

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fifth Session — Sixteenth Legislature
26th Day

Tuesday, March 23, 1971

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

Introduction of NDP Youth

Mr. E. Kramer (The Battlefords) — Mr. Speaker, this is possibly a privilege but I'm going to ask for it. I have seven guests immediately to my left in the gallery. They are members of the New Democratic Youth Club of North Battleford. Two of them are my daughters.

Hon. Members: — Hear, hear!

ANNOUNCEMENTS

Correction Re: Effective Date on Quality Premium Hogs

Hon. D.T. McFarlane: (Minister of Agriculture) — Before the Orders of the Day are proceeded with I wish to announce that the \$2 quality premium on hogs comes into effect on April 1st and continues for the fiscal year ending March, 1972. A recent advertisement said the policy was in effect for the calendar year. This was an error. It is in effect for the fiscal year. It starts with hogs marketed April 1st. I wish to draw that to the attention of the Members of this House.

Saskatchewan House Designated as Historical Site

Mr. Grant: (Minister of Public Works) — Mr. Speaker, I should like at this time to announce a Cabinet decision to designate Saskatchewan House as a historical site. It is the Government's hope that preservation and restoration of this symbolic landmark will serve to remind Saskatchewan people of our growth from a territory to a province. Built in 1891, Saskatchewan House was first used as the official residence of the viceregal representative of the North West Territories. Lieutenant-Governor Joseph Royal was the first resident as the representative of the Territories and the last was Lieutenant-Governor E.A. Forget in 1904. But the Hon. Mr. Forget continued residence as the first viceregal representative of the Province of Saskatchewan after the province was formed in 1905. During the next 44 years, Mr. Speaker, Saskatchewan House was used as the official residence and was the scene of almost every major social event in our province. In 1939 when King George VI and Queen Elizabeth visited our province they stayed there. Use of the official residence was discontinued at Saskatchewan House in 1945 when Lieutenant-Governor A.P. McNab's term expired. Since then it has been maintained as a cultural centre and more recently as a school. Cabinet plans call for phasing out of the school and restoring the centre's core of the building to its original state. There is a group of local citizens headed by Mr. Stinson and Mrs. Ruth Hunt who will immediately become involved in the restoration and refurnishing. Our plans also call for housing such groups as the Plains Historical Museum and the Historical Society using the area in the structure which was erected in 1928. The south wing of Saskatchewan House will continue to be used as a theatre

for the re-enactment of the Trial of Louis Riel until such time as another use is found for it.

Mr. Speaker, it is the Government's hope that the building and the grounds will eventually become one of the major tourist attractions in the city of Regina and in the province.

Some Hon. Members: — Hear, hear!

Mr. J. Messer: (Kelsey) — Mr. Speaker, a comment in regard to the Minister of Agriculture's announcement. I'm certain all farmers, at least hog producers in the Province of Saskatchewan, will welcome the incentive program especially at a time when the prices of pork are at somewhat of a depressed state. I'm sure he already knows that the Federal Government's plan came to an end on December 31. I wonder if they could give consideration to making it retroactive to the end of the calendar year so that relief could be supplied to that three months' time that there was no incentive program to producers?

Hon. D.T. McFarlane: (Minister of Agriculture) — It will be as I announced in the Legislature, Mr. Speaker.

Mr. E. Whelan: (Regina North West) — Mr. Speaker, I was pleased to hear the announcement from the Hon. Minister of Public Health (Mr. Grant) regarding Saskatchewan House in my constituency. I think that it is a very excellent location for a historical site. I'm sure the people in my constituency will approve wholeheartedly. I should like to see the classes that are being held there continued elsewhere. I'm sure that it will be one of the major tourist attractions of the Province of Saskatchewan.

Some Hon. Members: — Hear, hear!

QUESTIONS

Saskatchewan Hospital Services Plan Annual Report

Mr. W.E. Smishek: (Regina North East) — Mr. Speaker, before the Orders of the Day, I wonder whether I can ask the Minister of Public Health when we can expect the Saskatchewan Hospital Services Plan Annual Report to be tabled in the Legislature? I have talked to him privately about it. I think the end of the fiscal year is due. I know he has got until March 31st but I would hope that the report will come down before.

Mr. Grant: (Minister of Public Works) — Mr. Speaker, it is in the printer's hands and it will be tabled in time.

Mr. Smishek: — Mr. Speaker, the Minister told me that it has been in the printer's hands for the last couple of weeks.

Mr. Grant: (Minister of Public Works) — Mr. Speaker, I told him that last week. The question was

directed to me last week and I said, "It's in the printer's hands." Now let's not stretch it out to two weeks.

WELCOME TO GUESTS

Mr. Speaker: — I wish to draw the attention of all Hon. Members the following group situated in the gallery: from the constituency of Souris-Estevan represented by Mr. MacDougall, 20 members of the Columbia Squires Lodge from Estevan under the direction of Mr. D. Cootes. I'm sure all Members would wish to them an extremely warm welcome and to all those other visitors who are in our gallery this afternoon.

Hon. Members: — Hear, hear!

RESOLUTIONS

Resolution No. 5 — Prairie Grains Cash Receipts Stabilization Program

Mr. J. Messer (Kelsey) moved, seconded by Mr. J. Kowalchuk (Melville):

That this Assembly is of the opinion that the proposed Prairie Grains Cash Receipts Stabilization Program does not provide Saskatchewan farmers with a minimum acceptable net income that would have continuing relation to cost of production;

And that this Assembly favors a program based on a minimum guarantee of net income that is flexible enough to provide for sound land practices and that gives incentives to the Federal Government to reduce costs of farm inputs for western grain producers.

He said: Mr. Speaker, I'm sure that all Members of this Assembly will agree with me that present day agriculture in the Province of Saskatchewan is confronted with numerous problems. One of the major problems is the income that farmers receive in regard to their cost of production. This is not a new situation to farmers in Saskatchewan or the Prairie Provinces. It is, however, a very serious problem to the farmer in this province. I say this is due to the fact that he is in the process of adjusting to a different type of agricultural climate which in itself presents some major problems for him to contend with. During this period of adjustment he is also confronted with a situation which allows him less net income than he was receiving in years past. The net incomes of years past being greater than those now were not really sufficient at that time to assure farmers of a continuing viable enterprise.

I'm certain that all Members of this Assembly, Mr. Speaker, are aware of the economic situation that is now confronting farmers in Saskatchewan. However, Mr. Speaker, for the records of this House, I should like to give you some indications of the present and past income situations of farmers in this province.

According to the Dominion Bureau of Statistics' figures, total farm cash receipts in 1964 were \$838 million; in 1965 they had increased to \$888 million; in 1966 they had further

increased to \$950 million; in 1967 they reached a peak of some \$977 million or nearly a billion dollars farm cash receipts intake. In 1968 the trend began to reverse and the income dropped to \$898 million; in 1969, \$722 million; in 1970 it had dropped further to \$684 million. It is obvious from these figures, Mr. Speaker, that farm cash receipts in 1964 increased by about \$150 million to a peak in 1967. However, since that time cash receipts have dropped from that peak of \$977 million or nearly a billion dollar figure to a low of \$684 million in 1970. A reduction in farm cash receipts of nearly \$300 million.

During this period of falling farm cash receipts we have seen accompanying it, the costs of farming operations, the inputs that farmers purchase and need steadily continuing to rise in price. Therefore, in a nutshell, the cost of farming operations has increased in the last three years while the gross cash farm receipts have decreased. This means that the net realized income to farmers has shrunk drastically. Realized net income according to the Dominion Bureau of Statistics' figures for the same period of time, 1964 to 1970, are: 1964 — \$450 million; 1965 — \$458 million; 1966 — \$464 million; 1967 — \$483 million, the peak; 1968 — \$367 million; 1969 — \$194 million; 1970 — an estimated \$150 million. Taking the gross farm receipts of 1964 of \$838 million and comparing them to the net realized farm income of 1964 of \$450 million, we find that this is slightly over 50 per cent of the total cash receipts to farmers.

However, when we compare the 1970 farm cash receipts of \$680 million to the 1970 net income of \$150 million, we find that this percentage has shrunk to 22 per cent of the farm cash receipts.

Mr. Speaker, I'm sure that all Members of the Assembly can realize just how serious a situation this is for the farmer in Saskatchewan. The percentage reduction of net compounded by the fact that total farm cash receipts have been reduced significantly since the mid-sixties shows that if this continues farmers will virtually be unable to continue operations in this province.

The major reason for this chronic condition is that farmers and western provincial governments have not been able to impress upon the Federal Government and the Federal Department of Agriculture the seriousness of this problem so that the Federal Government would make some sincere attempts to deal with and adjust these problems.

Due to lack of action, there is not nor has there been an effective Canadian policy for agriculture for farmers in general. It is due to the absence of such policy that we are, as farmers, in a situation of chronic instability with the agricultural sector of the economy now in a serious decline. Farmers have been asked by higher levels of government, both Provincial and Federal, to make major adjustments at a time when their cash position was short and capital requirements large.

Government should have shown responsibility to help meet this cash shortage and assist with the difficult adjustments that had to take place. This assistance was not provided to a great enough degree to offset the shortages of capital to farmers. However, farmers did remarkably well in response to changing economic conditions; western farmers made some dramatic adjustments, most within the past several years.

In the Province of Saskatchewan we have seen the farmer adjust his wheat acreage significantly. We have seen the Saskatchewan farmer adjust and increase the forage acreage in order to offset taking land out of grain production, wheat production in particular. We've seen some extensive adjustment in regard to diversification into the livestock industry in this province. But in spite of these kinds of adjustments, the net income to farmers has dropped most seriously as I have pointed out.

During this time, as I have already stated, there was the longer run cost price squeeze which farmers have had to contend with. During the period of 1961 to 1968 the prices of goods and services used by farmers increased by some 35 per cent while the prices received for farm products sold by farmers increased overall by only five per cent. Rather than seeing a corrective measure in this cost price squeeze, we see it worsening this year. In order to alleviate these pressing financial problems of farmers and provide some long run adjustment policies for agriculture, we have seen the Federal Government table the Task Force on Agriculture Report.

I think it is an accepted fact that, in principle, the farmers of Saskatchewan are against such Task Force proposals.

Some Hon. Members: — Hear, hear!

Mr. Messer: — From the Task Force proposals we have seen the development of the subsequent announcement of a grain stabilization program. This program is also, in principle, unacceptable to the farmers and those who have had some opportunity to research its proposals. Such farmer organizations as the Saskatchewan Wheat Pool have expressed doubts about the stabilization program.

In the Western Producer we find the Saskatchewan Wheat Pool stating, and I quote:

Saskatchewan Wheat Pool has serious doubts about the value of the grain stabilization program as outlined by Otto Lang, Minister responsible to Parliament for the operation of the Canadian Wheat Board.

The article further states that on November 30th, Pool delegates at their annual meeting stated that under the aspects of the federal plan some long standing Government support programs such as the Temporary Wheat Reserves Act would be dropped. In the same article, and I quote, Mr. Speaker, Mr. Turner stated:

The Pool meeting felt that Lang's ideas meant less Government commitment to agriculture and that this is unacceptable at a time when continued extensive Government involvement is essential.

Another objective was that the three per cent was too high a contribution for farmers to make to any stabilization fund. Granted there has been some adjustment and changes made in the first announcement of the stabilization plan. The payments that farmers are to contribute have dropped from three per cent to two per cent. We have not yet, to date, seen the changes nor the guidelines of the renovated program which is to be legislated shortly. We, however, do not foresee significant changes that

will be beneficial to the farmer. We in the New Democratic Party therefore believe that a more practical program would be a net income program that would have some continuing relation to cost of production which would be based on a minimum guarantee of net income that is flexible enough to provide for sound land practices and would give incentives to the Federal Government to reduce costs of farm inputs for western grain producers. In order to bring forward the benefits of such a proposal, I should like to discuss and compare the proposal that we are making to this Assembly in relation to the proposals of the stabilization of Mr. Lang's.

We in the New Democratic Party particularly welcome any commitment from the Federal Government to western grain producers which is of a long term nature. We however do not agree with the formula for assistance, if indeed any real assistance will be provided by Mr. Lang's proposals. According to the statements Mr. Lang has made, the plan will provide for Federal contributions toward market research and development. We also welcome that research and development. He also states that producers will be provided with more up-to-date market information by means of early announcement of prices and quotas for western farmers. This will definitely be of great assistance to farmers in planning their production in the spring.

We are, however, most critical in areas where the farmers will lose the support programs that they have now and have had in the past.

Some Hon. Members: — Hear, hear!

Mr. Messer: — Two of these areas would be the Temporary Wheat Reserves Act, which may well have by now served the purpose but should not be discontinued until it can be replaced with a commitment by the Federal Government for the financing of a normal carryover of all grains.

We are most critical of the intentions to carry forward the losses on pools from one crop year to the next. They will now be deducted directly from the stabilization rather than be carried forward, which is a direct cost to the farmer because his contributions make up half of that stabilization fund. We believe, as most farmers do, that losses on pools should be borne by the Federal Treasury.

After some careful scrutiny and analysis of the proposed Prairie Grains Cash Receipts Stabilization Program, many have found that the plan would not accomplish what western farmers have been led to expect from it, mainly that it will not ensure income stability and security.

Mr. Romanow: — Preserve the family farm!

Mr. Messer: — In depth research, study and analysis by the Government of Manitoba has also brought forward evidence that shows: (1) that it is impossible to estimate either the long or short run cost of such a plan; (2) that it is impossible to predict whether any real benefits would ever flow from it; (3) that the specific example provided by the grains group is inadequate and that conclusions which might be drawn from them are not

reliable; (4) that it would pose major problems of administration.

We, therefore, are encouraging a plan such as a net income stabilization plan put forward by that Government in Manitoba. This plan would: (1) guarantee net income on a basic quantity of production without in the least diminishing incentives for efficiency or production . . .

Some Hon. Members: — Hear, hear!

Mr. Messer: — . . . (2) it would be flexible among different crops thus stimulating sound land practices; (3) it would have built-in incentives for the Federal Government to take measures that would reduce the cost of farm inputs in western grain production.

This plan would provide, as I have stated, a net income guarantee to grain producers on a basic quantity of production or on a basic acreage. The plan would not be detrimental to efficient practices or destructive of initiative. In fact, it would be exactly the opposite. The plan would be conducive to sound land uses practised by providing for flexibility among crops. The plan would be incorporated in such a way that it would be of direct financial interest to the Government of Canada to take effective measures to reduce the cost of inputs to prairie producers.

The need for working on a net income basis can easily be demonstrated. In the period of 1949 to 1952 average farm expenses per cultivated acre on the Prairies was \$8.92 per acre. In the period from 1966 to 1969 those costs had increased to \$16.40 per acre.

Mr. Romanow: — Thanks to the Liberal Party!

Mr. Messer: — Gross marketings per acre in 1949 to 1952 period were \$14.35 per acre. They were \$13.03 in 1966 to 1969. If the marketing figures are corrected for the fact that large stocks of grain are stored on farms or fed to livestock, the average revenue per acre in the early 1950s was \$20.16 per acre and in the latter 1960s about \$22.30. Hence, farm expenses per acre increased by 43 per cent, farm revenue per acre by just over 10 per cent, in spite of the fact that the latter period includes the best year on record, 1966.

The net income stabilization plan would guarantee to prairie grain producers a net income value per cultivated acre expressed through the prices for grains up to a basic quantity of production. The main features of such a plan would be the varying levels of support for both price and quantity of grain covered. The factors determining variation would be the change in production cost saving operating expenses, total volumes of markets, acres planted to various crops and the prices obtained from commercial marketings.

The objective of this program would be to guarantee through price supports a predetermined net income on a given amount of land.

Some Hon. Members: — Hear, hear!

Mr. Messer: — This will be necessary because it will be impossible for the Federal Government to provide unlimited guarantees. In order to do these things, it would be necessary to establish annually a standard of average cost of production per acre of cultivated land. Along with this, it would also be necessary to establish an average annual revenue per cultivated acre from marketings of the major crops.

When the difference between revenue and expenditure was less than the predetermined net income figure, the stabilization fund would make up the difference to the given amount of land which had been set down. The provision of such a plan is much more practical in application and more meaningful in assistance than the Lang proposals. Granted, it is obvious such a plan is not capable of taking into account individual circumstances of farmers but would work at prairie averages. However, working with average statements is consistent with prevailing attitudes which state that providing income security to individuals takes away the urge for greater efficiency. By using averages both extremes are given fair consideration by the plan.

Some Hon. Members: — Hear, hear!

Mr. Messer: — A farmer with low operating costs, higher than the predetermined average, has a net income higher than the guaranteed level. A farmer with high operating costs, higher than the predetermined average, has a net income lower than the guaranteed level.

In summing up, Mr. Speaker, I want to give this Assembly an example of how such a program would work in the crop year 1969-70. Using the crop wheat as an example, on an average in the Prairie Provinces it cost \$17.67 per acre to produce wheat. Using a figure of \$10 per acre net income — and I say here that this is not necessarily the figure we in the New Democratic Party are suggesting but because it is not an unrealistic figure — a farmer would have a gross receipt of \$27.67 per acre to achieve his \$10 net income. In the 1969-70 crop year the average yield of wheat after allowing for summerfallow was 14.8 bushels per acre for the three Prairie Provinces.

At 14.8 bushels per acre a farmer would have to receive \$1.87 per bushel in order to gross \$27.67. If a limit of 500 acres was used with an average of 14.8 bushels per acre he would have to produce 7,400 bushels of wheat. 7,400 bushels of wheat at \$1.87 per bushel would give the farmer gross receipts of \$13,838. Expenses at the predetermined average of \$17.67 per acre on 500 acres, which is not necessarily the predetermined acreage but only an example, it would amount to \$8,835. Deducting expenses from the gross of \$13,838, he would have a net income of \$5,003.

Assuming the farmer's wheat was No. 1 wheat and the price of No. 1 wheat in the crop year of 1969-70 being \$1.81 $\frac{3}{4}$ per bushel, the plan would have to make up the other 6 $\frac{1}{4}$ cents or, in this particular farmer's case, contribute \$462.66 to him in order to guarantee him that net income.

Mr. Romanow: — Good plan, eh, Doug?

Mr. Messer: — Such a program would give

real and meaningful assistance and would not have the shortcomings of the Lang stabilization proposals.

Some Hon. Members: — Hear, hear!

Mr. Messer: — Such a program, as I stated earlier, would guarantee net income on a basic quantity of production with diminishing incentives for efficiency of production. It would be flexible among crops thus stimulating sound land use practices. It would have built-in incentives for the Federal Government to take measures that would reduce the cost of farm inputs to western grain producers.

I therefore, Mr. Speaker, seconded by the Member for Melville (Mr. Kowalchuk) move:

That this Assembly is of the opinion that the proposed Prairie Grains Cash Receipts Stabilization Program does not provide Saskatchewan farmers with a minimum acceptable net income that would have continuing relation to cost of production;

And that this Assembly favours a program based on a minimum guarantee of net income that is flexible enough to provide for sound land practices and that gives incentives to the Federal Government to reduce costs of farm inputs for western grain producers.

I so move, Mr. Speaker.

Some Hon. Members: — Hear, hear!

Mr. J. Kowalchuk: (Melville) — Mr. Speaker, I want to make a number of comments on this Resolution. First I want to say that I think, in my estimation and in the estimation of all the Members on this side of the House, that this is one of the most important Resolutions presented to this House to date.

Some Hon. Members: — Hear, hear!

Mr. Kowalchuk: — I think, along with the freight rate Resolution and other resolutions pertaining to agriculture, this one is the most important. In fact, Mr. Speaker, I say that the issue is “Agriculture” in Saskatchewan today and nothing else.

Mr. Kowalchuk: — It’s not pulp mills or anything of that sort but it is agriculture and this is the issue that we are going to be faced with going into the next election.

Some Hon. Members: — Hear, hear!

Mr. Kowalchuk: — I listened with a great deal of interest to my colleague from Kelsey (Mr. Messer) and the reason I listened very closely is because I’m a farmer as many other people are . . .

Some Hon. Members: — Hear, hear!

Mr. Kowalchuk: — . . . and many businesses which make their living off the farmers. They either make it or they go broke and therefore I don't think there will be any hesitation on the part of any Member sitting in this House, be he a farmer or a businessman, who will not vote for this Resolution.

Some Hon. Members: — Hear, hear!

Mr. Kowalchuk: — He told us very clearly, Mr. Speaker, the Member for Kelsey did, what the problem is and the problem is, Mr. Speaker, that the net income is not enough to warrant a good, strong, solid, agricultural farming industry.

Some Hon. Members: — Hear, hear!

Mr. Kowalchuk: — And that is the crux of the farmers' dilemma and the basic problem of all. The prairie economy has been sliding downhill, particularly in the last number of years, like greased lightning. It's taken its toll of businesses, it's taking its toll on rural communities, it's taking its toll of the whole of rural Saskatchewan, Mr. Speaker. And the fact that the prairie debt even as much as two years ago was over \$2 billion, Mr. Speaker, speaks quite loudly what difficulty the prairie people are in. Today it's probably reaching the two and one quarter billion dollar mark.

Yes, these are disastrous times, not to mention the debts that are incurred by the farmers in the buying of their machinery and buying of many other things necessary to run a farm. Yes, it has been said before, many times, Liberal times are hard times.

Some Hon. Members: — Hear, hear!

Mr. Kowalchuk: — To me it is difficult to understand that so many people, particularly the people to your right, Mr. Speaker, do not realize that. Well, as I said before, there are the millions of dollars for subsidies for the auto industry, for the railroad industry, etc., but when it comes to helping out the farmers — and may I say before any criticism is voiced that the \$100 million will be very acceptable and appreciated by the farmers — but I say, we in Saskatchewan here, the Provincial Government, should be doing just a little more than what we are doing in helping the farming industry.

Mr. Speaker, the greatest single factor as pointed out by the Member for Kelsey (Mr. Messer) for the depressed state of agriculture in Saskatchewan today is the very simple fact that net income to farmers has been going down, drastically down, even when sales have increased and prices have at times remained fairly steady. But the cost of production has been skyrocketing up and up and up. And why is this so, we have often asked ourselves? First, because we have had little control over the prices of the products we sell or no control at all. And no control at all on the prices of the goods and services that we

buy, Mr. Speaker. Through the Wheat Board we are controlled on the prices of grains we sell. But at the other end, the things we buy, machinery, money, and all the sundry that goes with it, we are at the mercy of forces beyond our control. The farmers have been milked and bilked for all they're worth.

Mr. Romanow: — By the Liberal Party!

Mr. Kowalchuk: — And the only solution, Mr. Speaker, which has been suggested many times before is price controls at certain levels but failing this, the Federal Government has the responsibility for legislating assistance to keep the agricultural industry strong. At no time has it become as evident as in the past two years that if the agricultural economy suffers, the whole country suffers. We in the New Democratic Party say that a stabilization program is a must but the basic principle of the program must be built around realized farm net income, Mr. Speaker.

It has been stated many times in this Legislature in the last few weeks that from a high realized net income of roughly \$450 million in 1964 to a plunging drop of net return of \$150 million in 1970 has spelled fear of total bankruptcy for thousands of farmers. In fact, many farmers have gone bankrupt and others are on the verge of going bankrupt. This is the road to agricultural oblivion, Mr. Speaker, and this is death to the Saskatchewan rural economy.

You and I know, Mr. Speaker, that no business, large or small, agricultural or industrial, can exist if the expense of operation goes up higher and higher — up over 80 per cent in the last decade, Mr. Speaker — while the sales income plunges down or remains at a fixed level. This is the state that Saskatchewan farmers are in today, Mr. Speaker.

This is the reason that if some long term agricultural stabilization program based on the principle of minimum guaranteed income as proposed by my hon. friend from Kelsey does not become a reality today and now, then the final disintegration and breakdown of our Saskatchewan farming industry is inevitable. It will continue in the disappearance of our viable family farms and inevitable bankruptcy for most of these farmers.

I agree with the Member for Kelsey that the Prairie Grains Cash Receipts Stabilization Program, as it is proposed today, is basically a shifty deal, a one-shot plug with no long term solutions or real teeth in the proposal backed by the Federal Treasury. And again I say that the \$100 million will be welcome, very welcome by the farmers but that is not the answer, Mr. Speaker. This is not the long term answer for agriculture. It is simply a sedative that is going to tide over some of the farmers for one year and then we shall be back in the same rut that we were in before.

I can't help but comment, Mr. Speaker, that this attitude is so typically Liberal as to not seem to want to care. I just can't understand that. Their interests just don't seem to be with the farmer. It evidently points once again to their interest only in big corporate interests, big industrial agriculture and so on.

Mr. Speaker, my colleague for Kelsey has documented with

figures the seriousness of the cost price squeeze in agriculture. The fact that if this is allowed to continue it will mean driving thousands of farmers off the land much sooner than you think. The present stabilization plan, although an improvement over the one first announced, and in spite of the one to two ratio of farmer-government participation and a number of other changes, it still means less federal support for agriculture than is necessary to stabilize the agricultural industry, Mr. Speaker, to reverse the disastrous trend of obliterating two-thirds of the farming units in Saskatchewan.

You know, Mr. Speaker, it has been said before that in the United States massive amounts of money have been invested to do such a job in an attempt to rectify this situation. I, for one, can't see our Federal Government in conjunction with the Provincial Government doing less. Merely shifting that \$45 million saved by the discontinuation of the Temporary Wheat Reserve Program is not really putting money into this fight, nor is the mere movement of other monies used for agricultural assistance purposes going to help very much. Real, cold, hard cash distributed to farmers on a production basis or on a basic acreage is the only answer. Mr. Speaker, I personally approve the latter because as I have indicated many times before, every effort possible must be made to save the one section and the one section and a half farmer, Mr. Speaker. The smaller farmers have proved in this last half of a decade that they are efficient, that they are the basis of community life and that given the minimum of assistance they are as economically viable as the large farms. But more so, Mr. Speaker, they are the fabric of the kind of society and community that we want in Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Kowalchuk: — With the present Federal Government's stabilization plan where money is being merely shifted with losses by the Pool being absorbed by the fund itself, the fund will be depleted by these losses, Mr. Speaker. This plan will not stabilize the agricultural industry. In fact, Mr. Speaker, it looks like a shifty manoeuvre by the Government to make a lot of noise and movement but the stabilization effect is highly improbable without further basic guarantees of real assistance tied to the principle of net income to the farms, Mr. Speaker. That is the principal reason for this Resolution, Mr. Speaker, that this Assembly favors a program on a minimum guarantee of net income. As I see it, that is our only hope for the farmers of Western Canada. I don't think that so far in this debate anything has to be paid except, as I said a moment ago, by basic acreage. As one who believes in the small viable family farm concept, the Manitoba plan of establishing a standard annual cost of production per cultivated acre and making up the difference between revenue and expenditure up to a sum of about \$10 per acre or a maximum of say 500 acres per farm, is in my humble opinion, the kind of a plan that I am willing to fight for.

The whole world is in a stage of transition, Mr. Speaker. Technology has transformed ways of production in all industries. I believe that in the agricultural industry it is possible to keep production in the hands of the people, many people, if there is a will to do it and if people and governments really want to do it. To keep our great agricultural Province of Saskatchewan

a place for people to live and work, basically as a rural community, I ask all the Members of this House to support this Resolution because only by the implementation of the basic farm net stabilization plan will our agricultural community in Saskatchewan be able to exist. Otherwise, Mr. Speaker, the alternative will be the large, corporate farms of tomorrow.

Some Hon. Members: — Hear, hear!

Mr. R. Romanow: (Saskatoon-Riversdale) — Mr. Speaker, it gives me great pleasure to take part in this debate on this very important Resolution. I only wish that some of the big corporation friends of the Liberal Party opposite would see fit to take part in this debate as well. Members such as the Minister of Public Works (Mr. Coderre) who represents by and large an agricultural riding, I invite him to take part in the debate. I also invite the Hon. Member from Elrose (Mr. Leith) to take part in the debate and tell the people of Saskatchewan where he stands with respect to this very important Resolution. I am sure that the person who knows much about farming because he is so intimately involved, the Member for Regina South West (Mr. McPherson), will take part in this debate. Although I am afraid that the Member for Regina South West is likely to support the main thrust, the main theory behind the Federal Task Force which is the basis for the Liberal farm policy for the future — corporation farming. As my colleague, the Member from Saskatoon Mayfair (Mr. Brockelbank) says, the Task Force report says, “Corporate farming being the final solution for the farmers of this province if the Liberal Party gets re-elected provincially and federally next time round in Saskatchewan and Canada.” So I say, Mr. Speaker, this is an important Resolution.

Although I don’t represent a farm riding, I know the importance of agriculture to the people of my community of Saskatoon. I know the importance of agriculture to the strength and viability of Saskatoon and the Hon. Member from Saskatoon Nutana South (Mr. Forsyth) would also get up and take part in this debate if he only realized how important agriculture is for the city of Saskatoon and the other parts of our province.

This is the most crucial issue that faces the people of Saskatchewan, the farming issue, which this Resolution places before you. We hear in this Legislature and outside, the Liberal Party trying continually to confuse, trying to throw up smoke screens about pulp mills and a variety of other issues to get them off the measly and paltry jobs that they have done in the agricultural area. But it’s not going to work.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — That attempt to get the people of Saskatchewan off the most important industry, farming, and to thinking of the pulp mill is not going to work. The average farmer in the Province of Saskatchewan knows that when the pulp mill faces him with the possibility of an encumbrance of \$2,000 per every farmer in the Province of Saskatchewan, adding only to the debts that he already bears, he knows that it is a bogus issue because he is already saddled with hard pressed agricultural expenses.

Now it's an important issue. It is the most important issue because we on this side of the House say that agriculture and the changes that it has undergone in the past two years and will be undergoing in the next two or three years under the Liberal Party, will mean the change in the basic face of the Province of Saskatchewan, from a province based and rooted in the principles of the family farm to a province that is based and rooted in the principles of large corporate, vertically integrated farming.

The issue is very clear cut for Members of the House with respect to the stabilization program proposed by the Hon. Otto Lang. Those who on the opposite side of the House speak in favor of the stabilization program, in effect, will be telling every family farmer in the Province of Saskatchewan that he is committed to the principle of vertically integrated, corporate farming structures for the province. Every Liberal Member who gets up and votes for the stabilization program of Otto Lang will be telling the farmers in his constituency that they are going along with the proposals of the Task Force on Agriculture proposed by the Liberal Party because this is the first step to implementing the proposals of the Task Force. The Task Force says two out of three of all farmers will be taken off the farms if the Liberals have their way within the next 20 years. Two out of three of all family farmers in the constituency of my friend from Yorkton (Mr. Gallagher) and the constituency of my friend from Bengough (Mr. Mitchell) and all the farming constituencies will be taken off their lands if these Federal Liberal Party Task Force proposals are implemented, if we allow the report to be implemented.

We all know, Mr. Speaker, that this Federal Task Force report sets out at length, chapter after chapter, page after page, an absolute case for large corporation farming. It tells the Saskatchewan farmer that he has got to get more efficient when he is already one of the most efficient workers whom we have if not the most efficient. In 1961, the last President of the United States, John F. Kennedy, talking about the efficiency of the American agricultural industry, said that the American agricultural industry was the most efficient industry. It was true then; it is even more true today in 1971.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — Yet this Liberal Party program for farmers says that farmers in Canada and in the Province of Saskatchewan aren't efficient enough. This Liberal Party policy based on the Task Force report says that the only way that farmers can get more efficient is if we take two out of three of all farmers off their farms and from their homes and on to the welfare roll of the large cities of Regina and Saskatoon. That's what the Liberal Party is committed to. Quoting directly from the Task Force Report: "Corporations in farming financed by equity financing on the stock market." That's what they want, corporations listed on the stock market. What, in effect, will happen is that the farmers and the family farms of our province will become nothing more, nothing less than share croppers for large corporations. Large corporations that may not even be Canadian but may be foreign controlled.

Well, how can they do this? How can the Liberal Party

implement its scheme to get two out of three of every Saskatchewan farmer off the farms? Well, it can't pass direct legislation saying that two out of three farmers are going to be forced off the land. Although I dare say that some of the bureaucrats in Ottawa, who govern the Liberal Party, would like to do that and they probably thought it feasible. Perhaps even some of them over there would even be thinking this. They can't pass the direct legislation. They know that politically it would be suicide for them out here in Saskatchewan to say by direct legislation that two out of three of all farmers must go. So they can't do it that way.

How will they do it? Well, the way to do it, of course, is to start implementing a program like the stabilization program of Otto Lang. Of course, the forerunner of this operation was Operation LIFT. We all know Operation LIFT. Otto Lang at that stage of the game was already beginning to implement his grand design to take the family farmer off his farm by the limitations of LIFT. That great program that would have turned Saskatchewan into a dust bowl rather than a bread basket. That great program that was supported by the Hon. Member from Elrose (Mr. Leith). LIFT, that great program that was supported by the Minister of Mineral Resources (Mr. Cameron), the Member from Maple Creek. That program that was supported by all of the Liberal Party Members opposite supporting Otto Lang last year. They were behind LIFT and I recall them getting up in this Legislature. I recall the Minister of Agriculture (Mr. McFarlane) telling the farmers of Saskatchewan that it was a good program. That was for about four days until the Premier got the sniff of the political winds and then he came back and said, "Well, maybe we're not for it, we'll see what happens."

So now the Minister of Immigration and Manpower, Mr. Lang, this corporation lawyer from Saskatoon, has another scheme. He has the stabilization program. They can't do it by direct legislation so they are going to do it by their stabilization program. And how does this come about, Mr. Member from Elrose? I'll tell you how you can get two out of three farmers off Saskatchewan farms. It's like this. Firstly, you implement a program which induces the large farms to become larger. Secondly, you don't help the farmer presently on the family farm in dealing with the cost squeeze. That's how you do it. That's what Operation LIFT did, it helped the larger farmer. No relief for the small half section and three quarter section farmer. Oh, no! And the installation of the stabilization program of Otto Lang is even a more devious and more serious way of doing precisely that. It's not helping control the costs and at the same time it is inducing the large farmer to get larger, speeding up the day when the corporations are going to take over the Province of Saskatchewan's farming.

Now some Members opposite might say that's a wrong interpretation of the program. Well, what does the program say? The Grains Receipt Stabilization Program is a plan, the Liberals will tell us, to buoy up the gross farming industry income in times of low income to the level of the last five year acreage. If, for instance, the Liberals say that cash receipts to farmers for the five or six grains that have been included in the plan are below the average of cash receipts for those grains in the most recent five years, then the Treasury puts in the difference and pays out to the individual farmers an amount based on their marketings. The fund of the Treasury from which this pay out

will be made is composed of receipts of a three per cent check off on farmers' deliveries and it becomes a consolidated fund. It is recommended here at three per cent or two per cent, even worse.

Mr. Speaker, the plan is not related to the individual operator's fortunes, but rather to the gross farming situation in the farming industry as a whole. This agricultural stabilization program has no factor to relate it to costs and thus does nothing to assist the problems of the farmer with respect to the cost price squeeze.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — I said there are two ways you could do this. You could motivate the large farmer to get larger. Secondly, you could squeeze off the small family farmer by implementing a program which was not going to ease his cost price burden and that's what the Liberal Party has done in this agricultural stabilization program. Now, Mr. Speaker, under this plan the degree to which a farming operator participates in the plan or if he will benefit from the plan depends on the level of his grain marketings up to the \$15,000 limit. Marketings depend on quotas, Mr. Minister of Agriculture (Mr. McFarlane). Quotas depend on acreage. Thus farmers will be encouraged to expand and to acquire more land thereby becoming larger in order to qualify for the largest possible benefit under this plan squeezing off the family farmer.

Let's just go over that again, Mr. Member from Elrose, for your edification. If this plan is implemented, what will happen? Because marketings depend on quotas and quotas on acreage, farmers are encouraged by this plan to expand and to acquire more farming land to qualify for the largest benefit. This will squeeze off more of the family farmers and it moves in the direction of the large corporate holdings that the Task Force of the Liberal Party wants to have implemented in Saskatchewan. So, two things this plan does. If the Hon. Minister of Agriculture says that's the wrong interpretation, I invite him to take part in this debate on this Resolution and tell the Members what is the right interpretation of the plan. I should be very much interested in hearing from the Minister of Agriculture about this plan because I don't think the farmers have heard him speak once against the Federal Task Force proposals. I don't think that the farmers have heard the Minister of Agriculture speak once against the agricultural stabilization program. In fact, I doubt if any Liberal Party Member sitting opposite or a candidate of a Liberal Party anywhere in Saskatchewan has spoken up against this program to take the family farmer from Saskatchewan.

I should be very interested to hear the Minister of Agriculture and the Member from Elrose (Mr. Leith) and yes, even the Member from Saskatoon Nutana South (Mr. Forsyth), tell me that my interpretation of the stabilization program is wrong, that it is motivated to farms growing larger, and secondly, that the plan takes no account of the cost factor. The farmer is evermore caught in the cost price squeeze. That's what this program does. That is why, Mr. Deputy Speaker, I am saying to this Legislature and I am saying to the people of Saskatchewan, the stabilization program is the first major step of the Liberal Party to implement the Federal Task Force ideas on agriculture.

I say to the farmers of Saskatchewan, I say, in fact, to all the people of Saskatchewan, because we are tied up to the strength of the family farmers, I say that you have to fight this stabilization program with all that you have in you because it means the end of Saskatchewan otherwise.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — I know that Members throughout Saskatchewan of other political parties feel as I do. Members of the Conservative Party have been telling me privately that somebody has to stand up to protect the family farmer and they are thanking the New Democrats for doing it.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — I know that Members of the Social Credit Party, such as it is, tell me as well, that we have to stand up against the Task Force Report. All the farmers, wherever I go to speak, say that. You know, Mr. Speaker, I had the privilege of speaking in Kendal, the constituency of Qu'Appelle-Wolseley, two weeks ago. The constituency of Qu'Appelle-Wolseley is held by the Minister of Agriculture (Mr. McFarlane), Mr. Member from Regina South West (Mr. McPherson), just in case you didn't know.

Mr. McPherson: — I sure do!

Mr. Romanow: — Oh, I'm sorry, you do know.

When I spoke at Qu'Appelle-Wolseley, when I spoke in this town of Kendal, I had at least four farmers come up to me and tell me that they are worried about the course that the Minister of Agriculture is taking with respect to agriculture. These four farmers were telling me that the Minister of Agriculture of Saskatchewan is silent in his opposition to the stabilization program.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — These farmers were telling me, Mr. Member for Regina South West, that the Minister of Agriculture is in favor of the Federal Task Force Report on agriculture and they don't like it.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — Why some of them even told me that they attended some of those 40 meetings that the Minister of Agriculture has been promoting among the farmers of this province to help sell the Task Force Report to them and they didn't like that. They don't know why it is that the Minister of Agriculture increases his agriculture budget by only \$800,000 and remains silent on the stabilization program, yet will vote for \$107 million for a foreign corporation on a pulp mill.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — Farmers are confused and

they don't understand the Liberal Party's position which tries to hasten the growth of the corporation farm in Saskatchewan.

Mr. Speaker, Hon. Members, I was aroused and I might say motivated to enter into this debate because of the words and the remarks made by the Member for Kelsey (Mr. Messer) and the Member for Melville (Mr. Kowalchuk). The agricultural spokesman and critic on this side is a young and obviously thoughtful farmer who has come up with a positive program to assist farming people of Saskatchewan.

All that this Resolution says, Mr. Speaker, is that rather than having a stabilization program that is tied to the gross overall farming industry, as the Lang proposal does, is to have a program that takes into account the interests of the individual farmers and not the overall industry. What this Resolution says is that the alternative to an agricultural stabilization program, the Lang proposal, that ties it to the overall economy, the alternative is to have a net income plan tied to the needs of the individual family farmers, the half section, three quarter section farmer in Saskatchewan, as opposed to the gross income plan that is tied to the industry.

I ask the Members of this House, what is wrong with that Resolution? I ask the Liberals opposite, what is wrong with helping the small half section, three quarter section farmer? I ask the Liberal Party and the Members opposite to carefully consider the words said by the Member for Kelsey and those who will take part on this side, and to stand up and vote if they can, if the party machine will allow them to, to vote against the stabilization program and to vote for the family farms of Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — I say that the Liberal Party in Saskatchewan, if they vote against this Resolution, will show to all of the farmers of our province that they are out of step with the needs and tunes of Saskatchewan.

Those of us who are in daily contact with the Liberal Party opposite, which is now an old and failing Government, incapable and unable and unwilling to meet the challenges of today, know that it is out of step. We know that the Liberal Party opposite hasn't even become aware of this most crucial problem of agriculture for the farmers of Saskatchewan.

If there is anything that is going to defeat the Liberal Party in this coming election, which I hope is soon, it will be the failure of the Liberals to speak up for the family farms.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — I can tell the Members that it isn't going to be the pulp mill. It isn't going to be the fancy manoeuvrings of the Premier and of some of the Members come election time. It isn't going to be McLaren's Advertising, nor is it going to be Homecoming '71, or Wilf Gardiner's assistance to the Government opposite, but what is going to defeat the Government is their failure and their total lack of farming policy for the

small farmers of Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — This is a Government of fat cats, indifferent people who know nothing about the farming problems and the needs of our province. This is a Government that is out of touch and out of tune and out of step with this modern day and Saskatchewan wants. This is a Government that will give millions to assist foreign operations and not a cent to help our young farmers to get into the agricultural business.

I am still hoping though that the Whip of the Liberal Party when he takes part in this debate, I hope he will say that the wisdom of the plan as proposed in this Resolution by the Member for Kelsey (Mr. Messer) is good and he will vote for it.

I close by saying that all you Liberal Members have a chance to show where you stand, you have a chance to say that there is at least some hope in a stabilization program of the kind proposed by the Member for Kelsey. I urge all Members of this Legislature to support this worthwhile Resolution.

Some Hon. Members: — Hear, hear!

Debate adjourned by Mr. M. Kwasnica (Cutknife).

Resolution No. 9 — Abolishment of Deterrent Fees

Mr. W.E. Smishek (Regina North East) moved, seconded by Mr. R. Romanow (Saskatoon-Riversdale)

That this Assembly calls upon the Government to immediately abolish hospital and medical care deterrent fees because deterrent fees place an unfair burden on many citizens requiring health care, especially those least able to pay.

He said: Mr. Speaker, the Hon. Deputy Leader, Mr. Romanow, has told us of how this Government has failed the farmers. The same story can be repeated of how they failed the wage earners. A more glaring story can be told of how they failed the total society and particularly the sick people of Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Smishek: — Mr. Speaker, three years ago when the Minister of Public Health (Mr. Grant) moved second reading of Bill No. 39, amendments to The Saskatchewan Hospitalization Act, which provided for the introduction of deterrent fees, he told the Legislature the reason that deterrent fees were being put into effect was because people were abusing our health services. He said and let me quote:

In fact, indications are that the greatest abuse of health privileges is occurring in the use of hospital services.

We said then as we say now, health services, in our opinion,

shall not be considered privileges. They are the right of every citizen of this country. We said then as we say now, patients cannot be admitted into hospitals by themselves. They can only be admitted by a doctor and released by a doctor in case of hospital services. Therefore, if there is any abuse, it must rest with the physicians.

Mr. Speaker, the Minister's answer at that time was, because there is no demand control there is no patient resistance to doctors' over-utilization. Government Members argued that there were abuses. We asked them to produce evidence of abuse. They failed to do this in 1968. We asked them to produce evidence of abuse in 1969 and 1970 and again they failed to produce any evidence of abuse by patients.

Mr. Speaker, we told this Government that we, too, were concerned and are concerned about the rising health costs. But we said emphatically that imposition of deterrent fees was the wrong way to control health costs. We proposed alternatives for the Government to consider.

During the 1968 debate Government spokesmen indicated that after a reasonable trial period, if it was proven that deterrent fees didn't control rising costs and that they created hardships, the Government would be prepared to reconsider its position. Mr. Speaker, three years is ample time to test a bad program. There is little doubt that deterrent fees have created hardships on the people especially those with low incomes and those least able to pay. They have failed to control costs but in fact have shifted a large share of the cost on to the individuals, on to the sick people and on to the municipalities and religious orders operating hospitals. The time is overdue for the Government now to do away with hospital and medical care deterrent fees.

In 1969, Mr. Speaker, I proposed a resolution asking the Government to establish, and let me quote:

A commission to examine health programs in Saskatchewan and elsewhere with the view to determining (a) the cost of such programs and the various methods of financing them; (b) the number, ages and economic status of persons who are deterred by utilization fees from seeking health services; (c) methods of organizing health services which will control costs without placing obstacles in the way of obtaining needed services and at the same time make possible an improvement in the quality of health services.

Last year, I again introduced a resolution calling on the Government to consider restoring the plans to their original intent by abandoning deterrent fees and by abandoning its attempt to shift part of the hospital operating costs on to local ratepayers.

In 1967, Mr. Speaker, the Medical Care Plan cost \$26 million. This covered all costs, payments for medical services, administration, scholarships and bursaries. It was the last year medical care was free of deterrent fees. In 1970, the Medical Care Plan cost \$33 million — an increase of \$7 million — and in addition the sick people paid some \$3 million in deterrent fees. The Government estimates that in 1971 Medicare will cost about \$2,250,000 more. With deterrent fees it will cost about

\$38.5 million, almost a 50 per cent increase in a period of four years. Outside of the plan, now paying only some costs of eye examinations, no new benefits have been added. In 1967 there were 873,000 beneficiaries and in 1970 there were 894,000 — an increase of less than two and one-half per cent.

In the case of the Hospitalization Plan, Mr. Speaker, in 1967 it cost \$63.4 million, the last year it was free of deterrent fees. In 1969 it cost \$74.6 million and on top of that we had deterrent fees. I can't quote the 1970 figures because the Minister has yet to file the Saskatchewan Hospital Services Plan report. If one is to believe last year's Estimates, the projected cost of the Hospital Services Plan for 1970 was to be about \$83 million in deterrent fees.

The Government estimates that the increased cost for 1971 will be close to \$7.5 million more than it was in 1970. If my calculations are correct, the cost of the Plan in 1967 was \$63.4 million and in 1971, with deterrent fees, it will cost about \$95 million, a 50 per cent increase in a period of four years.

No one will deny, Mr. Speaker, that these are extremely sharp increases. In 1968 I asked the Government to establish a commission which would examine and report on methods of organizing health services which would control costs and improve health services. The Government refused to take our advice. Mr. Speaker, let us look at another aspect of these rising costs in Hospitalization and Medicare and what has happened since the year 1964 and how this Government has shifted the cost on to the people.

Under the Saskatchewan Hospital Services Plan the cost in 1964 for hospital premiums were \$40 per family and \$20 for a single person. This netted the Province \$10.4 million. Out of consolidated revenues the Government put in \$15.8 million and out of federal grants in the form of reimbursements which were about 44.5 per cent of the total cost, the Government received \$21.4 million. The total cost of operating the Saskatchewan Hospital Services Plan was \$48 million. No deterrent fees and no special hospital revenue tax imposed.

Medicare costs in 1964, when the premiums were \$12 for a family and \$6 for a single person, netted the Province \$3.4 million and out of provincial consolidated revenues the Province put in \$19.7 million to pay for the cost of medical care. There was no federal cost sharing. There were no deterrent fees. All insured services were paid by the Medical Care Insurance in 1964 when the CCF administered the plan. The Medical Care Insurance fund had at that time an investment or surplus of \$9.7 million.

I invite the Members to examine the 1970 report and what do we find? The Medical Care Insurance fund has an overdraft of \$106,000. In 1971, according to the Estimates, we can assume that Hospital Care premiums will bring to the Province about \$12.6 million, perhaps somewhat less than last year because of the population exodus. Consolidated revenues as one looks at the Estimates will be about \$32.4 million. The Federal Government reimbursements will rise to 45.4 million — more than double the amount that was received in 1964. When we add the deterrent fees of about \$4.5 million, we come up with a figure close to \$95 million for SHSP.

In 1971, according to an examination of the Estimates, it would appear that the Medical Care premiums, providing they are not increased in the coming year, will raise about \$5.6 million. That is a charge of \$24 on a family and \$12 on a single person. Out of consolidated revenues the Government will be putting in about \$5.7 million but out of Federal grants and Federal reimbursements to support the Medical Care Plan, the Government expects to realize \$24.5 million, more than the total Plan cost in 1964. The \$24.5 million that will be realized from the Federal Government will pay close to two-thirds of the cost of Medicare and then there will be a charge of \$3 million in deterrent fees that the people will pay. The Plan total will be about \$38.5 million or perhaps slightly more.

In 1964, the CCF Government received only \$21.4 million from the Federal Government towards the cost of SHSP, nothing towards Medicare. In the coming year, 1971, the Government will realize about \$70 million from Federal grants towards the financing of these plans. But let us not be misled, Mr. Speaker, that Ottawa is giving this money to us on any kind of a gratis basis nor can we say that the Provincial Treasurer (Mr. Steuart) or the Minister of Public Health (Mr. Grant) are any kind of super negotiators. The facts are that Saskatchewan citizens are paying two per cent social development tax levied by the Federal Government and this is included in your income tax. The trouble with this tax is that it has a ceiling of \$120 annually; what it does is impose a ceiling on the rich whereas the poor people have to pay their two per cent.

In 1964 the CCF Government collected only \$13.8 million in Hospital and Medical Care premium taxes. In 1971 the Liberal Government will collect over \$18 million or about \$4.5 million more. In 1964 the CCF Government paid \$35.5 million out of consolidated revenues to finance Hospital and Medical Care plans. In 1971, according to my estimate, the Government will pay no more than \$38 million out of consolidated revenues to finance these programs.

However, Mr. Speaker, in 1964 the CCF Government paid over \$2 million to cover the cost of Hospital and Medical Care for public assistance cases. There were about 28,000 beneficiaries under that program. The number has risen to about 60,000 now. While the Government continues to cover these people, the cost is included in the already mentioned figures. In other words, they have shifted from the special program into the Hospital and Medical Care program. The Government provides no special funds under its Medical Services Division to take care of these people. In other words, when you look at the Estimates in the Budget, you will find that the Government is not spending a single penny more for hospital and medical care out of general revenues than was spent in 1964. Therefore, in terms of the direct cost to this Government, they have not provided any additional money at all for the upkeep and maintenance of Medical and Hospital Care plans. What they did, Mr. Speaker, they shifted the cost on to the individuals. They imposed a \$7.5 million deterrent fee, they levied a special hospital tax on municipalities which nets about \$500,000. I don't quarrel with that particular tax assessment. Certainly, the people in municipalities who do not provide their own hospital services should make a contribution for the care of their people in other hospitals where they receive services.

Now this is not all, Mr. Speaker. We saw the Government, on taking office, within a matter of a few days, increase the Hospital and Medical Care premiums by 34 per cent, shifting the cost on to the individual. Then as I have already mentioned, was added this special tax that was levied by the Federal Government, the Social Development Tax.

Mr. Gallagher: — Tell the whole story!

Mr. Smishek: — I intend to tell the whole story to the Hon. Member from Yorkton.

Mr. Speaker, what we have had is a series of successive changes. The election of the Liberal Government in 1964 resulted in Saskatchewan losing a large number of the most qualified public health servants, knowledgeable in the field of financing and economic planning and administration of public health. Some of these were fired, some were forced to quit, others resigned voluntarily because their advice and skills were not welcomed by the Government of the day. No one can count in dollars and cents how much this loss has meant to the Plans and to the people of Saskatchewan. During the 1965 session, this Government's first session, the hospital appeal board provisions under The Hospital Standards Act were repealed resulting in patients being denied the right of hospital care and treatment by doctors of their own choice. Payments for minor surgery in non-hospital facilities were discontinued thus leading the cost on to the Hospital Services Plan resulting in unnecessary use of our hospital beds. Payments for physiotherapy services under the Medical Care Insurance Commission were stopped on July 1, 1965, again loading additional costs on the Hospital Services Plan. Since 1964 we witnessed the closure of some ten small hospitals in the rural communities and others continue to be slated for closure. The cost of providing hospital and medical care for Saskatchewan Assistance Plan recipients, those in receipt of Old Age Security Supplemental Allowances, blind persons and others up to April 1, 1960 came from the Medical Services Division and money was especially provided and voted for this purpose. Since this date the Government has shifted the cost of providing medical and hospital care directly to the Plan as I have already mentioned.

Mr. Speaker, when we see this increase in both the Medical and Hospital Services Plans one has to examine some of the reasons. I shall not deny that during this period there has been some improvement in the quality of care. To the extent that one can measure, it is, at this time, an unknown quantity. I concede that there has been some improvement, but for the employees who provide the service, particularly in the hospitals, though deterrent fees have been imposed, the cost has risen so sharply, we find that little has been done to improve their standard of living for the services they offer to the people of Saskatchewan. Mr. Speaker, let me quote wage rates of a few of the hospitals in two or three classifications. I have before me a schedule of wages for certified nursing assistants. In the Estevan St. Joseph's Hospital where there was a dispute a little more than a year ago, what are the rates? As of January 1, 1970 and the rates are still the same, it ranges from \$319 as a starting rate and after four years of service climbs to a figure of \$353. In the case of the Prince Albert Victoria Hospital, starting rate is \$320 and a maximum after five years of \$360. These are certified nursing assistants, professional people if you will. In the case

of the Regina General Hospital, as of this year, \$337 is the starting rate and the top rate is \$371 per month. Nurses' aids in Estevan start at \$269 to a maximum rate after four years of \$300. Prince Albert Victoria Hospital, \$280 to start with, maximum rate after three years of service \$300. The Regina General Hospital, \$291 starting rate, a maximum rate after four years of service \$337. Maids or domestics, Estevan, \$267 to start, after four years of service a paltry \$295. The same thing applies in the case of Prince Albert where the starting rate is \$283, the maximum rate is \$295. In our Regina General Hospital, \$288 to start with, after three years of service, a miserable \$318. Mr. Speaker, the average wage in the case of the Estevan Hospital for 1970 was a miserable \$1.74 an hour. In the case of Prince Albert, a miserable \$1.90 average per hour. Yet we pride ourselves that the average wage in the Province of Saskatchewan is something like \$114 a week. Mr. Speaker, the hospital employees are at the bottom of the economic heap. Certainly these people, the employees employed in the hospitals, cannot be accused of raising the price of hospital care in this province.

Some Hon. Members: — Hear, hear!

Mr. Smishek: — Mr. Speaker, as I look at the Budget that is proposed, I am afraid that the standard of living for the hospital workers is not going to be improved very substantially because of the amount that has been appropriated. Most of the hospitals are or will be in collective bargaining for new agreements this year. I am glad, Mr. Speaker, and welcome the Government's announcement that they will remove the six per cent wage guideline ceiling. Mr. Speaker, I hope that in removing the six per cent ceiling the Government will get down to serious bargaining and will participate in hospital bargaining directly as they have in the case of negotiations with the nurses in this province. I hope that both the people from the Treasury Department and the Department of Public Health will enter into joint negotiations and will be participant in bargaining and that the Government and the Minister of Public Health (Mr. Grant) will do everything possible to raise the wages for the hospital employees from the substandard level to a decent standard of living. They are entitled to this. For too many years they have been the victims of miserably poor wages.

Mr. Speaker, let me make reference to some of the Liberal promises in respect of Hospital and Medical Care. What did they say in 1964 in their election propaganda and election program? The Liberals would maintain and improve health services. No suggestion of deterrent fees, no suggestion of undermining the services. They said they would maintain and improve it. They said that they would control costs. They said that they would apply new management techniques which would reduce the cost to the citizen and the cost to the province as a whole by implementing new methods of administration and thus save the people money and improve the quality of health care. Well, Mr. Speaker, seven years have proved that this has not been the case. Services have been undermined and at the same time costs have escalated a great deal. The only thing that has saved them is the increased amount of revenue that we have been receiving from the Federal Government.

Mr. Speaker, we can recall that in 1964 the Liberal

Government promised to introduce a drug plan. Nothing happened during their first term in office. During the 1967 election they promised to conduct a plebiscite. Now we are told that a plebiscite is not going to be conducted for a simple reason, the Minister of Health (Mr. Grant) and this Government know that the cost of drugs has escalated astronomically and the people want some form of public protection in order to reduce their costs in the field of drug care. Mr. Speaker, we can recall if we go back to the debates in 1968 that during the session Government Members said that by introducing deterrent fees, costs would be reduced. Well, it is perhaps true that the cost to the Government has been reduced but the total cost to the people has increased astronomically. The fact is, that by imposing the deterrent fees which are \$7.5 million or more, the Province of Saskatchewan is losing some \$4 million in Federal grants and Federal reimbursements. If those deterrent fees were not imposed, Saskatchewan would realize this additional money and save the people directly this large amount of money. The Government also said that if there were hardships caused by the deterrent fees and if the costs were not controlled after a reasonable trial, they would be prepared to re-examine the program and take action to eliminate deterrent fees. Three years is long enough, as I said, to test a bad program and we say remove it and remove it now, Mr. Speaker.

There is no question about hardships, Mr. Speaker. I have a copy of a bill that one of my constituents received. I have discussed this with the Minister already. She is a lady who was going blind. She went to see a specialist on referral and she got a bill for \$25. It was for two services that were rendered. When she got a cheque after submitting to the Commission (remember that bill was \$25), what did she get back? She got back \$15.50. Not 85 per cent of the charge as she expected and which is supposed to be the case. I have taken it up with the Minister and what do we find? Here is what he says in his letter:

In the particular case of your claim, the payment schedule provides that when a visual field examination is provided during a visit and is charged in addition to the visit, the appropriate fee for the examination is 50 per cent of the listed fee. Since the listed fee for this examination is \$10, payment is based on 50 per cent of this amount of \$5. Therefore, payment for this service was made at 85 per cent of the \$5 (\$4.25).

The charge was \$10, Mr. Speaker. So it's not only deterrent fees. We find that in many cases the people are not getting a reimbursement of 85 per cent of the charges. I should suggest and urge the Minister that there be a re-examination of this policy and that people be reimbursed properly for the billed services they get.

Mr. Speaker, let me make reference to 1968 when we were led to believe and certainly the people were led to believe that those patients who had a cancerous condition would have no deterrent fees imposed on them. Let me refer to the 1968 debate where the Minister of Public Health on March 15, 1968 had this to say:

With regard to cancer, utilization for cancer patients having physicians that attended them will be provided by the Government. In other words, cancer patients would not be responsible for picking up those utilization

charges. These will be paid as they have been in the past, all costs by the Government.

Mr. Speaker, certainly the people were led to believe that all costs would be paid by the Government as in the past. People were led to believe that while they were in the hospital or while they were attended by their physician that there would be no deterrent fees. I can draw the attention of this House to this example. Just last night a citizen in my constituency came to me to point out that in his case his wife had a cancerous condition. She had been operated on, has been in the hospital for well over two months and she has been charged with deterrent fees. Mr. Speaker, so commitments that were made back in 1968 have proven to be commitments that the Government is not prepared to follow. Patients who are in the hospital because of cancer are being charge deterrent fees.

Mr. Speaker, on many occasions we have heard Members of the Government attacking our public health services. They, like the Minister of Public Health speaking in Saskatoon about a year ago, have referred to the Medical Care Plan and the Hospital Services Plan as a "two-headed monster". Well, Sir, you know there have been a lot of people who have looked at and studied public health services as opposed to private insurance health services. I want to draw the attention of the Minister and this House to an article that appeared in the New Statesman of July 17 of this year. The writer is Donald Gould and the article is headed "The Doctors' Blind Spot." Mr. Gould made an analysis of the National Health Service Plan in Britain. During his analysis he also made comparisons and made inquiries into the private plans. He discussed the National Health Service with a man by the name of Walter J. McCerney. He is the president of the Blue Cross organization in the United States. Mr. Gould said in the article that he expected this hard-headed man, vastly experienced in the vanities of doctors and of governments and of patients and the chief executive of the Principal Marketing Agency for private medicine in the land of private industry would denigrate the National Health Service in a few sharp sentences. But this is what Mr. McCerney had to say when he was being questioned:

I am so impressed, I have got to say this, with the progress that has been made since 1948, that I find it very hard to be critical. I know how long it takes to effect a change on a country wide basis and tremendous strides have been made since the service started, particularly in the distribution of highly skilled men out into the provinces and throughout the country. When I look at the health of children as revealed by your compulsory physical examinations then I have got to say a hell of a good job has been done.

This is what he has to say about the National Health Service.

Mr. Gould then in this article makes reference to a study conducted by the office of Health Economics in Britain. The report draws together evidence accumulated in support of the almost self-evident thesis that a large part of this money is being squandered on inefficient practices.

Recent studies have suggested, for example, that at least a quarter of the patients filling the beds of general hospitals would be just as well off at home and

probably more would be adequately cared for outside these costly institutions if a real effort was made to provide the means for the practice of modern medicine at the street level.

The article continues:

But that these and other badly needed refits, repairs and reforms require government action. They could neither be organized nor financed by any lesser organization or authority than the Government. Contrary-wise the mere existence of the National Health Service offers to the British doctors the opportunity of operating the finest system of medicare in the whole world but only if the silly fellows will learn to make the Government their instrument instead of treating it as a glowering and repressive boss.

This is the end of the quote, Mr. Speaker. This is what we have been saying, that the time has come to reorganize and re-examine our health services. This is what I proposed, Mr. Speaker, two years ago when we moved a resolution to establish a commission. Two years ago, we on this side of the House proposed that this kind of a commission be established to examine the health services, the cost and the methods of financing and the effect of deterrent fees. We proposed that such a commission be empowered to make recommendations on matters of organizing health services which will control costs without placing obstacles in the way of obtaining needed services and at the same time improve the quality of health care.

I said two years ago and again last year and I say again, we in the New Democratic Party have a very sincere and genuine concern about rising costs in health care, the costs of hospital care, the costs of medical care, dental and optical care and constantly rising drug costs. The Minister and the Government Members chose to reject, last year and the year before, our proposal. They said that the Federal Government established a Task Force on health services and that they would wait and see what happened with those recommendations. Well, the Task Force has reported and the problems of rising costs and organization of health services is still with us, nothing has changed. Last year the Minister said that his Department was studying the report of the Task Force and they were inviting various organizations to comment on it.

Mr. Speaker, Saskatchewan has peculiar problems of its own. The current deterrent fees and shifting of cost of ensured services from the public generally to the individuals and rate-payers are the creation of this Government and could and should be corrected forthwith. The total problem of cost control, reorganization and extension of public programs and improving the quality of care, needs special attention and it needs it now. Had this Government established a commission as we proposed last year or two years ago, we might now have been on the road to fully understanding the problem and knowing the solution. A special commission may still be appropriate.

Mr. Speaker, the New Democratic Party has an exciting and new program for health care. As I have said, until 1964 Saskatchewan led North America in the provision of health care service. In the guise of fighting escalating health costs, the present

Government has abdicated leadership and responsibility. But the rising costs of hospital care and medical care that have occurred in Saskatchewan and elsewhere are largely due to outmoded organization and delivery of health services. This is reflected in overlapping, wastage and duplication of medical facilities and as a result, many essential services are either non-existent or are very deficient.

The New Democratic Party will institute a program to provide health rather than a sickness service. We will develop an organization which assures Saskatchewan citizens will receive value for their dollar. Mr. Speaker, the New Democratic Party proposes the establishment of a prescription drug program based on a drug formulary and central purchasing to provide drugs at greatly reduced costs. We propose to provide hearing aids, eye glasses, braces and wheelchairs, again, at greatly reduced cost. We propose to establish an insured dental care service initially for those under the age of 12. We propose to give better care to our senior and chronically disabled citizens to include extended nursing care, that is, level four care, as an insured service and by increasing government support of public health and non-public nursing homes and geriatric centres. We propose to develop community services for the mentally ill, young and old, and day and night care centres. Through workshop and rehabilitation facilities and through increasing the number of community based health workers we propose to establish a regional health planning council composed of providers and consumers of service to be responsible for unified planning of public health, medical care and hospital services. We propose to re-examine all the proposals to close small hospitals and undertake any closure only after consultation with communities concerned and provision for satisfactory alternative services to handle emergencies. We propose to review and re-define roles of health workers and where necessary retrain them to ensure adequate medical physician services so that maximum use is made of their specialized skills and extended skills. Through assistance in capital expenditures and through alternative methods of pay, encourage community health centres and other new forms of delivery of care and thus reduce overall costs. We propose to improve accident and emergency services in rural and urban areas. We propose also to include chiropractic services as an insured service. Mr. Speaker, we also propose that all the monies that are received from Ottawa for health services be used for this purpose such as the Health Resources Fund. A year ago in the year ending 1970, almost \$1 million was received from the Federal Government, from the Health Resources Fund, and was taken into consolidated revenue rather than used for health services. Mr. Speaker, above all, we propose to eliminate those deterrent fees and we make that commitment firm and complete.

Mr. Speaker, people have had a long enough experience with the deterrent fees. They do impose hardships. They have not controlled costs. Mr. Speaker, I now move this Resolution.

Debate adjourned.

SECOND READINGS

Mr. I.H. MacDougall (Souris-Estevan) moved second reading of Bill No. 43 — An Act respecting the Profession of Occupational Therapy.

He said: Bill 43 is a Bill sponsored by the Saskatchewan Society of Occupational Therapists which is a relatively new institution in this province. The proposed Act contains the standard provision in the incorporation of the Society — registration of new members who have taken the required university training and have passed the examinations prescribed by the University of Saskatchewan. The enactment should be helpful in regulating and promoting the development of this new profession. Mr. Speaker, I move this Bill be now read a second time.

Motion agreed to and Bill read a second time.

Mr. W.A. Forsyth (Saskatoon Nutana South) moved second reading of Bill No. 44 — An Act to amend The Medical Profession Act.

He said: Mr. Speaker, as a brief explanation of this Bill, the University of Saskatchewan recently amended its medical school program to provide for a medical student to take his hospital internship before receiving his degree.

Section 28 of the Act was amended in 1968 to take account of this change. It is now realized that several medical schools outside of Saskatchewan such as certain medical schools in Mexico require their medical students to take their hospital internship before obtaining a university degree. The amendment in this Bill provides for such students to be registered in the educational register of the College so as to give them entitlement to practise medicine in the hospital in which they are interning. Certain medical students from Mexico now interning in the larger hospitals in Saskatchewan are in this category.

Motion agreed to and Bill read a second time.

Mr. A. Mitchell (Bengough) moved second reading of Bill No. 45 — An Act respecting The Saskatchewan Embalmers and Funeral Directors Association.

He said: Mr. Speaker, in the interests of clarification, the following is a brief summary of this proposed Bill.

The Saskatchewan Embalmers Act presently provides for the licensing of embalmers. This Act is administered by the Saskatchewan Embalmers Association. The undertakers are presently licensed by the Minister of Public Health under The Public Health Act; they are not entitled to embalm. This proposed enactment provides for complete revision of the Saskatchewan Embalmers Act so that both embalmers and undertakers will be licensed under the Act. The undertakers will continue to be licensed by the Minister of Public Health; they will be known under the new Act as Funeral Directors. This Bill has been proposed by the Saskatchewan Embalmers Association. It is understood that this association made its proposal to the Government after consulting with several licensed undertakers. This Bill is intended to provide the basis for uniform standards of conduct among persons occupied in embalming and undertaking in this province. There are presently 130 licensed embalmers and 21 licensed undertakers in our province. It is understood that similar legislation has been

enacted in both Ontario and Manitoba. I move that this Bill be read a second time.

Mr. J.E. Brockelbank: (Saskatoon Mayfair) — Mr. Speaker, I should just like to ask the Member a question before he takes his seat. I notice that there are no explanatory notes with the Bill and I wonder if he could send across the document that he is referring to.

Mr. Mitchell: — Yes.

Mr. E. Kramer: (The Battlefords) — Mr. Speaker, it may not be the proper place to raise this question; if not, I hope the Minister would advise me where, or possibly the Attorney General?

Mr. Grant: (Minister of Public Works) — I wonder if the Hon. Member could use the mike?

Mr. Kramer: — Yes, this may not be the proper place to raise this question, but if it isn't, possibly the Minister of Health or the Attorney General will advise me as to the proper place we might discuss this during this session. There were reports last summer, and I am sure both the Minister of Health and the Attorney General are aware of this, about a movement from south of the border to take over funeral parlours and embalmers by American companies. Two American companies apparently are moving very rapidly. They have already moved into various places in Canada and I understand since they have gained a monopoly in Calgary where the price of funerals has gone up by more than double. I wonder where we might best get a discussion on this matter. I know that many people in Saskatchewan are concerned about this. I feel that many of the things that are being said about these people who are moving in bear investigation. Statements about them are not very complimentary. I wonder if the Attorney General or the Minister of Health has any reports on these activities. I know that the Embalmers Association, as they call themselves, are upset about this in Saskatchewan. They are very reluctant to deal with these people, but it seems that a monopoly is being established in spite of the efforts of everyone concerned, not only in the business of directing and handling funerals but in the supplying of caskets, etc. Fewer and fewer people are in the business and it seems it is not only the high cost of living anymore that we are worrying about, it is also an increase in the high cost of dying.

Mr. Grant: (Minister of Public Works) — Mr. Speaker, I think the logical place to deal with this would be in the Department of Public Health Estimates.

Debate adjourned.

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion of the Hon. D.T. McFarlane (Minister of Agriculture) that Bill No. 22 — An Act respecting Intensive Live Stock Operations be now read a second time.

Mr. J. Messer: (Kelsey) — Mr. Speaker, in briefly commenting on this Bill when it was adjourned last, I had said that the legislation was needed and that there was a possibility, in fact, more than just a possibility, of the need for having it be retroactive and that there should be some considerable work done in regard to the area of cost control in relation to the application of this Bill.

In regard to the statement that the legislation is needed, I think that we have ample evidence in the province today where there are operations that are too close to towns and are strategically situated where they may well contribute to pollution of water resources that are used by certain communities. We know of farms that are in operation now where the waste from these livestock enterprises being distributed on to the land is subject to run off through spring thaws and heavy rains into water reserves and streams. In fact, there are a number of areas where the wastes and by-products of livestock operations are dumped on the ice. When this thaws and the spring run-offs come, it contaminates water in our rivers and again in reservoirs of water that are needed and used by communities through Saskatchewan. Hopefully, this Bill will take action to curb some of these operations. Because there are situations such as this, I think there is need for legislation in the Bill to make it retroactive so that it will give the Department, give the Government the opportunity to come in, not only to check new operations that are being built but to inspect those that have been built recently and may be contributing to pollution. Also, there should be legislation for looking into their means of disposing of and spreading the by-products of these intensive operations. If the Bill is going to be a good and meaningful one, I think that it will have to do this, otherwise, it will be somewhat unfair in regard to those who are going to be building new and intensive livestock operations in comparison to those who already have them and will exempt them from the legislation that the Bill will restrict or hopefully encourage others to follow.

I think it is of some merit to make some comments in regard to what kind of a problem we are confronted with when we start talking about livestock wastes. I think it is of interest to note that hogs contribute out of every four pounds of feed consumed, one pound of waste; chickens out of every two pounds of feed consumed, one pound of waste. A cow generates as much manure as 16.5 human beings. A hog generates as much manure as 1.9 human beings. You can go on and on bringing evidence in regard to the volumes of waste that have to be contended with and disposed of in intensive livestock operations.

It is stated that if we were to handle the waste of farm animals in North America, we should have a problem of confronting waste disposal 10 times as large as that of the human population. It has been stated by the University of Saskatchewan

that a 10,000 head feed lot of cattle per year is about equivalent to the waste problem that is confronted by the city of Saskatoon.

I want to refer to a work sheet proposed by H.H. Nicholson, Department of Animal Science at Saskatoon, in regard to some of the problems that he sees in waste disposal. If I may, I should like to quote from his statements.

The quantity of waste produced by beef cattle will vary according to the size of animal. A 700 pound animal will excrete approximately eight pounds of manure per day. During winter feeding operations, approximately the same weight of straw per day must be used for bedding the animal. This animal will then accumulate in 140 days, a total of 2,240 pounds of waste. Let us apply this to a 1,000 head feedlot. In normal operation, the turnover will be two and a half times per year, therefore, 2,500 animals will go through the feedlot. The waste production will amount to 2,500 times 2,240 or 5,600,000 or 2,800 tons of waste. This is a modest estimate of the waste production as it could increase materially if a greater amount of bedding material was utilized.

He further states:

There are a number of management features that must be adhered to if animal waste is to be utilized for land spreading with a minimum of pollution.

1. Spreading must not be done during the winter, in that, manure spread on frozen ground can be carried off during spring break-up and cause contamination of streams and other water bodies.
2. Land areas which have a water table close to the surface will allow nitrates from the manure to enter the water by infiltration. Such water contaminated by nitrates will be dangerous for use for not only human consumption but animal consumption. In relation to such land areas, feedlots should not be established and the spreading of manure would have to be limited to that amount which will not cause nitrate contamination of ground waters.
3. Animal wastes should be incorporated into the soil immediately after spreading. The incorporation procedure will reduce offensive odors, prevent run-off of waste material and allow much faster breakdown of the waste material by soil bacteria.

Mr. Speaker, some of this evidence shows that it is going to be indeed a difficult piece of legislation to enforce if we are to take total corrective measures in regard to pollution by the agricultural industry especially in relation to intensive feedlot operation or intensive livestock operations.

I fail to see where the Government, in this legislation, is going to be able to encounter and legislate all the problems that I have been making reference to. I therefore say that or ask the Minister that he give consideration to broadening the scope of the Bill so that it will not only take into consideration

the moving of animal wastes so that we can have some protection in regard to contamination but also because of the operations that are now proceeding, that it be made retroactive in regard to the Government being able to inspect these, have them update their practices so that they would fall into the same category as new operations that will be undertaken.

I should also ask of him that he give consideration in regard to some work being done in regard to lessening the cost of moving of livestock operations. Outside of that, Mr. Speaker, I will be supporting the Bill. I encourage the Minister and his Department to give consideration to what I have mentioned.

Hon. D.T. McFarlane: (Minister of Agriculture) — Mr. Speaker, in closing the debate, I want to advise the Member for Kelsey that there is no intention of the Government in this Bill of making the regulations or the Bill retroactive. I think it would be most unfair to the livestock industry in this province if you are going to make it retroactive at all. How many years are you going to have to go back? Are you going to have to go back five, ten, fifteen years, twenty years? I think the Government is to be commended that, at long last, something is being done not only to protect the environment of the province for other people in the province but, most important of all, to protect those people who are engaged in the livestock industry from future actions by people or groups of people who may take action to the detriment of the industry. There is an awful lot of talk going around this province and throughout this country at the present time in regard to pollution being created by agriculture, by livestock operations and such. I would suggest to you, Mr. Speaker, that there are other segments of our society that are causing more pollution than the agricultural industry, and those people who are involved in the agriculture industry. Sure, there may be problems, sure, there may be waste disposal problems now and in the future. I think that if other industries and other segments of our society look after their problems as well as the agriculture industry looks after theirs, then the pollution problem in the years ahead won't be of a magnitude for which we shall have too much concern. So to say that it should be made retroactive, I don't think is fair and I don't think it is feasible at this time.

There is provision being made for those intensive operations that are in existence at the present time that if they want to enlarge then they have to apply for a permit and get the okay from not only the Department of Agriculture but the Department of Natural Resources, Water Resources Commission, Public Health and so forth. I think these concerns are very well taken care of by the legislation.

I think there is one very important thing here to remember. We hear so much about the cost price squeeze in agriculture, we listen to it every day, but if we were to listen and take some of the recommendations that are coming from the other side of the House and build them into these types of operations, you wouldn't have an agriculture industry. You wouldn't have to worry about pollution from intensive feedlots. They would make it very unbearable as far as costs of operation are concerned. We could lose the whole livestock industry. I suggest to you too, Mr. Speaker, that one of the opportunities that we have here in Saskatchewan is the fact that some of the pollution laws that are now being put into effect in the corn

belts of the United States and in many other areas in the United States, is driving that industry out of those areas and if we seize on these opportunities here in Saskatchewan and if we bring in the right type of legislation at this time in this province, we can take advantage of the decline in livestock production in the United States and work it to our advantage here in Saskatchewan and in Canada.

And so I think, Mr. Speaker, that the Government is to be commended for having the foresight at long last to take issue with those people who are complaining about pollution, especially from the agricultural industry, to see that something is done now to protect the environment of our province at this time and in the years ahead and, most important still, to protect those people who are involved in the production of livestock and in the agricultural industry.

With those remarks, Mr. Speaker, I move second reading of this Bill.

Motion agreed to and Bill read a second time.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. D.T. McFarlane that Bill No. 23 — An Act respecting Refundable Deductions on the Marketing of Saskatchewan Hogs be now read a second time.

Mr. J. Messer: (Kelsey) — Mr. Speaker, such a Bill, I think, inevitably reaps a benefit to the consumer not necessarily to the producer. I think that it is fair to say that when the Government encourages programs of diversification into a livestock industry which inevitably results in increased numbers of livestock in the province, they should show some responsibility not only in regard to research into the quality of that livestock industry but also in regard to promoting consumption of that product. I don't believe that it should be cost related directly to the hog producers in establishing markets for their product because it is not always within their means to be able to do that in a practical way.

Many producers are concerned that the money which is deducted is not always going to be spent in the best interests of them in their operations. They are in fear of the deductions increasing as time goes by. They are in fear that the deductions may not only apply to — as we have now — cattle and now being expanded to hogs, but that it will expand to all produce that farmers are involved in. Even though the deductions are refundable, it is not a very convenient means for the farmer to make application at the end of a given year for the refunds.

We therefore question whether there is any real merit or gain to the producer when he has to be burdened with such deductions.

I should like, for the Minister's perusal, to bring to his attention a statement in the Western Producer dated October 3, 1969, in regard to an article entitled, "Producer Isn't Getting Larger Share, Marketing Cost Boosted Food Price". If I may quote:

The higher cost of food in Canada is due to the higher cost of marketing the products and not because the producer is getting a larger share. These facts were

reported in a recent survey by K.E. Cann, Federal economist in Ottawa.

Mr. Cann goes on to state that the main causes total marketing costs have increased were:

1. The greater physical volume of food passing through the marketing system; and
2. the increased costs of marketing.

It is estimated that the volume of food increased by 74 per cent in the 1949 to 1967 period and the costs of marketing an equivalent quantity of food increased by 137 per cent. The costs of marketing food produced in Canada have increased at a faster rate than the farm value of the raw product. There are numerous reasons for the more rapid growth in the costs of marketing. Food consumption patterns have changed with increase in the purchase of convenience foods. The added service and merchandising advertising has also increased as well as costs of labor, supplies and equipment.

This article further points out that at a percentage of farm value in relation to retail value, that in 1949 farm value was 60 per cent of the retail value. In 1967 farm value had dropped to 43 per cent of the retail value.

This shows that the producer is not getting any more, if as much, for his production than he was a number of years ago. At that time he was not paying nor was he subjected to deductions in regard to the products that he was selling and consequently we are now burdening him with a further cost of production and it is doubtful whether he is going to get any real gain in regard to contributing to such deductions when he totals up the net income of the operation for his given year.

We therefore seriously question whether there is going to be any real gain to the hog producers in the Province of Saskatchewan if subjected to such deductions as this Bill will allow.

Mr. T.M. Weatherald: (Cannington) — Mr. Speaker, I only wish to make a few brief remarks which I really didn't intend to make until the Member for Kelsey (Mr. Messer) mentioned that he couldn't see any advantages come to the producer. As a producer in livestock, and I have been all of my life and intend to continue, I think the most obvious advantage is that the deduction provides for some expenditure of money so that we can stay in business, at least, those of us that are in the business and would like to stay with it. The Member for Kelsey seems to completely ignore the fact that while we may not get a substantially higher income at least we'd like to maintain what we are getting now and not go out of business. Because, make no mistake about it, Mr. Speaker, there is a very real danger to the producer of both pork and beef from competitive products that unless we maintain our competitive position we may well find ourselves totally out of business which will be a substantially reduced income to what we have now.

The beef producer is very much aware of this and this is why he had requested and most of his livestock associations had

requested the check-off. He is very much aware of the competition from both synthetics and other products. Synthetics in particular are a real danger in the future and unless we produce a product at a low enough price and in competition with synthetics then we are in real danger of being out of business totally.

The Member from Kelsey speaks of an increased income. Well, Mr. Speaker, I think that there is a possibility of increasing our income through being more competitive in the export market and the domestic market but we have to show some initiative and some desire on our own part at least to maintain this competitive position and improve it. This is why most of the livestock associations want this type of legislation. They want to have a certain amount of money that they have control over. They don't want to have to rely on Government and everyone else to be able to make certain that we are competitive. I think this is exceptionally important as most of the livestock groups acknowledge. I must admit the Farmers' Union, who speak very little for any of the major livestock producers, have opposed it. They have opposed it in Manitoba and, I might add, in Manitoba I think eventually even the Government there is going to get around to bringing in this type of legislation because all of the other farm groups outside of the Farmers' Union are supporting it.

So, in essence, Mr. Speaker, I think I should be very remiss if I didn't bring it to the Assembly's attention that this is legislation which most livestock producers are asking for. They want it, they want to maintain their position and improve their position. They don't want to have to rely on everyone else, including governments, to carry out all of their research because the past has proven that to rely on someone else is not nearly as adequate as relying upon yourself and trying to help yourself a little bit.

Some Hon. Members: — Hear, hear!

Mr. E.I. Wood: (Swift Current) — Mr. Speaker, I do not have very much to contribute to the debate but I should like to make some remarks. The Hon. Member from Cannington (Mr. Weatherald) said two things. One, he said that most of the livestock associations have requested this and a few minutes later he said that most of the livestock producers have requested it. I think there are two different things involved here. I am just not too sure at all that this imposition of tax upon the livestock producer is requested by the majority of livestock producers of the province. I think possibly the reverse is true. I do not think that these livestock associations that are asking this do speak for the majority of the hog raisers of the province.

I think that any impost of this kind that is put on for the furtherance of beef products have a great tendency to work one against the other. One pushing for more beef and the other pushing for more hogs.

The person who is eating beef or pork can only eat so much of either one and sometimes I think that you have a conflict of interests, if I may say, between these organizations. I think that overall research into the products of both these organizations or both of these groups of producers conducted by the Government would be more beneficial than each one subjecting

themselves to a tax and working along those lines. I think that this, as the Hon. Member from Kelsey (Mr. Messer) has pointed out, is something that may be of rather doubtful value to the hog producers of the province.

Hon. D.T. McFarlane: (Minister of Agriculture) — Mr. Speaker, I never cease to be amazed by the narrow outlook of some of the Members opposite. Here they get up and say, “Now you’re imposing a tax.”

Mr. Cameron: — Crying for the farmers!

Mr. McFarlane: — Crying for the farmers, yes, you’re going to impose a new tax. Well, in the first place, the legislation is voluntary so we are not imposing a tax. And the legislation was requested by the Saskatchewan Swine Breeders’ Association, the Saskatchewan Hog Producers’ Association, and by the Saskatchewan Federation of Agriculture which embodies many different organizations. For two or three years they’ve come to the Government and asked us for this type of legislation.

And to further indicate their narrow outlook, Mr. Speaker, the Opposition fail to realize, as was pointed out on second reading, that this legislation is now in effect in Alberta. It’s in effect in Manitoba and the deductions there aren’t the suggested ceiling of 10 cents but may be 25 cents or 30 cents in those provinces. The Member for Swift Current (Mr. Wood) said maybe there will be a conflict of interest. One group is going to say eat more beef and another group is going to say eat more pork. Well, I’m going to tell you, Mr. Member for Swift Current, that the swine producers are far smarter than that and so are the beef producers. They realize that there is a tremendous market in the northwest United States. They realize there is a tremendous market in Japan and the 103 million people in that country asking for Canadian beef and asking for Canadian pork and willing to make trade agreements with Canada for the supplying of these products on two conditions. (1) That we can guarantee them a high quality of products; and (2) that we can guarantee them a continuity of supply, and this is most important. Besides these two outlets, you’ve got Costa Rica and other countries. I’ll just give you one indication of the movement of pork. As I pointed out in this House some time ago, in 1959 we produced the same number of hogs in that year as we produced in 1970 but there was a tremendous difference in the average price for the year. Because in 1959 — I believe you fellows were the Government at that time — the average price at Winnipeg for B-1 hogs was about \$22 a hundred for the whole year, the average price. Last year when we produced the same amount of hogs in Saskatchewan, the average price at Winnipeg was \$30.14 and why, what’s one of the reasons? Because the chain stores were doing a promotional job all across Canada to make pork move and on top of that, the Department of Trade and Commerce and the packers and all those interested in moving pork were moving it to Japan, they were moving it to the northwest United States and they were trying to get agreements with some other countries, and moving some there as well.

The other thing is this. The United States is our chief competitor and why? Because they are sharp promoters and in the United States it doesn’t matter whether it’s with grain or

some of these other products, they have a check-off so they can finance a producer organization to go into these potential markets, and in the case of beef, take it right over to Japan, show them what the finished product is like and invite the people, the hotel people, the café people, and all the people to come and try United States beef. This is what Canada should do and thank goodness they are starting to do it. And this is why the beef industry came to us a year ago and asked us to set aside a check-off for them so that they could get into market promotion and this is why the swine producers in this province have come to us and asked for the same provision so that they could voluntarily have the deduction made where they could set aside funds for the promotion of their product.

That is why in Manitoba the Farm Bureau went to the Manitoba Government about two months ago and said it was about time something was done in Manitoba because Saskatchewan is ahead of us now, Alberta is ahead of us and so is Ontario in having these check-offs so that their own producers can promote their own products.

So, Mr. Speaker, I just want to point out that the thinking of Members on the opposite side of the House is about 20 years behind the times and if we were to try and let them get in a position where they as a Government were going to take care of all of these things then we should be in the same position as we were for 20 years when the price of pork in Saskatchewan was below \$22 per hundredweight for seven different years of the 20, almost half the time that they were in power. And so I think the swine producers in Saskatchewan and the Saskatchewan Federation of Agriculture and the Hog Producers' Association are to be commended for being forward looking.

When I brought in the Bill originally I said the Board would be made up of five different people, two representatives of the Swine Producers', two from the Hog Producers' Association and one from the Department of Agriculture.

Mr. Speaker, I shall be bringing in an amendment in the Committee of the Whole increasing the Board by two additional persons, two representatives of the Saskatchewan Federation of Agriculture.

The Member for Kelsey (Mr. Messer) read some article from the issue of March 3 of the Western Producer but I am going to read to him an article from the March 18th issue of the Western Producer. The headline says, "Hog Check-off Welcome, SFA".

The Saskatchewan Federation of Agriculture welcomes the hog check-off in the province, particularly so that producer groups can assist in promoting their product in export markets. For example, one of the immediate indicative needs of the United Nations world food plan is pork in the diets of developing countries.

And then they go on to say, commenting on the \$2 premium for hogs, well, this is beside the point, I won't mention that one, but I think it is significant that the Saskatchewan Federation of Agriculture has endorsed this program as we have announced through this legislation and willing to back it up and now they will have the privilege of appointing two members of their organization to the Board.

Mr. Speaker, this is good legislation. It is forward looking legislation and it goes along with this Government's thinking and this Government's actions in helping the producers of Saskatchewan to promote and to market their own products.

I point out again that there may be one organization that opposed this legislation and that may be the National Farmers' Union. They opposed the cattle check-off but I think the records of the funds that have accrued to the trust fund through the cattle check-off would indicate that by far most farmers in Saskatchewan are happy to have this type of legislation.

With those remarks, Mr. Speaker, I move second reading.

Some Hon. Members: — Hear, hear!

Motion agreed to and Bill read a second time.

The Assembly adjourned at 9:28 o'clock p.m.