and tenant relationship.
3. The limitation of use of security deposits.
4. The abolition of the right of distress for default of payment of rent.
5. The standardization of notices of termination of leases.

6. The right of entry to be guaranteed for candidates and agents seeking election to public office.

And further, that the Legislature recommend to the Government the enactment of standard lease form in the proposed new Landlord and Tenant Act.

Mr. R. Heggie (Hanley): — Mr. Speaker, I spoke briefly on this matter the other day and from the very brief remarks that I made I must say that I got a good response from the public with respect to those remarks and I wish to enlarge on them further this afternoon.

Now first let Member say that there is a good deal of what the Member for Saskatoon Riversdale (Mr. Romanow) has said, with which I agree in principle. However, the hon. Member wants to clutter up the Statute Books with comprehensive legislation governing contractual rights between landlord and tenant, lessor and lessee. He wants to add to bureaucracy by creating more government boards. I think I can best deal with the subject by speaking on each of the points of the Resolution in turn.

Now the first one is a proposal for a Rent Review Board. This proposal envisages that tenants are always right and landlords are always wrong. Now I am a lawyer by profession and so is my hon. friend opposite. I deal with dozens of rental complaints every year and I am sure he does too. In my practice the score is about even — 50 per cent of the tenants have complaints and 50 per cent of the landlords have complaints. The main complaint on each side is the failure to give notice to vacate the premises. Most of the issues are resolved quite quickly and never amount to anything. If they do there is a Small Claims Court to deal with recovery of payment of rent in lieu of notice. Why do we have to set up a special board to deal with matters that can be resolved quite quickly under the present circumstances? My hon. friend says that such a board ought to protect a tenant from unjustifiable rents. I agree that landlords have been charging substantial rents over the past ten years. But tenants have been demanding pretty classy accommodations at the same time. However let Member assure the Hon. Member that we are now in a buyers' market and many landlords' premises are going a begging. Nothing will bring rents down faster than empty suites. Landlords simply overbuilt in the last three or four years and the tenant now has a change to catch up.

Dealing with the Landlord and Tenant Relations Board, this proposal envisages collective bargaining being introduced into the landlord-tenant relationship. I rue the day that whenever a tenant signs a rental contract he automatically has to enter into a tenants' union. What an outrage! There have always been disagreements between landlords and tenants and the remedy has always been to move out and obtain alternate accommodation. This is the simple way of handling this type of situation. A Landlord and Tenants Relations Board would simply clutter up this phase of private contractual rights and set up another area of social disagreement and upheaval.

Limitation of security deposits, here I can agree with the Hon. Member as I believe that some landlords have been unscrupulous and have asked for deposits of such magnitude as to almost become an interest-free loan to the landlord. I agree that damage deposits are a necessary deterrent to proper care of the

premises. A \$50 damage deposit for a small suite would seem to be a reasonable amount to protect the landlord. Consider a landlord who asks for a \$200 damage deposit, multiply that by 20 suites and the tenants collectively have given the landlord a \$4,000 loan on which he can bank and draw interest. Not bad business. I agree that there have to be regulations in this phase of landlord-tenant relationship. An amendment to The Landlord and Tenant Act would take care of this. Perhaps, as a constructive solution, a type of trust account which would be set up under a section of the new Landlord and Tenant Act would govern the rights of the tenant to draw interest on his deposit while it was in the trust account. This would pretty well take care of the situation and protect the landlord at the same time.

Now my hon. friend was arguing for abolition of distress for rent. I am afraid that I cannot agree with him there. I see nothing wrong with the present law. Many tenants are irresponsible and try to move out without paying their rent. The law of distress counterbalances this caprice of tenants and I say it should stay. Unpaid rent is a debt the same as a grocery bill, and it is not up to the landlord to be saddled with unpaid debts of tenants. Many landlords are poor people, old people, widows. Why should they take a loss on a poor paying tenant?

Standardization of notices of termination, I really don't know what is meant by this but I am sure the tenants are anxious to be as flexible as the landlord. No one wants to be tied to a standard contract that doesn't suit his mode of life. This ought to be left to landlords and tenants as it has always been.

His last item was a right of entry of a candidate during a political election. I do not undertake to comment on this proposal as it is a subject which can be considered under The Elections Act and not part of The Landlord and Tenant Act.

In conclusion I wish to say that the Government is cognizant of some of the inequities of the present Landlord and Tenant Act which is almost word for word a product of the old English act and hasn't been revised for years. A complete review and updating of The Landlord and Tenant Act is under review and I am sure that a new Act will be forthcoming at an early session of this Legislature.

Some Hon. Members: — Hear, hear!

Hon. D.V. Heald (Attorney General): — Sir, I have quite a bit I want to say in respect of this Resolution and I am not ready to make my remarks today. I would therefore beg leave to adjourn debate.

Debate adjourned.

RESOLUTION NO. 16 — BASIC HEARING AIDS TO BE INCLUDED IN SASKATCHEWAN MEDICAL INSURANCE PLAN

The Assembly resumed the adjourned debate on the proposed motion by Mr. Snyder (Moose Jaw North):

That this Assembly recommends to the consideration of the Government that action be taken immediately to broaden the coverage of the Saskatchewan Medical Insurance Plan to include a basic hearing aid for the hard of hearing as prescribed by a medical practitioner.

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Hon. G.B. Grant (Minister of Health): — Mr. Speaker, I would like to speak on this matter. While there are some areas pointed out by the Hon. Member from Moose jaw north (Mr. Snyder) that I can't disagree with, I am interested in Mr. Wooff's remarks about noise pollution. I sometimes feel a little fortunate that my own hearing has failed to some degree, because there is quite a bit of noise pollution these days, particularly on TV, and I just do not hear it. On occasion a little bit of poor hearing doesn't do any of us too much harm.

One thing I have discovered in the Health Department is that there is no dearth of suggestions as to those services that might be added to the scheme whereas there seems to be a considerable dearth of suggestions as to how to bring about a better delivery of the services.

I think the urgency of the inclusion of a particular service depends on the interest of the individual or the affliction from which he might be suffering. There is hardly a month goes by but some segment of our population asks for an addition to the medicare scheme. It is difficult to resist some of them because they do sound pretty legitimate. As we all know there is considerable pressure at the present time to launch into a drug scheme or to include the chiropractors' services. Orthodontic work is being considered at the present time as a possible addition, and now it has been suggested that basic hearing aids be supplied.

I know the Hon. Member pointed out that he hoped that I wouldn't introduce a similar amendment to that introduced last year, but I don't think circumstances have changed too materially except that I believe this matter is being looked at by a subcommittee involved in the Department of Consumers and Corporate Affairs. I also feel that considerable work must be done before this service can be added to the medicare plan. First of all, as we all know, adequately trained people in this area are pretty scarce. Audiologists are very scarce people and we could use quite a number more in Saskatchewan. But getting down to the hearing aid dealers themselves I think that there must be a liaison with the Department of Education to establish adequate training courses for hearing aid dealers, possibly in the technical schools. It would be most desirable if a uniform standard of training could be established across the country, and possibly this will be one of the recommendations from the subcommittee on Consumer and Corporate Affairs.

I think also that, before we launch into this as an added service, we should consider passing legislation requiring the licensing of these hearing aid dealers and requiring that they have a minimum of training and/or experience. We must also bear in mind that there is a shortage of clinics for hard of hearing people and the staff necessary to provide that service. The Department is at present involved in a hearing detection clinic through cooperation of the Benevolent Order of the Elks. They just got started last fall and while the response seems gratifying, I think it would be wise to see the outcome of that clinic's activities before launching too far into this additional program.

Mr. Speaker, in view of the points that I have raised I would like to move the following amendment:

That all the words after the word "Assembly" be deleted,

and the following substituted therefore:

requests the Government of Saskatchewan when considering extension of services under The Saskatchewan Medical Care Insurance Act, and having regard to other priorities, to consider also the inclusion of hearing aids as an insured service.

However this Assembly recommends that prior to such consideration being given, the Government give careful study to the Report of the Department of Consumer and Corporate Affairs Subcommittee on Hearing Aids.

This is seconded by the Hon. Attorney General (Mr. Heald).

Some Hon. Members: — Hear, hear!

Mr. R.H. Wooff (Turtleford): — Mr. Speaker, without taking any time to consider the amendment closely, my one reaction is that as I recall it this is practically the amendment that was moved by the Hon. Minister (Mr. Grant) one year ago. The result has been nil so far. If this is going to be the approach by a similar amendment year after year, there is not very much hope for the people that are in real need of assistance in this particular area. I suppose that I can't do much about the amendment but I certainly am opposed to it.

Mr. G.T. Snyder (Moose Jaw North): — Let me say just a word or two on the amendment, Mr. Speaker, if I could. I would like to express my disappointment in the attitude of the Minister in connection with what I think is a very pressing problem for that over-70 age group in particular. I am a little mystified with the position that the Minister takes in saying that not a month goes by without some new demands being made on his Department and he suggested he had difficulty in resisting the demands that are being made upon him. I can only say that he does an awfully good job of resisting all of these advances up until this point and I think he has survived unscathed, because the representations that have been made to the Department for improvements to existing services have received very little, I am afraid, in the way of consideration from the Department of Health since the present Administration assumed office. I think there is a very meaningful way in which the Government can demonstrate its good faith in terms of health services for Saskatchewan people. I think this is one way in which the Government could give an indication that it really believes in providing a wide range of health services for Saskatchewan people at the most reasonable cost. This is a program which in present day terms, Mr. Speaker, and Mr. Minister, would not be regarded as an exceptionally expensive program but one that I know would be valuable to many of the senior citizens that I am contact with on a day-to-day basis.

The Minister gave an indication while he was speaking that some training program should be made available in order to properly qualify people prior to the introduction of a plan. I would only draw to his attention, if he is using this as an argument for not proceeding with a plan of this sort, that I know of no training program at present in the private hearing aid industry that gives anything other than on-the-job training. Surely this can't represent an argument for delaying the introduction of such a plan. In Britain I had the opportunity both in London and in Belfast when I was in Ireland to visit two of

these hospitals where provision is made for testing and providing the hard of hearing with the basic Medresco hearing aid. The people who provide these tests to the patient are people who are trained on the job. It is a technical, rather than a medical, training that they receive and one which can be, I think, handled very well within the confines of the medical institutions.

Just let Member say that the Minister, in indicating that reference should be made to the Department of Corporate and Consumer Affairs, has overlooked the fact perhaps that a rather prolonged study was made in British Columbia, initiated by the Government of British Columbia, into the hearing aid industry, and the indication at that time seemed to be without questions that there was excessive profit being ground out of those people who are unfortunate enough to need a hearing aid. As I said when I moved the motion, Mr. Speaker, and Mr. Minister, mark-ups from 150 to 300 per cent were not unheard of. This was indicated in the British Columbia survey which took place I believe in 1961. I can only say, Mr. Speaker, and Mr. Minister, that I express some disappointment in the lack of imagination that I see in the Department of Health in not having a desire to expand the vices that are needed very badly by those in the low-income groups. I think this is one of the areas that the Minister could devote himself to and I recommend it to him for future consideration. If I am fortunate enough to be back next year I wouldn't be surprised, Mr. Speaker, but that I would have a similar resolution to introduce about ten months from now.

Some Hon. Members: — Hear, hear!

Amendment agreed to.

Motion as amended agreed to.

RESOLUTION NO. 17 — ESTABLISHING A PRAIRIE INSTITUTE ON ENVIRONMENTAL PROBLEMS

The Assembly resumed the adjourned debate on the proposed motion by Mr. Lloyd (Leader of the Opposition):

That this Assembly, recognizing the present and potential threats to our natural environment posed by chemical, waste and other pollutants, urge the Government to initiate discussions with the University of Saskatchewan and the Governments of Alberta and Manitoba with a view of establishing and financing, under joint auspices, a Prairie Institute on environmental Problems.

Mr. W.A. Forsyth (Saskatoon Nutana South): — Mr. Speaker, when I adjourned this debate last Thursday, I had indicated that I shared the concern of both the mover and the seconder for the necessity of action in the field of environmental control. There is no doubt that this is one of the greatest challenges ever faced by the human race. Where I take issue with the Resolution is in the type of remedy which it proposes. Pollution knows no boundaries and its lethal effects cannot be viewed in isolation by any section of the country. We need a better national policy of control and nationally coordinated plan for both research and action. We certainly cannot afford the years that would be required to set up an effective institute serving only the Prairie region. The staffing, housing and funding of such an institution just cannot

happen over night. With all the best intentions in the world we would be well into the 70s before such an institute could produce any truly effective guidelines. What I propose for Saskatchewan is a three-pronged plan of attack and it would start immediately. First we should double and redouble our efforts to eliminate the sources of pollution which have already been identified by our present knowledge and research. This includes the reduction of chemical pollution from phosphate, pesticides and herbicides, the continuing tightening of control over industrial wastes and the acceleration of adequate sewage treatment plants in our urban centres. To do this effectively I believe that we need increased coordination of the existing programs of our Departments of Agriculture, Health, Mineral Resources, Natural Resources and the Water Resources Commission. Along with this we need a strong and in depth program of public education, because no anti-pollution program can be effective without the intelligent support of citizens and particularly citizen consumers.

Secondly, we should strengthen our program of Provincial research, probably using the Saskatchewan Research Council as our agent, use it as an agent of liaison with our own University and other institutions of learning.

Thirdly, we should urge and encourage the Federal Government to continue to coordinate the fight to save our environment through interaction with Provincial Government and international agencies, and to accelerate direct action in those fields which are the Federal Government's constitutional responsibility. As I said before pollution knows no boundaries. I expect that our ultimate salvation will depend on worldwide control under the authority of the United Nations. For the present I think that we must avoid cluttering our lines of communication through the establishment of parochial institutions such as that which is proposed in this Resolution.

Ten or fifteen years ago I would have supported the institution which has been proposed, but now I feel that we must have more immediate action.

Some Hon. Members: — Hear, hear!

Mr. Snyder: — Mr. Speaker, I want to say a few words on this Resolution not because I consider myself any kind of an authority on the matter, but because I share the concern of an increasing number of Canadians who are becoming thoroughly aware of the fact that pollution is no longer an American problem, nor is it a phenomenon that is confined to Eastern Canadian. It has become a global problem and there is hardly a corner of the earth that escapes man's continued desecration of our air, soil and water.

Until a few years ago when pollution was discussed, it brought to mind the smog problem of Los Angeles or perhaps a destruction of marine life and the quality of the water in Lake Erie. Today, when pollution is mentioned in Saskatchewan it brings to mind a problem of mercury contamination in Saskatchewan waters which has been responsible for concern beyond our Provincial boundaries. Industrial effluent which was being dumped into the Saskatchewan River by a Saskatoon firm was found to be responsible for a concentration of mercury compounds in large quantities, which caused the destruction at a later time of

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fish that had been found to have a large amount of this mercury compound in the flesh of those fish that were caught and marketed in Manitoba. I understand, Mr. Speaker, that after the source of the pollution was discovered it only took a matter of a few hours to correct the problem, which would seem to indicate that our initial problem is in identifying the source of pollution, to be followed by the creation of an agency of the Government, which I suggest must be given the necessary authority to enforce pollution control measures, an agency which will be able to take punitive measures if necessary to enforce the judgments that are made by that body. It seems to Member, Mr. Speaker, that the Water Resources Commission of Saskatchewan is either lacking in desire or is in need of greater authority to do something more meaningful in the whole area of pollution control.

I have on my desk, Mr. Speaker, an Order of the Assembly dated February 24, 1970. It asks whether this Government has taken any action with respect to the pollution of the Moose Jaw River and adjacent land areas and if so, what steps have been taken. Previous speakers on this debate on both sides of the House have dealt with the broad spectre of pollution. They have outlined both problems and remedial measures which have to be taken if mankind is going to survive. I intend to confine my remarks to a localized problem in that area of the province that I represent, along with my colleague from Moose Jaw South (Mr. Davies).

The Order of the Assembly, which I referred to a moment ago, draws attention to a water quality survey which was taken by the Water Resources Commission of the Moose Jaw River in the vicinity of that city. There are a number of areas, which to the untrained and the unscientific eye, Mr. Speaker, appear beyond all doubt to be contributing to the pollution in that particular watercourse. It was this continuing problem and the apparent desecration of a valuable resource in our community that inspired the Moose Jaw and District Labour Council to launch their own campaign in this connection.

This group, Mr. Speaker, collected water and soil samples at suspected points of pollution. They took colour photographs which were mounted and they prepared a brief which they presented to the Moose Jaw City Council. The same brief, I understand, was also presented to the Water Resources Commission. Unfortunately neither the Minister nor the chairman of the Water Resources Commission were present at that particular meeting.

However, Mr. Speaker, I believe that meeting had the effect of placing some motion into the whole matter. In June 1969 a survey of the Water Resources Commission was undertaken into the pollution problem in the Moose Jaw River area. On the surface, Mr. Speaker, it appeared that the source of pollution in the Moose Jaw River could be contributed mainly to the effluent from the Canadian Forces Base, to oil, to phosphate, nitrogen, from the Canadian Pacific Railway, oil-bearing sludge, oil-grease phenol from the Gulf Oil Refineries. Under certain heavy run-off conditions trapped oil in ditches and ponds at the Husky Oil Refinery also finds its way into the Moose Jaw River. The UTLX Tank Repair Depot north and west of the city appears also to be responsible for adding waste produces to an already polluted river.

The Canadian Forces Base south of Moose Jaw has been accused on a number of occasions of allowing improperly treated sewage to flow into the river. The officials of the Canadian

Forces Base have constantly denied that this was the case. In June of 1969 a survey by the Water Resources Commission concluded that the quality of the discharged effluent, and I quote, "was generally fairly satisfactory." They concluded further that a "no-flow" condition and the backwater created at the Grayson Dam indicated the future need for a higher degree of sewage treatment.

Mr. Speaker, it appears to Member that there is sufficient evidence to warrant some immediate action here by the Water Resources Commission. The Commission suggests that, if the effluent quality meets the requirements of the Federal Department of Health and Welfare with respect to organic matter removal, the water quality in Moose Jaw River would be much improved.

The Water Resources Commission reports with respect to action taken to resolve the problem, and I quote:

Approval in principle has been given to proposed additions to the treatment facilities at the Canadian Forces Base.

Mr. Speaker, and Mr. Minister in charge of the Water Resources Commission, this appears to represent the limit and the scope of the action which has been applied to remedy a situation which I believe the Water Resources Commission has identified but failed to really acknowledge and come to grips with. In the meantime the residents of Kingsway Park and River Park area which involves a very scenic piece of residential area in the natural parkland of the city, remain aware of the stench which floats down this water course during the summer months and continue to see vegetation either dying or already dead from this source of pollution.

The Water Resources Commission during its survey last June also concluded that the Canadian Pacific Railway can be a source of oil, phosphate and nitrogen pollution. As a result recommendations have been made to the company, quote, "for minimizing the pollution contribution from these areas."

Here, Mr. Speaker, the matter also seems to rest. The Commission concluded also that Gulf Oil Refinery is one of the largest contributors to waste in the Moose Jaw River with oil, grease and phenol being discharged in quantity into the Moose Jaw River. Additionally the River serves as a heat exchange reservoir for the refinery which contributes to an oxygen depletion in the river bed surrounding the refinery and downstream of that operation.

Well, Mr. Speaker, what action was taken with respect to Gulf Oil which was described as the major contributor to pollution of the Moose Jaw River and the entire Qu'Appelle Valley? A copy of the report was provided to Gulf Oil together with the requirement that the company indicate at an early date what steps would be implemented to implement or reduce to an acceptable level the amount of pollution presently entering the Moose Jaw River. The report concluded that the current practice of using the River as a heat exchange reservoir is the major reason for the existing level of pollution.

From what I have been able to learn in recent weeks, Mr. Speaker, the operation of the Gulf Oil Refinery continues much the same, business as usual, with the whole matter in a state of suspended animation. In total, Mr. Speaker, the whole

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exercise appears to be one of exploration, approving in principle, of recommending and proposing, but remedial measures have not been approximately-applied without delay. Already nine months have passed since the Water Resources Commission undertook a study in that connection. The beneficial effects of any action recommended by the Commission are not yet evident, although some action may have taken place in certain select areas that I am not aware of. The problem, however, still remains and will require more stringent methods than have been used by the authorities up until this time.

Pollution, Mr. Speaker, is not an industrial accident. It is a natural outcome of attempt by private enterprise to dispose of waste materials by the cheapest possible methods. The profit margin on the balance sheet is the determining influence, and it is unrealistic to expect industry to devote their minds to correcting the problem that they have created. This is why governments must be prepared to make it clear by both words and by deeds that the desecration of our environment is not to be tolerated. Governments must make it clear to industry that the disposal of industrial wastes is a private and not a public responsibility. It is a responsibility that must be recognized as a legitimate part of that industrial operation.

We have reached the point, Mr. Speaker, where society can no longer tolerate the irresponsibility of those who would foul our air, our water and our soil in the name of corporate profits. If this assumption is accepted, Mr. Speaker, and I believe that increasing numbers of people are arriving at this point of view, then as a legislative body I suggest that we have a responsibility to give the necessary authority to a Provincial agency to put a stop to the pollution over which we have jurisdiction and see to it that concrete action is taken to prevent future problems.

This Resolution in addition to giving recognition to the threat to our environment by pollution concedes that the problem is one which will require the cooperation of their jurisdictions. We remember the incident of some months ago, Mr. Speaker, when an industrial complex in Edmonton was discovered responsible for polluting the water supply of the Northern Saskatchewan River, with Saskatchewan downstream communities suffering the consequences. This and other events, I believe, point up the need for inter-provincial action to bring to the attention of all Canadians the need for a concerted attack on one of our most pressing problems.

A Prairie Institute of Environmental Problems could serve as a vehicle to coordinate the efforts of all three Prairie Provinces for our mutual benefits. I will be pleased to give my support to this Resolution, Mr. Speaker.

Some Hon. Members: — Hear, hear!

Hon. J.R. Barrie (Minister of Natural Resources): — I beg leave to adjourn the debate.

Debate adjourned.

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

The Assembly resumed the adjourned debate on the proposed motion by Mr. G.R. Bowerman (Shellbrook):

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.

Mr. W.J. Berezowsky (Prince Albert East-Cumberland): — Mr. Speaker, when my speech was interrupted the other day I was at the point of explaining some of the ridiculous suggestions of free enterprise Agra spokesmen, who said that feed grains be placed on the open market on a supply and demand situation. Of course, I don't need to tell anyone that this would simply mean that this would only benefit such Agra companies.

Those of us who have lived and experienced grain surpluses and the selling of grain through grain exchanges need not be told what it would do to the farmer or to the supply situation. I am not going to go into that, but I want to say that it would be most unfortunate if we ever return to what we discarded many years ago.

Let Member proceed to say, Mr. Speaker, that there is a crisis, a grain crisis as well as the wheat crisis which is being considered by the Federal Government. I would like to say that it seems to Member that feed grains such as barley and oats have only had passing attention from the Federal Government. Yet, as I see it, stocks have been rising and increasing and prices have been lagging. I just want to point out very briefly that the percentage of coarse grains such as barley sold by Canada on the world market was 21 per cent in 1963 and 22 per cent in 1964. Yet in 1967 and 1968 it had dropped down to 17 per cent. In the two or three years before that it was about the same figure. Taken in bushels you find that in 1957 and 1958 we sold on the world market some 80,290,000 bushels of our barley. When you get down to 1962 and 1963 it dropped down as low as 15,377,000 bushels and 46,935,000 bushels respectively. The last figures that I have, I think, are for the years 1967 and 1968 and it is still only 41,405,000 bushels. This is a very sad situation indeed.

The facts are, Mr. Speaker, that the growers of feed grain, with a very few exceptions, are in a worse position than the wheat growers or the livestock producers. The marketing quota is essentially based on bushels and the feed grains are considerably lower in price per bushel than is wheat or oil seed. And so less income accrues to these kinds of farmers, the producers of feed grain. The bulky feed grains require more storage space and feed-growing farmers have greater storage cost of course. This is again a problem. It is well known to all, I am sure, that price-cutting under heavy competition is much greater than in the wheat-selling area. Farmers have been offering barley and oats well below the cost of production to feeders and Agra companies. The prospect ahead is very grim because with a wheat reduction program there may be unsaleable surpluses of feed grains. In the market jungle of supply and demand such a farmer

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is the most vulnerable of all primary producers of such wealth. He is simply in the position of being forced to accept what the secondary industry such as Agra Business offers him.

The feed-grain producer's hopes are in the export situation somewhat comparable to the wheat producer's. If world trade expands then there is hope because farmers may share in that market. Although I am sure we are not now told to grow all we can, as we were told in 1959 and 1960, yet the LIFT policies of the Federal Government are pushing the farmers into a heavier production of feed grains. Again I say this is very unfortunate.

It may be true as some say that farmers are moving into livestock production and so there may be some easing on the feed supply by the demands of the livestock feeders. Yet many farmers, such as I will not benefit substantially in the cut-throat competition of open, local grain markets. They will flounder and they will drop out. Fewer farmers, Mr. Speaker, will not change the amount of bushels produced or surpluses produced in the country. More surpluses will mount by the increased amount of summer fallow in our country in time.

I think that if we want to restrict the feed markets in some way, this can be done. Here are some suggestions that I have noted. I think that we could have a takeover by governments of marginal or sub-marginal prime lands, thereby creating pastures and forage areas. Now this may increase the livestock population and may cause a problem of surplus livestock, but it would help the feed farmers. Then you could have an increased oil seed production in the feed-grain area. This may have some very serious look must be given to Eastern and overseas markets, and here I think subsidies are necessary to safeguard the economy of farmers producing feed grains.

Again, there must be continued research by Provincial-Federal authorities to provide some of the technical answers in connection with planning, production, prices and marketing problems. Certainly there must be an effective governmental agricultural policy program for farmers which apparently does not exist at the present time. Again there is an essential need for orderly marketing. I may differ from some of the Hon. Members opposite. I believe you must have orderly marketing and guaranteed prices of feed grains though the Canadian Wheat Board, with practical, flexible policies for provincial and inter-provincial trade. And certainly there must be more coordination between farmers and the governments for efficiency in operation, accounting, records and so forth.

Removing restrictions on grain movement within the Prairies can cause a head-on collision or confrontation with Eastern corn growers. These people fear not only the competition from cheap Prairie beef but the possible feed-grain flood competing with corn prices. That is why we must be careful not to destroy what we are trying to build. There is some argument that regulations on farmers will do more harm than good to the rural Canadian agriculture economy. The focus should be on the overall agricultural industry for the whole of Canada and agriculture must be given greater priority than any other less competing prime industries such as mining or lumbering.

Wheat restriction LIFT programs have solved or are geared to solving nothing either of marketing or of overproduction, at least so I see it. We will see less wheat temporarily, but more

feed grains and surplus. This is what is going to happen. Feed grain must be moved at profitable prices, not as somebody suggests, at deficit prices. This is an area of government responsibility, I say it is an area of great challenge for the Federal Government particularly.

In the Country Guide, March 1970, on page 9, I found the following statements, which I quote:

It is virtually impossible for the Wheat Board to police the movement of grain (feed grain) across provincial boundaries and the regulations seem to accomplish no purpose for the Prairie farmer. The Prairies are a Wheat Board controlled area and various movements within this area don't make sense.

Now this is just one opinion, Mr. Speaker. I wonder if this statement takes into consideration that, if the movement of grain or feed grain is not regulated, then in many cases, there will be dumping and sales at fire prices if only to get the cash which the producer requires at the moment. In such a case only the Agra companies and feed companies would have a short-lived picnic and high profits for themselves. Then again you read this kind of thing. The Ontario delegates responded from their point of view. What did they say? I quote:

Obviously you Prairie farmers want to drop these borders to facilitate livestock production. But we don't want you to do that.

That's what the people in the East say. I could add, Mr. Speaker, that I wouldn't want it either at my expense, which might be below my production cost. Mr. Speaker, I don't want to see Eastern feeders clobbered nor do I want to see farmers who are producing feed grain in Saskatchewan go bankrupt. So I have to agree with Gordon Heald, Ontario Federation of Agriculture President who said this and I quote:

Prairie feed companies and big feed lots must buy grain through the Wheat board. And I further say that in all direct deliveries from farmers to feed lots they must be on a quota basis, otherwise some dangerous and alarming situations will develop.

Let us remember, Mr. Speaker, that feed grains do have a market in Japan and elsewhere in the world, but a market that requires at this time in particular some subsidies to compete with growers of corn and soya beans of other countries. I think that until such time as the surplus situation corrects itself, we must consider these three points: 1. Farms producing feed grain should market through a board quota. 2. That subsidies be provided feed growers for all exports of Canadian feeds to give farmers a reasonable return for their work, possibly a guaranteed price for feed grain, and I could add possibly something like we discussed today — subsidies of some kind or another or injection of cash. 3. That research be carried out to see if it is feasible for feed grains to move inter-provincially across Canadian through the medium of the Wheat Board Marketing Agency or through some special domestic sales agency of the Wheat Board.

Because there is so much confusion and so many opinions, so many fears and apprehensions, I think that the suggestions in

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this Resolution have much merit and I urge this Assembly to give its unanimous approval.

Some Hon. Members: — Hear, hear!

Mr. Leith: — Mr. Speaker, I intend to have something to say about this, but I am not sure about the intent of the Resolution and I would like another couple of days to look at it. I beg leave to adjourn the debate.

Debate adjourned.

SECOND READINGS

Mr. E.F. Gardner (Moosomin) moved second reading of Bill No. 75 — An Act to amend The Medical Profession Act.

He said: Mr. Speaker, generally the amendments contained in this Bill have been proposed by the College of Physicians and Surgeons and these proposals have been made as a result of an overall review of the Act.

One of the more interesting amendments relates to the qualifications for registration. At the present time physicians from Great Britain, Ireland and certain of the commonwealth countries are entitled to be registered in this province. However, there is no provision for registering a physician trained and qualified in the United States. An amendment provides for such a physician to be registered if he has passed the examination of the Federation of State Licensing Board in Medicine. It is understood that this is a kind of national examining board similar to the Medical Council of Canada in this country.

Another amendment provides for the immediate past president of the council to be an ex-officio member only if he were re-elected by a District Medical Society.

Most of the other amendments are related to the disciplinary provisions of the Act. One amendment provides that a solicitor would be appointed as an assessor to advise the disciplinary committee in connection with any proceedings. This solicitor would be someone other than the solicitor presenting evidence of unethical conduct as charged against the physician. This procedure has been followed for some time in Great Britain and it is understood that the new provision contained in this Bill is taken from the British Medical Act.

Another amendment sets out additional bases upon which a physician may be found to be guilty of unprofessional conduct. This is a physician, who in the opinion of the discipline committee provides services which either in volume or in relation to the other services provided by him cannot be justified on any reasonable grounds. This is quite similar to an existing provision of the Act but it sets out the basis for unprofessional conduct in more detail.

The other amendments are of a relatively minor nature. They have been proposed by the College of Physicians and Surgeons for administrative reasons. I feel that detailed questions can best be answered when the College officials are with us in Committee.

Mr. W.S. Lloyd (Leader of the Opposition): — Mr. Speaker, I simply want to direct a question to the mover of the Bill which I hope he can answer. He mentioned and quite correctly that the Bill would go to Committee and that the College of Physicians and Surgeons would be present there. May I ask what other groups or what steps have been taken to notify other groups who might wish to appear before the Committee at the same time in addition to just the College officially? The normal procedure?

Mr. Gardner: — The normal procedure. Not to my knowledge has anybody been notified directly. This would not be the Private Bills Committee.

Mr. R. Romanow (Saskatoon-Riversdale): — Mr. Speaker, I have but just a very few words to say about this Bill. I will concur with the Member who introduced the Bill that questions can be handled in Committee. I'd like to draw to the attention of Members of the House my own personal concern with one or two references in the Bill which give more and more power and more and more authority to the governing body of the medical profession. In particular, proposed Section 5, which, as I understand it, drops the words "by bylaw" and in one very small area allows now the College to set fees without bylaw necessity. In other words it can be done sort of at its own will. I think that, when we are dealing with The Medical Profession Act and when we are dealing with The Legal Profession Act, we are dealing with professions that are not closed societies and are by their nature societies that deal with the public as a whole. It is most important that as much as possible many of the proceedings of the various professions be exposed to the public as possible. I'm also concerned as a lawyer about Section 7 which says that there shall be no examination for discovery in respect to any committee proceeding. I intend to pursue this further in Committee. The Section in questions here says that all the rules of the Queen's Bench will be applicable respecting any disciplinary meetings and the rules of the Queen's Bench Court mean that there will be an examination for discovery. I'm sure the Hon. Attorney General (Mr. Heald) will agree with Member that an examination for discovery is a very valuable device for a fair hearing. At the process of examination for discovery, both sides, the College and the doctor who is being disciplined, have the right to find out how strong the case is with respect to the opposing sides. There is a danger or a possibility that the person who is being charged at any rate may not have the benefit of determining what the case is against him.

I also stand to be more acquainted with Section 43A, the concept of an assessor. This frankly is a brand new concept to Member. It is a novel proposal that a lawyer who is engaged to advise the medical profession should be adopting a sort of a special legal status by way of an assessor and in effect become a member of the committee. Now, am I misreading that? Well, as I say, I intend to. . . Well, let me just take a look at that Section 43A, if I can. The Hon. Minister of Municipal Affairs (Mr. Estey) says that I am wrong in this area. Section 43A says: "For the purpose of advising the discipline committee on questions of law. . ." — I'm skipping now, I'm not purporting to be reading this correctly — "there shall be an assessor to the committee who shall be appointed and he shall be a person

entitled to practise law according to the legal profession. The council may make rules and regulations and an assessor may be appointed either generally or for any particular proceedings.” Now I read that to mean that the council can appoint a solicitor to be an assessor.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — Oh, I agree, I agree. I’m not going to accept that for the time being from the Minister of Municipal Affairs. I know that he has had much personal experience in this area. What I am concerned about — and I just leave it at this point — is that the Committee find out whether or not we are setting up a legal position that may in fact not be warranted and I think in fact will present many other legal problems. I’m thinking about certiorari and the like, you know when you make a decision and you can attack it because there is a non-medical profession member sitting in on the governing body.

I conclude my remarks by saying this. We won’t be opposing this Bill, but I do want to express my own personal concern about what I see is the trend in this Bill and in the other profession Bill that is before this House of more and more power gradually coming into the hands of a body that I think should be expanding more and more of its activities to the public for exposure. I conclude by saying that we can pursue these best in Committee.

Hon. G.B. Grant (Minister of Public Health): — Mr. Speaker, I would like to comment on a couple of the observations made by the Hon. Member for Riversdale (Mr. Romanow). First of all we have charged the medical profession with the responsibility of policing its own members and consequently I think we are required to give them the necessary tools to do the job. His reference to an examination for discovery, in my opinion, doesn’t apply because it is not a court hearing as such. It is a hearing before a discipline committee. When this was brought to my attention, I certainly couldn’t see the justification for an examination for discovery but possibly the Attorney General (Mr. Heald) is in a better position to advise on that.

With regards to the assessor I’m not sure whether I followed him correctly or not. I’m not sure whether he was suggesting that the solicitor for the College would fill the two roles. This is certainly not the intention by any means. It is to avoid this and to enable them to appoint a legal advisor to the discipline committee and it seems quite rational and reasonable to me.

Hon. D.V. Heald (Attorney General): — Mr. Speaker, I would like to say a word or two as a result of the observations of the Member for Riversdale with respect to examination for discovery. As the Minister of Health has said, these are not court proceedings. I would remind the Member for Riversdale that there is no provision in The Legal Profession Act for examination for discovery that I know of in discipline committee hearings. I think as the Minister of Health said this is not a court proceeding. This is a self-governing body and we have entrusted them with the conduct of

their own profession. We have given them the right to license and we have charged them with these powers of discipline. But I don't think we should hide-bind them, make them so hide-bound that they have to operate like a court of law. I think that there should be some degree of informality. Now I quite agree that the rights of an individual are involved here and that the discipline committee has some pretty wide powers, but I don't really think that in putting them in a position where they don't have to have an examination for discovery that we are doing anything that is out of the way at all. It is putting them in a position where they don't have to be quite as formal and, as I say, I don't know of any other professional associations where the right to examination for discovery exists in respect to proceeding before the discipline committee. I don't see anything wrong with that amendment.

Motion agreed to and Bill read a second time.

Mr. J.J. Charlebois (Saskatoon City Park-University) moved second reading of Bill No. 76 — An Act to amend The Dental Profession Act.

He said: Mr. Speaker, this Bill proposes an Act to amend The Dental Profession Act. There are two sections that I think should be of particular interest to the Members. The first is the amendment to Section 3 where it reads in part, "whereby the College may operate one or more dental services plans," these would be plans similar to GMS or MSI. It says further, "whereby the personnel groups can obtain for themselves and their families or employees adequate dental care on a pre-payment or other basis." In Section 3(5)(Bill), "enter into agreements with federal provincial and municipal governments, school districts and any other corporate body or limited company for the purpose of providing dental services."

The second item that I would like to draw to the attention of the Members is the amendment to Section 24 on page 4. This amendment, I think, should be considered to be a real breakthrough in the profession particularly in view of the present shortage of dentists. The scope of the Act is expanded by the new Section 13 which read in-part, "by striking out the words 'an ancillary body to be known as dental hygienists' and substituting therefore the words 'dental auxiliaries'." "Actually what is proposed here is a measure that would give more scope to the dental assistants and leave the dentists in a better position to spend less time on minor services.

I think the other items of change, Mr. Speaker, are simply matters of housekeeping. There may be some of the same points that the Member from Riversdale (Mr. Romanow) raised in the previous Bill, but I suggest that these can be dealt with in Committee.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — Mr. Speaker, again very briefly with respect to this Bill, I look forward to gain some clarification in Committee as the Hon. Member from City Park-University (Mr. Charlebois) indicates. I would be a little happier about this, if the Member would explain, perhaps in closing the debate, what is meant by the definition — I notice he didn't say very much about

it when he introduced the Bill — of dental auxiliary.

Now, Mr. Speaker, Bill 76 adds a new Section D, or at least amends the old Section D, and defines dental auxiliary as follows: “Dental auxiliary means a person other than a dentist who is qualified to perform dental services specified in the bylaws or regulations” and then there are appropriate amendments throughout. Now the reason why I raise this is the way I see the proposed amendment. If it becomes law, the dental society will be able to bylaw or regulations to say that the dental service of the type of work that is normally carried out, by a denturist for example, is to be determined now to be a dental service thereby becoming a dental auxiliary. Now I know there is another statute involved in this and that’s The Dental Technicians’ Act which is more commonly thought of as the Act that deals with denturists and dental technicians. All Members, I think, are familiar with the by-play that’s been going on in the profession with respect to denturists, dental technicians and dentists. But I am somewhat concerned about this definition and I’m frankly unclear. I would be pleased if the Member would explain how dental auxiliary fits into The Dental Technicians’ Act and with respect to the type of concept that I am now talking about. Because, if I am right and if this gives the council the power to say that the work that a denturist commonly does is now a dental auxiliary’s work and therefore subject to the rules and regulations of the Dental Council, I think we want to take a very careful look at that. There is a significant body of opinion among many people in the Province of Saskatchewan in this area that says that we ought to be looking to some legal sanctions to ‘legitimise’ if you will I’m using that work in quotations — the activities of denturists and the like. So I draw this to the attention — maybe this is just a legalistic mind, seeing something that doesn’t exist, but right now I see that as a very real problem.

Secondly, Mr. Speaker, again the same general observations with respect to this Bill as to the other. Some of these amendments even puzzle me more than The Medical Profession Act with respect to the power this is given to the Dental Council. They have virtually almost every right now to set fees and set out ways and means of disciplining. I don’t know but, if I were a dentist, or if in my profession, if I thought I could be dealt with in a way that to Member smacks of possible summary proceedings, I would want to look at it very, very carefully. I think we as legislators have to be very careful in this area to make sure in second reading. But the dental auxiliary business and the increased regulations will be pursued in Committee. I would like to have the Member’s explanation on that.

Some Hon. Members: — Hear, hear!

Mr. Grant: — Mr. Speaker, by way of explanation I can assure the Hon. Member that first of all there is no such animal as a denturist, officially, in the province. the nearest relation he has is the dental mechanic or dental technician. I can assure the Hon. Member that it is my understanding that there is no intent or a provision for the inclusion of a dental mechanic under the definition of “dental auxiliary.” The purpose in this was to provide a little more scope for this type of individual. Some of them are certificate-carrying individuals from the University after a two-year course, I believe the dental hygienist,

and then there is a category trained at the technical school in Saskatoon. What is the exact title? Dental assistant. It is a one-year course and we are currently involved with a program using Federal money that will hopefully show the role that the auxiliary person plays in the dental program. As you know Saskatchewan is pretty short of dentists at the present time — one of the lowest in Canada — and there are many areas in Saskatchewan where little or nothing is being done by way of filling the cavities, leave alone any preventive measures. Hopefully this pilot project will help in this regard. I feel it is a real step forward in that we have the cooperation of the dental profession in this program, whereas a couple of years ago we were tempted to go ahead with it on our own, somewhat after the New Zealand Plan, I think it was, and ram it through because we felt that something had to be done to take care of these under-dentist areas. But I am pleased to say that now there appears to be a high degree of cooperation and hopefully the role of the dental auxiliary individual will be recognized and proved helpful. In regard to the powers of association, I think the same general remarks apply as to the medical profession and I can't argue with the Hon. Member. Perhaps The Legal Profession Act should have some of these features in it. Maybe you fellows are running a little bit wild.

Motion agreed to and Bill read a second time.

INTRODUCTION OF GUEST

Mr. D.M. McPherson (Regina South West): — Mr. Speaker, before we commence I would like to introduce a Member of the British Columbia Legislature, Mr. Herb Capozzi who is here speaking in Regina tonight and he is accompanied by Father Mooney from Christ the King Church.

Hon. Members: — Hear, hear!

The Assembly adjourned at 9:58 o'clock p.m.