

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fifth Session — Sixteenth Legislature
43rd Day

Thursday, April 15, 1971.

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

INTRODUCTION OF GUESTS

Mr. Deputy Speaker: — We have a group of, not actually students, in the gallery — a group from Oak Lake, Manitoba, with the 4-H Club.

On behalf of the Assembly I should like to welcome them to this Chamber. I trust they enjoy their visit here and we wish them a safe trip home. They have got quite a long trip and we wish them a very safe trip home.

Hon. Members — Hear, hear!

SECOND AND THIRD READING

Bill No. 71 — Appropriation Bill 1971(2)

Hon. D. G. Steuart (Provincial Treasurer) moved second reading of Bill No. 71 — Appropriation Bill 1971(2):

An Act for granting to Her Majesty certain sums of Money for the Public Service for the Fiscal Year ending respectively the Thirty-first day of March, 1971, and the Thirty-first day of March, 1972.

He said: Mr. Speaker, when I introduced the Budget, I stated that the aims of this record pay-as-you-go Budget would be to find jobs for the unemployed, create summer work for students, speed up the development of our great natural resources and job producing industries to take another major step to shift the municipal tax load off the farmers, the homeowners and the small businessman; and to give the fight for clean environment the same high priority that we have been giving in the past to education and to health.

Mr. Speaker, we introduced a Budget calling for record spending of \$450.7 million. Not only was it the largest Budget in the history of this Province, it was also the seventh consecutive time we shall have balanced the Budget since we became the Government of the Province of Saskatchewan.

We have asked this Assembly and they have agreed to vote record amounts for education, and as a result of that vote, we have seen school board after school board, and school district after school district announce mill rate deductions of anywhere from two to five mills. The first time I should think in 25, 30 or 40 years, we are seeing mill rates for education being reduced. We are also giving new health and new hope to local governments. Through the greatest single public works program in the history of Saskatchewan, we have taken as we did in 1970 and 1969 a major step on behalf of the Provincial Government to aid our people to find work. We introduced a program which was bold and imaginative that will place over 4,000 of our young students in jobs this summer to give them the opportunity to further their education.

We have continued to give agriculture the highest possible priority in recognition of the fact that it is still the backbone of the economy of the Province of Saskatchewan.

Through the proposed development that we are supporting through this Budget, the great mineral development in Wollaston Lake by Gulf Minerals Limited, and the proposed development of the Athabasca Pulp Mill at Doré Lake, we have set the tone for a great year of development in the private sector of the economy which will bring new hope, new prosperity and new life to Northern Saskatchewan and give literally thousands of our people a chance and an opportunity for high paying jobs, many of them Indian and Métis people.

We have passed a Bill here supplying the necessary funds to put more muscle than ever before in this Province's fight for a clean environment. We have shown during the past number of years, Mr. Speaker, that we are deadly serious in our efforts and our determination to see that the clean environment, land, water, and air that is now enjoyed by the vast majority of our people and in about 99 per cent of the province is continued.

So in general and in particular, I think we can say the Budget that we presented to this House and have now passed to this stage, will accomplish the four aims we claimed it would when we brought it down some weeks ago.

This is a Budget that recognizes the problems which face the people of Saskatchewan today as well as doing something about the problems which will face the people of Saskatchewan tomorrow and in the years ahead.

So, Mr. Speaker, I urge the Members on both sides of the House, to show their faith in the future of this province and support this great Budget.

It is my pleasure to move second and third reading of this Bill.

Mr. A.E. Blakeney (Leader of the Opposition): — Mr. Speaker, it is because I have faith in Saskatchewan that I rise to question the motion moved by the Provincial Treasurer (Mr. Steuart) and to ask this House to look at this Budget as contained in the Appropriation Bill to look at its shortcomings and to indicate its lack of faith in a Government which introduced a Budget with these shortcomings by rejecting this Bill.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Mr. Speaker, this Budget is brought forward by this Government; it is a Budget which will never see the light of day in its entirety; it is a Budget which I predict will govern the spending priorities of this Province for a small number of months; it is a Budget which might commend itself to Members opposite but when after the next election a new government takes office in this province there will be a new budget which will meet the problems in this province.

Some Hon. Members: — Hear, hear!

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Mr. Blakeney: — This Budget really parades for all to see, the failure of the Liberal Party. They came to power on a wave of promises, rosy promises and they are about to ride out of power on the ebb of those broken promises.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — And how they promised, Mr. Speaker! Remember four years ago those sultry slogans — the Member for Regina South West (Mr. McPherson), he'll remember this slogan; and the Member for Regina South (Mr. Grant) he'll remember this slogan — "I like the New Saskatchewan and for more jobs and lower taxes, vote Liberal." For more jobs and lower taxes, vote Liberal. Before the election they were promising more jobs and lower taxes. In a minute I shall say a word or two about what Liberals mean by more jobs. Now let's now just take a look at what they meant by lower taxes.

In 1967 they went to the people on a program of lower taxes and within six months the Provincial Treasurer, who brings this Budget in, was in this House parading before this House and burdening the people of Saskatchewan with the largest list of tax increases in the history of this province.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Sales tax up one cent; gasoline tax up two cents; motor vehicle licenses, 25 per cent; tobacco tax up 100 per cent; and there were pari-mutuel taxes — I can't remember them all. There were deterrent fees on hospital visits, deterrent on doctor's visits; deterrent fees on visits to doctor's offices; deterrent fees on doctor's visits to homes. In fact, Provincial taxes have never before reached this level that they are now in Saskatchewan. In 1964 this Government took power. If I wanted to take the time of the House I could recite for you all of the speeches which the Premier gave about the oppressive burden of taxation. At that time he said, "Do you know taxes in this province are \$129 for every person in the province and it's oppressive." These are Provincial taxes. By 1970 that figure had very nearly doubled. So if it was oppressive in 1964, it is doubly oppressive in 1970. The Provincial tax load had nearly doubled in six years. Well, you might say, 'that wouldn't be so bad if municipal taxes had decreased.' But in fact municipal taxes have spiralled. The Provincial Treasurer (Mr. Steuart) in his remarks a moment ago was talking about the reductions in mill rates for school purposes. I am free to admit that there have been fractional reductions this year, reductions brought about, not by generous grants, not by the fact that we are meeting the costs of schools out of Provincial revenues, but because we are lowering the quality of education in this province. We are in fact reducing mill rates at the expense of the youth of this province and not at the expense of the taxpayers.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Let me just give you a few figures. I'll just use the Eston-Elrose School Unit which in 1959 had a mill rate of 28, up 4 and five years after that it had a mill rate of 37, up 9 mills in five

years. Even if its mill rate did drop 2 mills or 3 mills which it didn't, the increase in the Liberal five years would be greater than the previous five years. This is true equally well of the Kinistino School Unit. Arcola's figures are in 1959, 25 mills; 1964, 25 mills; 1969, 38 mills. Up 13 mills in five years. And now he comes in here and he says, "We have lowered mill rates." Look, it dropped two mills. For five years in Arcola there was no increase in mill rates and under these policies of the Government opposite they increased 13 mills in five years. Now he says, "look, it has gone down a mill, look how good we are." "How great thou art" someone has said. The same is equally true with respect to Balcarres, or let's call it Yorkton. The Member for Yorkton well knows that mill rates in Yorkton are up by astronomic figures, up I believe, 35 mills since this Government took power.

Mr. Gallagher: — They're just down one mill.

Mr. Blakeney: — He says they went down this year. They probably went down two or three mills. Well, at 35 mills they could afford to go down a bit.

New Democrats believe that this Government has failed to come to grips with the cost of financing schools.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — We believe that the burden on local taxpayers is too high, it should be lowered, and it should have been lowered in this Budget.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — We believe, in fact, that the time has come to take a whole new approach to financing schools. We're not proposing what would be a modest increase in school grants. We're not proposing an increase in school grants which will keep mill rates level or even lower them by a mill or two. We think the time has come to have a whole new look at this problem. Some of you will be familiar with the proposal of the Saskatchewan Association of Rural Municipalities. They propose that the entire cost of operating schools be financed out of the tax on basic income. And I think that program has some attractions. I think that if we are to finance the entire cost of schools the income tax rate will be too high and therefore I don't think can be introduced at this time. But the idea of financing a very large part of that share of school costs which is now borne by local ratepayers by a tax on income has a great deal of attraction. And I think the time has come for us in this Legislature, regardless of party, to say that the time has come to say that we will no longer finance 50 or 60 per cent of the cost of operating schools by a tax on property.

Mr. Steuart: — Tommy says 100 per cent, what do you say?

Mr. Blakeney: — We are saying, Mr. Speaker, that the time has come to increase taxes on corporations, to increase our yield from resource revenue, to increase taxes on personal incomes so that

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we shall get a pool of money which will be used to lower mill rates.

Mr. Boldt: — Some pool.

Mr. Blakeney: — The Member for Rosthern said “some pool.” Well, some people may know that in other provinces this same pattern has been used to lower taxes. In Manitoba, for example, they raised income in excess of \$20 million by that pattern of taxes and used it to lower the direct family tax for medical and hospital services. There is no reason why we couldn’t use the same pool of money to lower mill rates. And I say to the Government opposite, if the Government opposite doesn’t already know, the people in this province, people in urban centres and farmers of this province believe that the time has come to cut school mill rates.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — And we are not talking about a cut of two mills. We are talking about a program which would cut mill rates for school purposes well back, to cut them nearly in half. We say that the time has come for the Provincial Government to assume not 40 per cent or 42 per cent or 39 per cent of the cost of operating schools. We say that the figure should be closer to 70 per cent to 75 per cent.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — Do I hear 80, 85?

Mr. Blakeney: — I should very much like to see the figure 80 per cent. And I tell you that when we get this province moving again, when we get tax sources coming again, it will be 80 per cent.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — When we, once again, as we did a few years ago, get resource revenues up to 17 or 18 or 19 per cent of the Budget and now down to 10, 11 or 12 per cent of the Budget which you people have managed, we shall have money for these purposes.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — In the same way the farmers are demanding cuts in mill rates in order to give them some relief. And they need it badly, because you know and I know that there are farmers in this province and no doubt in the constituencies of members opposite who have had to pay 25 and 30 and 35 per cent of their gross income in municipal taxes. Now these figures have been true for the last couple of years, and this is a crippling burden. We know that it comes primarily from the fact that gross income of farmers is too small. We know that it comes primarily from the failure of agricultural policies of the Government opposite and more particularly the Government at Ottawa. But for whatever reason, a system of government whereby a farmer has to lay out 30 or 35 per cent of his gross income for taxes on land is not good enough.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — In the same way, people in urban centres are finding the tax load too high. People in this city, and I'm sure it's equally true in Saskatoon or Moose Jaw or Prince Albert, find that the taxes on a relatively modest bungalow — is \$600. \$50 a month! You can get much higher figures than that. You can get figures of \$700, \$800 or \$900. And I say that if a man is trying to support a family on \$450 a month to \$475 a month and he has to own a house in order to shelter his family, a tax of \$50 or \$60 a month is just too much. Not only mill rates have gone up but interest rates have gone up, thanks to the policies of the Government opposite and their friends in Ottawa. Because these things are true, more and more people in Canada are priced out of homes. And I don't ask you to accept my word for that. I am sure that even the Provincial Treasurer will be familiar with the literature put out by the Central Mortgage and Housing Corporation which sways that the income that a person needs to earn to own an NHA home is now up in the range of \$8,500 and \$9,000 and that we in fact have priced out of the home owning class tens and hundreds of thousands of people in Canada.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — This is true in Saskatchewan. The numbers aren't the same but many thousands of people have been priced out of their right to own a home. And it's the combination monthly payment that prices them out.

Now, I am hopeful that a government at Ottawa can be found which will do something about controlling interest rates. But at least we in this province can do something about controlling property taxes and it's time we did. It's time we took a stand on mill rates and decided that schools are something that should be very largely financed on the basis of taxes based on ability to pay.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — The Government opposite has had the report of the MacLeod Royal Commission in its hands for six or seven years now. The Government opposite knows that that Royal Commission said that property taxes are an unfair way to finance schools. No, it can't wipe out in a few years all of the unfairness of a complicated tax structure but we can do better than we have done. The MacLeod Commission makes it very clear that this method of financing schools is not good enough. The Government opposite should have changed it in this Budget, and I want to tell them and the people of Saskatchewan that the next New Democratic Government will change it.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — Long time to wait.

Mr. Blakeney: — So we all remember, the Member for Regina South West, he'll remember this. "For more jobs and lower taxes, vote Liberal." Well, we've had a little run through about their

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lower taxes as defined by the Provincial Treasurer in 1968 and as defined by every single tax notice that has come practically to any citizen in Saskatchewan from his municipality.

But have they done any better on more jobs? Well, that one's a laugh. I should like the Member for Regina South West or any other city Member to go to any public meeting in his constituency and tell them about all of the additional jobs that have been created by this Government.

Mr. Steuart: — Lots of them Allan, pulp mills, potash mines . . .

Mr. Blakeney: — They have announced their Public Works crash program and I hope that one of my colleagues will spend a little time on that crash. But the really significant thing, when we were discussing in the Finance Committee what the Government was doing about creating employment, the Minister of Public Works kept telling us how many jobs this project was going to create, now how many it had created. He comes in here in April of 1971 when we have had massive unemployment for a year and tells us what he is going to do to create jobs. He has let a year slip by without creating any jobs and then he comes in here and tells us about his crash program to create jobs. He puts in his Budget what is clearly window-dressing. He really should get together with the Provincial Treasurer when he's going to put in his budget projects for, let us say, a University Hospital in Saskatoon. The Minister of Public Works puts in a couple of million dollars for that project and the Provincial Treasurer in his Budget Speech says the plans won't be ready for a year. We know and everybody knows that it's humanly impossible to spend \$2 million on that project or even \$1 million in the next 12 months.

Mr. Smishek: — There are no plans.

Mr. Blakeney: — If there are not plans and I shall accept the Provincial Treasurer's word for that, and if in fact, the plans won't be ready for a year, and I'll accept his word for that, it's in the highest degree unlikely that there will be massive spending before the architectural plans are prepared.

What explanations are offered for the fact that nothing has been done? The Premier has explained it by saying that he is joining in the fight against inflation. Remember last year, he was telling us it would be a bad thing for the Government to spend money, that they should cut back in their public works projects, that a responsible Government had an obligation to fight the battle of inflation. That's what he told us then, and what happened? From Saskatoon and Regina and every other place in this province, thousands of skilled men left this province, carpenters and electricians and the rest. And where did they go? They went to Vancouver and Edmonton and Calgary and Winnipeg and Toronto and what did they do there? They got jobs in the building trades. The Premier is telling us that somehow it would create inflation in Canada to build a nursing home in Saskatchewan. But if they build it in Calgary or Winnipeg, it doesn't create inflation. It's perfectly clear, Mr. Speaker, that there was work for these men to do in Canada and there would have been work for these men to do in Saskatchewan had we had a Government which was on its toes.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — We did not get the jobs and we have lost these people. Now, Mr. Speaker, in case someone believes that this is a city problem, may I remind Members opposite that in Regina the population is remaining about static. In Saskatoon the population is remaining about static. Yet, the population of the province is going down by about 23,000 last year. Where are they coming from? I'll tell you where they are coming from. They are coming from Kendal and they are coming from Montmartre and they are coming from Humboldt and they're coming from Watrous and they are coming from Bengough, that's where they're coming from. People are leaving this province in tens and hundreds and I wonder whether there is a town of, let us say, 1,000 people which has not lost a contractor. I wonder if in a town like Watrous or a town like Bruno there has not been a contractor leave and I wonder if you're ever going to get him back. Well, I know that there are many prosperous road contractors in Manitoba who are looking for work everywhere and why wouldn't they look for work everywhere. But I want to ask the Member for Rosthern whether or not in the town of Rosthern there haven't been businesses closed in the last year? The Government opposite has not recognized that. In fact, it is stripping the smaller centres of this province.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — The Government opposite has been totally big business orientated. It has all sorts of plums for big business and it has had peanuts for small business. There is no program for small business. Every day we hear about what this Government is going to do for Parsons and Whittemore or what it's going to do for IMC. We have statements on the Order of the Day about what is going to be done for this pulp mill or that pulp mill. We have special road regulations for potash companies at Esterhazy. But what is there for the small merchants at Esterhazy? There has been no program announced for business representatives. We've had ag. reps. for years; I think the time has come for us to have some biz. reps.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — Members may laugh. I've had some experience in small business and I'll say this. Our family business didn't go broke. And so I'll not accept all of the criticisms offered by the Member for Prince Albert West.

Mr. Steuart: — I didn't laugh, Allan.

Mr. Blakeney: — And I'll tell you this. Many small businessmen would appreciate some technical assistance in filling out the myriad government forms, assistance at setting up bookkeeping systems, assistance at costing so that they would know whether they are making money or losing money. Many of them would appreciate the same sort of technical assistance that the ag. representatives give to farmers. And we know that farmers aren't stupid. We know that we've got the best farmers in the world and yet they can use technical advice. I'm not saying that businessmen are stupid. I am saying that just as good farmers can use good technical advice so good small businessmen can use good

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technical advice.

Members opposite should go around and talk to some of these small businessmen. There is no particular easy way to solve their problems. I suggest to you that we ought to have a look at ways of finding and of making some capital available to them. We've got capital projects, we've got SEDCO, and we've got incentive loans and we've got all manner of things for big companies but we have nothing for the small businessmen.

Mr. Speaker, there are a number of other comments which I want to make on the Budget and on the Appropriation Bill. I think that it will facilitate the work of the House if I defer my comments until tomorrow, and accordingly I beg leave to adjourn debate.

Debate adjourned.

ADJOURNED DEBATES

Motion — Select Standing Committee on Crown Corporations

The Assembly resumed the adjourned debate on the proposed motion by Mr. E.F. Gardner (Moosomin):

That the Select Standing Committee on Crown Corporations be composed of twenty members.

That the membership be transferable on a daily basis by written notice signed by the official member and filed with the Chairman of the Committee.

That notwithstanding the foregoing, the position of Chairman and Vice-Chairman, shall not be transferable.

Mr. E. Whelan (Regina North West): — Mr. Speaker, members of the Committee on this side of the House are in favour of this motion.

I think the reduction of the number on the Committee is practical if the membership is transferable. It will provide an opportunity for more participation, for more members. It will give some members on the Committee a chance to escape the strenuous hours which at present we find prevent an opportunity to prepare for the next meeting. I think the need to maintain the same Chairman and Vice-Chairman is self explanatory.

We will support the motion.

Motion agreed to.

ADJOURNED DEBATES

RESOLUTIONS

Resolution No. 7 — Independent Electoral Boundaries Commission

The Assembly resumed the adjourned debate on the proposed motion by Mr. J.E. Brockelbank (Saskatoon Mayfair):

That this Assembly, recognizing that the most recent redistribution of legislative representation is in many cases grossly unfair, recommends to the Government

immediate establishment of an independent electoral boundaries commission, such commission to present its complete report to the Legislature for implementation before the next provincial general election.

Mr. Whelan: — Mr. Speaker, like the Member for Gravelbourg (Mr. Coderre) I have been having some trouble with my voice. Over the weekend I was in a sense a flood victim.

Mr. Speaker, governments may make mistakes. They may in time invoke or practise philosophies that are detrimental but no mistake made by any government and no policy or philosophy that they may practise can be as harmful as legislation that jeopardizes the basic practice of democracy itself. One of the basic concepts that people have gone to jail for, that people have stood up for under all circumstances has been the democratic right to representation according to population.

We have come a long way in this respect. From the time in British Parliamentary history in the 18th century, when one Member of Parliament was unanimously elected by one elector and when someone as famous as Pitt the Younger at no time in his 31 years in Parliament represented as many as 100 voters.

Mr. Speaker, the principle that any person standing up in the Legislature should represent an equal number of constituents regardless of whether they are millionaires or paupers, black or white, Catholic or Protestant, has been ingrained, established, guaranteed and practised under the democratic Parliamentary system, so firmly established as part of our system, so necessary to our existence without revolution or up-rising, that it has been a part of a sacred creed of democratic peoples.

Those who ignore this creed in order to prevent change, have been forced to accept change by force. This Resolution would guarantee representation by population. It would allow for transfer of population, expansion, population decrease and industrial development. This present Government will not be remembered for its accomplishments, it will be remembered, Mr. Speaker, because of the violation of a democratic formula of representation by population.

Why do I say this, Mr. Speaker? Because this violation exists. It exists in the crudest form. It exists in the most arrogant manner. It exists in the most indefensible set of population figures in many parts of Saskatchewan. Mr. Speaker, the worst example is in Regina within a half a mile of this Legislature. What are the facts? In an area where there is no home construction to speak of, in an area where there is little population increase, in an area where a few months ago there were more unsold and unrented homes, and more empty suites than in any part of the city, in an area that is not going to expand between now and when a vote is held, there are approximately 4,000 voters. Compare this with the constituency held by my hon. friend and colleague, the Leader of the Opposition (Mr. Blakeney), and the constituency of my hon. Friend and colleague, the Hon. Member for Regina North East (Mr. Smishek), and my own constituency, Mr. Speaker, all of which have a minimum of 16,500 voters and probably between 17,000 and 18,000 voters. If 4,000 voters are entitled to one MLA then the Government is saying to 12,000 voters in each of the three north constituencies in Regina, "You are not entitled to representation." This Government is saying to them that it takes four

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votes to elect one MLA, while one vote does the same thing in Regina Albert Park.

Three of these votes then, on a representation by population basis, are disfranchised. Whitmore Park with 6,000 voters is hardly explainable. I do not know why Members opposite would do this, Mr. Speaker. Whether they are afraid, whether they don't like the majority of people in Regina or whether they are just opposed to representation by population.

Mr. Speaker, I predict that history will record that this disposition of boundaries, this allocation of constituencies, this violation of representation by population was a threat to the principles of democracy, a basic principle of representation by population. It clearly exhibits to the people at large that such fear stricken undemocratic representatives were in their times unfit to rule the people of Saskatchewan.

Mr. Speaker, a Boundaries Commission operating full time beyond the range of a political party, whether in Government or in opposition, would establish as it has in Manitoba or at the Federal level, the right of democracy to operate properly, fairly, accurately and in the best interests of all of us. No other system left in the hands of the Government party alone will provide the principles we need or guarantee the representation by population formula or express the wishes of the people by majority vote.

After all is said and done our existence as elected Members and our term of office may seem important to us, but very much more important and far more essential is to preserve the democratic system so that through peaceful means changes and the operation of our Government may take place as expressed in a properly held election. Otherwise the method of change may be more harsh, more frightening, more difficult. No one in this House on the Government side particularly, can explain, has attempted to explain, or has made any effort to guarantee the future of representation by population. Mr. Speaker, the only explanation, an incredible attempt to say that "you did the same thing." If we had, Mr. Speaker, if it were true, this would be one more reason why Members opposite should support this Resolution.

Mr. Speaker, this motion will preserve our democratic system and guarantee representation by population. It is a good motion. I recommend it to all Members of the House and I will support it.

Some Hon. Members: — Hear, hear!

Mr. J.E. Brockelbank (Saskatoon Mayfair): — Mr. Speaker, I had the privilege of moving this Resolution on or about March 26th of this year. I was proud to move that Resolution, Mr. Speaker, as was the Member from Kelvington (Mr. Byers) to second the Resolution. I am concerned about what is happening in the Province of Saskatchewan. There are certain traditions that we hold dear in this province and in this House, Mr. Speaker. I think that I can illustrate that some of those traditions can be broken or bent and no one is overly offended by it, whereas other traditions can be broken and the people should become concerned about them.

For example, Mr. Speaker, if a Member of this House was to

walk across the floor of this House between the mace and you, he will have breached the tradition and etiquette of the House. I don't think that anybody here would intentionally do that, Mr. Speaker, and if he did I am sure that we would all forgive him. It is not too serious when a person does it unthinkingly, however, when a government in the Province of Saskatchewan goes out of its way with malevolent desire and thought to change the laws of this province to such an extent that the people of Saskatchewan have their right of representation diminished in this province, that is serious and that is why the people of this province will get disturbed about the Government's actions.

I was interested, Mr. Speaker, in hearing the representations from the other side of the House on this Resolution. The first Member to speak was the Member for Shaunavon (Mr. Larochelle) and among his remarks he had this to say. He spoke at length about the changing of boundaries. "Don't tell me that the CCF while they were in power didn't change boundaries." Well, Mr. Speaker, nobody told the Government Members or anyone in this Chamber that we didn't change boundaries. I should say that the New Democratic Party and the CCF Party when they were in power in Saskatchewan changed boundaries about as many times in 20 years as this present Government has done in seven years. We acknowledge that we changed the boundaries and that was our right, that was a law of the Province as it is the law of the Province now. So really there is nothing to contest in that statement. We did change the boundaries and there is no doubt about it.

The Member for Shaunavon went on to state, "Now you talk about an independent commission on this thing. Well, why didn't you do it when you were in power? You had 20 years to do it, 20 years of CCF rule to change it." Well, Mr. Speaker, that is true. We didn't change it and I regret that we didn't change it and put it in the hands of an independent boundaries commission. I was not here, Mr. Speaker, during that time. If I had been I am sure that I should have urged my colleagues to bring in that type of legislation.

Next the Member for Shaunavon had this to say. "We asked for them during the time we were sitting in the Opposition and we never got it." That marks the difference between the Liberal Party and the New Democratic Party, because when we were in Opposition we have asked for it. When they were in Opposition they asked for it and now that they are the Government they are not doing it, Mr. Speaker. So that demonstrated without doubt that the asking of an independent boundaries commission by the Premier of this Province, the Provincial Treasurer (Mr. Steuart), the Minister of Agriculture (Mr. McFarlane), the Minister of Highways (Mr. Boldt), who all supported the idea of an independent boundaries commission in 1963 were hypocritical because they asked for it when they are out of office, now when they are in office they are not doing anything about it. We are out of office, but I assure you, Mr. Speaker, that as soon as we get in office there will be an independent boundaries commission.

Some Hon. Members: — Hear, hear!

Mr. Brockelbank: — Who else spoke in the debate from the other side of the House, Saskatchewan? Well, we had a contribution by the Member from City Park-University (Mr. Charlebois) and I was glad to see him enter the debate. But unfortunately for him he grabbed

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the cactus by the spines. The first constituency that he talked about was the constituency of Hanley. If there is one constituency in the Province of Saskatchewan that the Liberal Government gerrymandered in 1970 it had to be the constituency of Hanley. The constituency of Hanley was a rural constituency and the Liberals in 1963, when some of Hanley was part of Saskatoon, objected strenuously, that whole front bench, objected strenuously to the people of Saskatoon having to vote in the constituency of Hanley. But what have they done? Hanley was made a rural constituency. Now they come in on Arlington Avenue and cut out an area of Saskatoon City and put it in the rural constituency of Hanley.

As the Members opposite said when they were in opposition, it was to save the skin of the Member from Hanley and I think that is the design of this particular move by the Government Members.

Mr. Charlebois, the Member from Saskatoon City Park-University, had some other comments as well and I really don't wish to dwell too long on his comments because there were only a couple of them that were worth answering.

He did mention his own constituency of Saskatoon City Park-University, when he talked about natural boundaries. There is one thing that these people across the way don't understand, Mr. Speaker, that is, where a natural boundary is. At the present time they cross the natural boundary of the Saskatchewan River in Saskatoon twice. The constituency of Saskatoon Riversdale straddles the Saskatchewan River, and the constituency of Saskatoon City Park-University straddles the River. He said, "Well, we made some changes and we observed the natural boundaries." They observed the natural boundaries all right, as far as City Park-University is concerned but they haven't done anything about the constituency of Riversdale.

While they were observing the natural boundaries they broke a number of other cardinal principles that should be observed in establishing constituency boundaries, and which would be observed by an independent commission.

The Member from Saskatoon Nutana South (Mr. Forsyth) spoke on this Resolution briefly. He had this to say:

At the present time you are using conjecture rather than enumeration but when you get up to 17,000 voters in Riversdale, I would be very, very surprised if you were within the bounds of truth when you come to look at the figures, etc. etc.

The Member says we're using conjecture. Mr. Speaker, the figures that have been used from the time we brought resolutions in are the figures that are compiled by the Chief Returning Officer down at the end of the hall, the returning officer whom we are not identified with and who is an official of the Government and whose figures we accept. If the Government Members do not accept them, that's their problem. He says we're using conjecture. The fact of the matter is when the civic election was held in Regina the tally of the voters in those constituencies which we are complaining about, like Albert Park, showed without a doubt that the figures are very close to being accurate and there is not very much conjecture about them.

The conjecture, I'm afraid, was in the mind of the Member

from Nutana South (Mr. Forsyth) who put forward what I believe to be a rather weak case.

We were treated the other day to the demonstration of the Minister of Public Works (Mr. Coderre) in Public Works Estimates and I was hoping I could get him to speak on this particular Resolution. However, he unfortunately had a sore throat and today he had something else sore, I don't know what it was, but he didn't speak on this Resolution.

He said the other day that he dearly wanted to speak on this Resolution. If you check the record of the House that is what the Member for Gravelbourg said. And he unfortunately didn't avail himself of the opportunity to speak in this debate.

The Member for Regina North West (Mr. Whelan) said he's not sure what the intent of the Government is in this type of electoral gerrymandering. Well, I assure you, Mr. Speaker, I think he was speaking with tongue-in-cheek because we all know what the intent of this Government is in that particular redistribution. They want to cut off the people of Saskatchewan from effectively expressing their opinion when the next election is held in Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Brockelbank: — And as I said before, Mr. Speaker, it is the basis of the democratic system and the basis of the representation in this House that the Members here should represent accurately the views of their constituents. How are their constituents, and our constituents going to protest the drastic drop in farm income? How are they going to protest the Liberals' failure to reduce taxes? How are these people going to protest the disgust they have for the policies of the Liberal Government with regard to resource development? How are the people going to protest the lack of jobs for Saskatchewan people, if the democratic system through which they are supposed to make their feelings felt in this House has been distorted?

It is interesting to note, Mr. Speaker, that none of the Members opposite — not one — answered the question that I asked in the original presentation of the Resolution. I asked them to compare the constituency of Touchwood with 10,230 voters to the constituency of Last Mountain with 5,760 and explain why that situation exists. I asked them about the constituency of Melfort-Kinistino, and Watrous, where the difference is between 13,000 and 7,100 voters. I asked them to explain that. I asked them to compare Wadena and Kelvington where they have 10,230 in one and 6,860 in the other. I asked them to compare the constituency of Tisdale-Kelsey with the constituency of Pelly and tell us why there are 10,500 voters in Tisdale-Kelsey and 6,570 in Pelly. None of them answered why that situation exists, Mr. Speaker.

I asked them with regard to the urban areas; why does the constituency of Moose Jaw South have twice as many voters as the constituency of Moose Jaw North? None of them can answer it, Mr. Speaker, because they don't dare to answer the question.

The Members say, when they rise in this House, that we did it when we were the government, that we started compounding this system whereby the representation was distorted. Well, Mr. Speaker, a check of the records will show clearly that when

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the Liberals were in power in 1970, each Liberal MLA on average represented 1,000 fewer voters than in 1964, whereas each New Democratic MLA represented 2,600 more voters than in 1964. And, Mr. Speaker, that is, in fact, participation in destroying the democratic system which the Government across the way has practised.

I feel distressed, Mr. Speaker, that the Members opposite will vote against this Resolution but I can assure the Members of the House that at the earliest opportunity we, the Members of the New Democratic Party, will put democracy back into the system that we have in Saskatchewan.

Some Hon. Members: — Hear, hear!

The motion was negatived on the following recorded division:

Yeas — 21

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

Nays — 31

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

Resolution No. 5 — Prairie Grains Cash Receipts Stabilization Program

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

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.

And the proposed amendment thereto by Mr. Leith:

That all the words after the word “Program” in the

second line be deleted and the following substituted therefore:

will assist farmers in adjusting to changing farm conditions and will provide a degree of stability in years of low production and limited markets; and particularly that the 100 million dollar payment to farmers, expected this spring, will be welcomed by the agricultural community at this time.

Mr. B.D. Gallagher (Yorkton): — Mr. Speaker, when I adjourned the debate the other afternoon there were some people in this House, particularly the Member for Saskatoon Riversdale (Mr. Romanow), who seemed to feel that I wanted to shut off debate on this particular Resolution.

Well, I can tell you, Mr. Speaker, that this would be the farthest thought from my mind.

Some Hon. Members: — Hear, hear!

Mr. Gallagher: — I think that this is one of the most important Resolutions and I want to give credit to the Member for Kelsey (Mr. Messer) for having it on the Order Paper and having it discussed by many Members during this Assembly.

There are several things, Mr. Speaker, that I should like to review this evening. The other day a statement was made by the Member for Cannington (Mr. Weatherald) that certainly bears repetition at this time. If there is anything I don't appreciate in debates in this House, it is the constant repetition that seems to happen in every debate of any significance. I know most Members can be accused of this sin but really repetition serves no useful purpose. I do think, thought, Mr. Speaker, the remarks made the other day by the Member for Cannington do deserve repetition at this time. The Member for Cannington said:

The day is long gone when the half section or three-quarter section farmer can expect to survive on the farm by growing wheat. I suggest that if half-section farmers insist on staying on the farm, then they must be prepared to engage in some sort of intensified operation.

I fully agree with his suggestion and any politician who misleads half or three-quarter section farmers into a false sense of security by suggesting if they were in office all would be well on the family farm, and knowingly say this realizing this transition had to come in the grain-growing industry, they are doing a disservice to the farmers and to this country.

I agree with the statement made by the Member for Kelsey (Mr. Messer) that bigness in itself is not necessarily the answer to the grain-growing industry. I don't think anyone can tell you what the minimum size of farms should be to make grain growing profitable on that unit. There are many factors that determine whether or not a profit can be made growing wheat on a specific size of farm. Efficiency of the operator is the first consideration. The soil type and adaptability to particular grains is an important factor determining whether or not a profit will be made growing grain.

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I am sure all of us have seen 600 or 800-acre farms that have made a profit and given the farmer a decent living for four out of five years for the last 30 years, and then in the same instance, we've seen other farms of the same size that have not given a decent standard of living to the occupants of the farm.

One of the most important factors determining whether or not a profit will be made is when the land was bought, the price that was paid for the land, the terms of payment, and the interest rate.

In our area of the province I think minimum size grain farms would be about 800 acres in the better soil zones but I should add that there are few areas in my part of the province that should be used strictly for grain growing. Most of the farms in east central Saskatchewan have some wasteland, some wild hay, some natural shelter from tree growth, and in most cases a good water supply.

In the few areas that haven't these features, that is, natural tree growth, wild hay and ample water, the size of a farm that would be more conducive to grain growing could be smaller than in many areas that should be growing grain and are not conducive to raising livestock.

The reason I say the size could be smaller is because average temperatures are slightly lower, rainfall is higher, and the black soil types and the deep black soil types with more moisture than normally falls on brown soils is more productive.

As I said the other day, the grain-growing industry has, as long as I can remember, had its ups and downs and as I mentioned, governments over the years have at times offered some short-term help. I won't repeat all the things the Government has done over the years to help the industry but I do want to say a word or two about The Temporary Wheat Reserves Act.

I believe this Act was passed in 1954 when the farmers were carrying large volumes of surplus wheat. The cost of carrying the surplus was being borne by the farmers. Approximately \$40 million per year has been paid through The Temporary Wheat Reserves Act. One benefit of this Act was to encourage grain companies to build more storage space thus enabling farmers to sell more grain. Although there was some benefit from this Act, you may recall that a year ago, I suggested the payments under this Act be discontinued because I felt at the time that one of the effects of the payments was that the grain-handling companies lost their interest in selling grain. The reason for this was that it was profitable to build storage, buy the grain, and store it.

I am pleased the payments under this Act will be discontinued.

In my opinion, there are two things that will encourage larger volumes of grain to be sold. One is the discontinuance of storage payments and the other is the passing of The Prairie Grains Cash Receipts Stabilization Act.

Some Hon. Members: — Hear, hear!

Mr. Gallagher: — When this program becomes operational next year, either the grain sales agency, the Canadian Wheat Board, will move the grain or the Government of Canada will be paying huge sums of money under this program. As I mentioned the other day, starting in the new crop year August 1st, two per cent will be deducted from cash tickets for the Stabilization Fund. The Government of Canada will contribute double this amount to this fund. When cash receipts from grain sales drop below the last five-year average for the total Wheat Board area, every permit-book holder will receive a payment from the fund based on his individual last three years' gross return from grain sales.

In the event of a disaster, such as very low sales or prices, it is my understanding the Government of Canada underwrites any losses the fund might incur. Under this program our grain sales people will have to be aggressive. Another good feature about the program is that farmers are not going to sell feed grains to feed lots and feed mills at giveaway prices, if there is any opportunity of selling through the Wheat Board. It will be to their advantage to sell every bushel possible through the regular channels in order to keep their three-year average gross income from grain sales as high as possible in case next year a payment is made under the program. The individual farmer will try and keep his gross earnings high to qualify for a higher stabilization payment in the event a payment is made. I don't think farmers will complain if feed mills and feed lots have to pay a higher price for feed grains.

Mr. Speaker, I am convinced that the Prairie Grains Cash Receipts Stabilization Program is a good program. It is the first program in my memory that is really substantial. It not only recognizes the problem . . .

Some Hon. Members: — Hear, hear!

Mr. Gallagher: — . . . it is a serious attempt to resolve suffering that so often hits the grain growing industry. The \$100 million acreage payment this year is a one-shot deal to help immediately until a fund is started and the program goes into effect. Too often, in the past, governments have reluctantly given us one-shot programs to quiet the complaints of farmers until some imaginary cure came along, but usually it didn't come. I mentioned some of these programs the other day. None of them really had any sound foundation although there were many millions of dollars pumped into the industry through these programs. The long range answer to the grain grower is markets and prices. I think the future is much brighter than it has been for some years and I believe that the Prairie Grains Cash Receipts Programs adds some hope to the future of prairie farmers.

Mr. Speaker, I should just like to refer for a minute to the amendment that was proposed by the Member for Elrose (Mr. Leith). The Member for Elrose suggested that this program will provide a degree of stability in years of low production and limited markets. Surely, Mr. Speaker, it is the first time in the history of this country that such a substantial program has attempted to do this very thing. Any Member on the other side of the House, Mr. Speaker, who disagrees with the last part of it doesn't know what he is talking about. "And particularly" it says, "that the \$100 million payment to farmers expected

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this spring will be welcomed by the agricultural community at this time.”

Mr. Speaker, there are thousands of farmers in this province who will never forget the little \$200 payment that Mr. Diefenbaker gave them twice. Surely if they didn't forget Mr. Diefenbaker for the \$200 payment, they are not going to forget this Government in Ottawa for the \$100 million that is going to be pumped into the grain-growing industry of this province. Mr. Speaker, any Member on the other side of the House who thinks that the farmers don't appreciate it, will find out differently on election day. Mr. Speaker, I am very pleased to support the amendment.

Some Hon. Members: — Hear, hear!

Mr. J.A. Pepper (Weyburn): — Mr. Speaker, I feel that this Resolution moved by my colleague, the Member for Kelsey (Mr. Messer) is one of the most important resolutions that has been placed on the Order Paper during this Session. Agriculture today is receiving a kicking around in the eyes of many people, especially those of the Western farm people, because let me remind you, if the agricultural industry of Saskatchewan does not get greater consideration and get it soon, the economy of Canada faces a continual downward trend and many of those people connected with it face bankruptcy and will be forced out of business. I do not think anyone will argue the fact that \$100 million payment as stated in this amendment to the Resolution will not be welcomed by the farmers of Saskatchewan and the agricultural communities at this time. But I will state, Mr. Speaker, that I believe it is not sufficient more than to make a small payment towards meeting the bills and debts that many of them are faced with.

Some Hon. Members: — Hear, hear!

Mr. Pepper: — Furthermore, it promises nothing in the future that will enhance the agricultural outlook which is badly needed if agriculture can continue its role as the most important industry in Saskatchewan.

Mr. Speaker, our farmers are asking today for an agriculture policy that not only promises a long-term policy but one which they can plan for and be assured of a reasonable profit and at least security for their day's toil. I firmly believe that the shape and size of our agricultural industry is based on the assistance and the services that government provides. At least it has a tremendous influence on it. I am sure that we all know the great problems that confront our farm people today, and that is, that their cost of production far exceeds their gross income. I believe that the Government must take a serious look at the guaranteeing of a net income to our farmers and to come out with a program which will reduce the costs of farm implements for Western grain producers. The \$100 million payment which is mentioned in the amendment, Mr. Speaker, is only an assistance for the present, it is not realistic in having any long-term effect on the plight of Western farmers, particularly those whose income is based strictly on the sale of grain. I cannot see where any move is being taken by this Government or its counterpart in Ottawa that isn't in line with the Task Force Report on Agriculture. I think we all wonder that if this is the policy, just where is it going to lead our

great agricultural industry.

The proposed Prairie Grains Cash Receipts Stabilization Program falls short of providing our farmers with a realistic minimum acceptable net income. We must have this, have it coupled with a close and continuing relation to the cost of production. As a Member from the southern part of our province, over a period of years our concern has never been the problem of overproduction in any kind of grain. Our concern has been to have sufficient grain on hand to meet our quotas and until just within the last couple of years has any surplus ever accumulated. Along with a shortage of grain the prices continued to fall but its cost of production has steadily climbed upwards and we have found that we have been in this cost-price squeeze for a considerable length of time. So I think that one of the weak factors of this Federal program of stabilization is that instead of dropping the temporary Wheat Reserve Act, a move should have been taken either to revise it or replace it, outlining a program that would encourage the storage of suitable grain stocks to meet market demands and the cost of this should be shared by the Federal Government.

I believe that it is well for the farmers of this province to know and for us as Members to be reminded, since the temporary Wheat Reserve Act is to be discontinued, that there is actually only about \$58 million of new money being paid out under the acreage payment plan. Because the average yearly payments that were made by the Wheat Board under the Act amounted to about \$42 million. So I should suggest that the real effect on our farm population of the acreage payment plan will not be that of \$100 million but that of \$58 million. This is the amount they normally could have expected.

I am told that approximately 181,000 prairie producers will benefit from the \$100 million payout, which will make an average payment of about \$560 with a maximum payment of around \$960. With the costs of production such as they are today, I am afraid, Mr. Speaker, that it is much too little and perhaps in many cases, it is also much too late.

In the amendment that was introduced by the Member from Elrose (Mr. Leith) it suggests satisfaction in the Federal Government program, complimenting them for their assistance in adjusting to changing farm conditions and that the Federal program will provide stability in years of low production and limited markets. This to me, Mr. Speaker, is just endorsing the Task Force Report on Agriculture and proves that the Provincial Government here is willing to go along with its recommendations. You and I know what this means to our rural life, our towns, our villages, our schools, our hospitals, our rural communities in general. They face disaster if this policy is to be followed. Yes, two out of every three farms will be phased out and these people will have to try and secure employment somewhere else.

Many farmers who have spent many years in agriculture who have become professionals in their own business, all of them have produced farm products and commodities in a manner and in an environment where it, to me, has no equal. If many of them had an opportunity to receive a little greater consideration, based on a program of minimum guarantee of net income coupled with incentives by the Federal Government to reduce the cost of the farm input for Western grain producers, then our rural life in Saskatchewan could continue on. Many of our unemployment problems that we are faced with today would be solved in the

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agricultural areas of this province.

I believe that farmers have a legitimate right to expect a return for their labors and a reasonable return for their products. If farmers could obtain this then they will be getting what they are entitled to and what we refer to as parity prices. Might I remind you, Mr. Speaker, since the Government is the agency with whom the farmer deals in selling his products, it is the Government's responsibility and obligation to guarantee them a decent return for those products.

If we adopt the Federal Stabilization Program or the recommendation of this amendment to this Resolution, I am sure, if implemented, it will have the effect of eventually forcing more small farmers to leave their land. And that apparently is in keeping with the Liberal Government's policies, both Provincially and Federally.

I firmly believe that the requirements necessary to meet the needs of our farmers today are guaranteed minimum farm prices, coupled with an aggressive sales policy and adequate research facilities. So I urge all Members to reconsider their stand on this amendment because I do not think that it will meet the needs of the farmers today. I urge them to support the original motion. I believe that it shows a better understanding of the agricultural problems facing us and will go a long way in solving them.

Some Hon. Members: — Hear, hear!

Hon. A.C. Cameron (Minister of Mineral Resources): — Mr. Speaker, there are just one or two observations that I should like to make on the Resolution and to the remarks of the Member for Kelsey (Mr. Messer) who introduced it.

I read with interest the column "Under the Dome" when the Member for Kelsey was assessing why there was so little talk in the House about agriculture. He said, "You know it is election year, therefore, there are other priorities than agriculture that we must talk about." So he has placed agriculture at the bottom of the totem pole. He said, "You know there are such things as the pulp mill; there are natural resources and there are many other things that take priority over the agricultural programs of this province."

I thought I had better put that on record as the Opposition's agriculture critic placing agriculture at the bottom of the totem pole. Then when he finally got around to introducing the motion, I was interested in his remarks when he introduced it because during the course of his remarks he said, "You know I favor the Manitoba Plan." He said, speaking of the Manitoba Plan, that it is better than the Prairie Grain Stabilization Program and he criticized the program on two grounds. It does not provide farmers with a minimum acceptable net income. He favors the program based on a minimum guaranteed net income, and it does not.

He says "I like the Manitoba Plan of the guaranteed net income. In preference to the Federal Government's Prairie Grain Stabilization Program, I should choose the Manitoba one." This interests me, Mr. Minister of Agriculture and others, and I looked up the Manitoba Plan and what are they proposing? What is the Member for Kelsey asking this House to endorse?

In essence, the Manitoba Plan proposes to guarantee farm net cash return to their farmers of \$10 per acre. In the face of this it looks very good, I must tell the Member, but there is a catch when you look at the fine print. The net income from cultivated acreage from the sale of grains deducted from this is the cost of the per acre production. You take your income, you take your cost of production, you see if it is more than \$10 and if it is you contribute to it. But if your net income is \$8 they give you \$2 per acre. If your net income is \$6 they give you \$4. But they base it only on a very limited number of acres. There is the catch. They suggest 300 acres and \$2 per acre on 300 acres is \$600. Oh, they say it could be 400 acres, maybe it could be 500 acres but that would have to be the limit. Now then they say that you take what you get from the sale of your grains and you deduct the cost of production, but they don't take the farmers' receipts, they take what the Government considers to be the average income for the farmer. They don't take the farmer's actual cost of production, they take what the government in Manitoba considers the farmer's cost to be. It says in here and I want to draw this to the attention of the Member for Kelsey (Mr. Messer). How is the cost of production arrived at in the plan that he favors? Are they costs as shown in the farmer's books? No! Or is it the net income as shown in the farmer's record? No! The net income is decided by the Government and the cost of the farmer's production is decided by the Government. But the most interesting thing of all is this, that the Government will tell the farmer what it will allow as his average cost per acre to produce the crop. Then it says, "In arriving at the production cost, two items will not be considered. 1. The labor of this operator and his family will not be considered as production cost." So the farmer gets nothing for his labor, the farmer's family gets nothing for labor. This will not be considered as production cost. Then I ask you: what does the Manitoba Government consider production costs? The cost of fuel and the cost of gas for truck and tractor.

Oh, and they say further, that this cost has to be controlled so the interest on the investment in the land must not be considered as production cost. So they don't allow the farmer anything for his labor, they don't allow the farmer's family anything for labor, they don't allow the farmer anything for the interest which he pays on his investment in the land. What, I ask you, is left? What is left? The gas and oil that you put into your tractor! So they keep the cost low so that the difference between the net income and the cost is about \$10 per acre so they save the farmer nothing. And this is what he says is a guaranteed income to the farmer.

When the state tells you what they are going to consider as your average income, when the state says these are your expenses and you must accept them and you subtract the difference and if you have anything coming it will only be paid on the first 300 acres or possibly the first 400 acres. I wanted to point that out, Mr. Speaker, because this is the typical Socialist plan. They will give you a net income but they will tell you what your net income is going to be. "We will tell you that we are not going to pay for any labor to the farmer and we are not going to pay for any labor to the farmer's sons and daughters for milking cows and working on the farm. We are not going to allow you anything for interest on your investment on the farm." And they say this will pay you the difference on 300 acres of

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land. This will give the guarantee, this will give security to the farmer, it will give security in that he will be so roped into Government bureaucracy that he hasn't any say as to the value of his land they set the value; he has nothing to say about his net income. They decide what it is. They tell him when he is to pay his expenses. He is, in essence, a vassal of the state. They will tell him what time he gets up in the morning, what time he must go to bed at night. They will tell him how many cows he has to milk and they will tell him how many acres he has to sow. They can limit the number of acres, they can designate the type of grains, they can insist on the amount of summerfallow. Oh, they will tell the farmer all right. They will give you a guaranteed income, they'll give you about as much security as a man who is in jail has — he has security all right. His neighbors can't get in to visit him and he can't get out to see them. He's got security but he has no freedom. This is the plan that they would impose on the farmers of Canada in preference to the Grain Stabilization Plan.

I couldn't let the opportunity go by without pointing out to the Members the plan that the agricultural critic of the NDP proposes for the people of Saskatchewan and for the people of Canada.

Some Hon. Members: — Hear, hear!

Amendment agreed to on division.

Mr. J. Messer (Kelsey): — Mr. Speaker, in speaking to this amended Resolution, I also want to correct for the records of this Assembly, some of the statements that have been made by Members opposite, especially the Member who has just taken his seat who has shown how ridiculous and ignorant he is in regard to this Resolution that I proposed to this Legislature.

Mr. Weatherald: — Mr. Speaker, I don't think ignorant is hardly a parliamentary word.

Some Hon. Members: — Hear, hear!

Mr. Speaker: — Order, order! No and I doubt if stupid is a parliamentary word when it is applied specifically to an individual Member. I think those words are out of place in this Legislature — stupid and ignorant. You know after all is said and done, let me draw your attention to one of the cardinal reasons of the principle behind this thinking. It is not for one Member to call another one ignorant and another one stupid. It is for a Member to advance his arguments for or against a certain thing or course of action. Let the Members of this Legislature make up their minds as to the stupidity or the ignorance of others in the words that are said in this Chamber.

Mr. Messer: — My statement was ridiculous and ignorant, it was not stupid, however, I shall retract them and state that the Minister is completely unknowledgeable as to the Resolution that I introduced with regard to net income.

The Member for Maple Creek, first of all, made statements in regard to an article that was in the Leader-Post, "Under the

Dome” where he says that I had made statements saying it could well be an election year and that there were other priorities in the Legislative Assembly. I did say that and I do not dispute it. The fact of the matter is that there are other priorities in regard to the problems that are confronting the people of Saskatchewan today. Under the present Liberal Government they are so numerous that agriculture is only one among the many. He did also get around to saying that finally I did introduce a resolution in regard to agriculture. For his information I should like to bring to his attention that this Session started on the 16th of February and the Resolution that we are about to vote on tonight was introduced on the 17th of February — the day after this Session started — and that was the priority that I put on the seriousness of the agriculture situation in the province today.

I also want to clarify and correct some of the statements that the Minister of Agriculture (Mr. McFarlane) made in regard to speaking to this Resolution. In regard to incomes of farmers in the Province of Saskatchewan he mentioned two years, those of 1953 and 1966, the year of the largest cash receipts that the Province has ever enjoyed. I do not dispute these figures. In 1953 the farmers’ gross cash receipts were \$745 million, in 1966 they were \$946 million or near a billion dollars. But the significant point here, Mr. Speaker, is that in 1953 out of that \$750 million gross cash receipts the realized net income to farmers was 62.6 per cent or \$466 million net income. In 1966, in spite of the Province of Saskatchewan having nearly a billion dollars gross cash receipts, their net income was \$464 million — \$2 million less than in 1953, the percentage being only 49 per cent. I should like to follow that up by the year 1969 where the gross cash receipts were \$722 million, but the net was only \$194 million or 26.9 per cent. In 1970 the gross cash receipts had fallen to \$684 million, the realized net somewhere in the neighbourhood of \$190 million or 28 per cent of the gross cash receipts. Now this is due to the high cost of farming, it is due to the ever-increasing and spiralling costs of machinery, the ever-increasing and spiralling costs of parts and repairs, the overall increase of costs of production and operation. This is bad enough but the overall problem of inflation also contributes to it. Because of this farmers are in real and serious trouble and the Grain Stabilization Plan does not correct the problems that they are confronted with.

I should like to bring to the attention of the Members to your right, Mr. Speaker, a statement made by an organization, that is a farmer-owned organization and a spokesman for farmers in the Province of Saskatchewan — the Saskatchewan Wheat Pool. They have this to say on March 16th of 1971 after the amendments to the proposals came out:

The Federal Government’s proposed grain income stabilization plan can be a useful first step towards solving problems faced by grain producers.

They went on to say the Pool’s Board of Directors stressed that the Plan is only part of what farm people consider as an adequate program. Among other policies the Pool wants the introduction of, (1) Government assistance in sharing costs of minimum reserve of grain and storage; (2) a reliable two-price system for wheat. The Pool Director went on to state that they also contend that two per cent of gross receipts that the producers are being asked to contribute is too high in relation

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to the Plan's benefit. Also he said the Plan should include features to take care of steadily rising costs of operation and this is what the Plan does that we have introduced to this Assembly. The Pool further states:

While the payment will provide some relief to cash-short farmers it does not provide a long-term solution to pressing problems. An amended stabilization program plus other recommendations are also necessary.

This is one voice of the farmers of Saskatchewan, there are other voices of farmers who are saying the same thing.

Before I go on commenting in regard to the Stabilization Plan, I want to correct a few other statements made by Members opposite, in particular the Member for Elrose (Mr. Leith), the Minister of Agriculture (Mr. McFarlane) and again the Member for Maple Creek (Mr. Cameron). They state that the Plan that we propose in this Resolution is the same as the Manitoba Plan. If they had taken the time to listen or to read the speech that I gave when introducing this Resolution they would realize that I said I favor a plan similar to the Manitoba net-income plan. For the Minister of Agriculture's benefit and for the Member for Elrose's benefit, where they say that our Plan would be restricted to 500 acres, I used an example of 500 acres and I said at that time that this need not be the maximum acreage within our plan. They also made the statement that the net income per acre would be set at \$10. Again I stated that this was only an example I was using and that figure had not been determined. It is not necessarily the same as the Uskiw Plan. This Province's circumstances are different from those of Manitoba and the Minister of Agriculture pointed them out. We have more farmers; we have different land problems, different types of land; we have more varied types of farming than they do in Manitoba; we have a wider range of crops and our production is larger. However, an agreement could be worked out that would be equitable to all three Prairie Provinces.

The Minister of Agriculture stated that we were against all the Federal programs that came or are coming into effect with the Grain Stabilization Plan. That's not correct, again I said on the introduction of this Resolution that we welcomed the agricultural information that the Federal Department was providing for us. We welcomed the quota changes so that they are updated to present day circumstances; we welcomed the expanded and the continued research in regard to farming in the future; we welcomed increased sales promotion; we welcome the change in the movement of grain so that improvement in regard to fast-grain movement has been achieved. However, we do criticize the termination of some programs — the Temporary Wheat Reserves Act, which they well might have changed to a minimum reserve of grain in storage and its costs could be absorbed by the Federal Government.

We believe the Lang program does nothing in regard to the production in relation to the cost of farmer income. And this is the key, the net income of farmers is the real factor that shows or reflects his position or economic stability of his farm. Lang's Stabilization Plan does not do this.

An example of this, Mr. Speaker, would be, an example the Saskatchewan Wheat Pool made available — we'll call it an example of Farmer Brown. They say that in 1977, gross receipts in a designated area, \$500 million. The preceding five-year average,

gross receipts, \$700 million. Total payment because of the reduction in receipts, \$200 million. Farmer Brown's average marketing receipts in a three-year period, \$8,000. Pay out would therefore be \$200 million divided by \$500 million for a 40 per cent pay out. Farmer Brown's pay-out would be 40 per cent of the \$8,000 or \$3,200. The problem with this type of scheme, Mr. Speaker, is that if the years of short crops or depressed income continue so do the payments coming from the Federal Stabilization Plan. The problem with this Plan, Mr. Speaker, is that if an individual, or large areas within the designated area did not suffer crop loss and their incomes were at the maximum \$15,000, they get the same percentage as the farmer who could well have been suffering crop losses for years on end. On one hand a farmer who has been lucky enough not to have crop damage, receives large payments from the Plan, those who are unlucky may virtually receive nothing. Now our Plan takes into consideration this possibility. It takes into account the cost of production in relation to the return that a farmer may get, thereby pressuring the Government to sell or subsidize. It also pressures the Government to solve the spiralling costs of production or else they will have to subsidize. By doing this farmers are assured stability, more efficiency and they will be able to continue farming in a more viable way.

It is unfortunate that the Government to your right does not see or realize these benefits.

We will, Mr. Speaker, however, support this amended Resolution due to the \$100 million cash injection. There are certain Members to your right who will recall, Mr. Speaker, that the New Democratic Party last session introduced a resolution asking for \$200 million to be injected into the Prairie economy. The \$100 million that is coming through the Stabilization Program is belated, it is also less than what is needed. However, in the eyes of farmers in Saskatchewan and Western Canada, any amount is acceptable. Therefore, we will for that reason only be supporting the amended Resolution.

Some Hon. Members: — Hear, hear!

Motion as amended agreed to.

SECOND READINGS

Mr. M. Breker (Shellbrook) moved second reading of Bill No. 70 — An Act respecting Pharmaceutical Chemists and Druggists.

He said: Mr. Speaker, first of all I should like to apologize to the Members of this House for introducing quite an extensive Bill so late in the Session. It certainly doesn't give the Members much time to study the Bill very thoroughly and I want any Member to feel free to come to me if they have any problem regarding any clause of the Bill.

The present Pharmaceutical Act as it exists today is in fact a reprint of the 1954 Pharmaceutical Act with 1965 amendments incorporated into the Act. The 1965 amendments made some changes in the apprenticeship regulations and in representation on the Council of the Association but otherwise all previous features were retained. Likewise the Bill presently before the House retains all previous features but with some re-arrangement and with a number of additions which I shall itemize.

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There are 700 practising pharmacists in the province, they serve the people of Saskatchewan in 328 retail pharmacies and in 39 hospital pharmacies. 271 of the retail pharmacies are privately owned by pharmacists. There are 27 pharmacies owned by national or provincial chains and 10 physician-operated dispensaries. About half of the pharmacies are located in the urban areas and the balance are strategically placed throughout the province. They provide about 3.5 million prescriptions annually at a cost of about \$13 million, which makes the average prescription about \$3.75.

Now the reasons for seeking the new Act is to tidy up the Act by consolidating scattered sections as far as possible so that all references to one subject may be found together. The second reason is to clarify the interpretation section in an effort to standardize definitions and provide some uniformity at the national level in defining practitioners, drugs and medicine. The third reason is to add some new sections which should clarify a number of previous sections and which should cover problems not previously dealt with.

This is a list of changes and of the items contained in the new Bill over and above the previous content of the Act:

1. Exact composition is to be listed in the by-laws instead of the Act. And due to population shifts and changed patterns of pharmacy practice, it seems necessary to provide some flexibility in council composition. Objections have been raised to geographical districts as the sole means of establishing electoral divisions. There is now need for some trial and error procedures to establish meaningful representation of membership.

2. In addition to the powers already granted to the council in the matter of making by-laws, the Association now asks that council be given authority to make by-laws as follows: (a) to require that a pharmacy within a larger business complex be a self-contained unit. There are presently some operations where the pharmacist has difficulty in exercising control over the sale of non-prescription drug items and with the ever-increasing incidence of drug interaction and contra-indications, the pharmacist must be in a position to exercise strict control over such sales; (b) to establish conditions under which a pharmacist may lock up his dispensary and all non-patent medicinal items and leave the remainder of his business portion open to the public. One-man pharmacies, plentiful in this province, may thus regulate their hours of professional service without closing the remainder of their business; (c) to prescribe standards of practice; (d) to establish rules of professional conduct. Both of the above were covered in a general way but it seems necessary to spell out standards and rules in some matters; (e) to establish a code governing the advertising of prescriptions and non-prescription items but it will remove all but the dignified type of advertisement in respect of professional service. There is a dignity which must accompany such a service. Irresponsible advertising does nothing for the profession, it does nothing for the patient or the customer; (f) to provide for decisions by council in an emergency. This would be accomplished by allowing resolutions to become effective if signed by all council members.

3. In order to adapt our apprenticeship training program to a changing educational system, we ask that the terms of

apprenticeship be established by by-law rather than being set out in the Act. The Association has a study committee working with students, faculty members and pharmacists, in an attempt to update the program and the committee is further working through the national committee in an effort to produce some uniformity in apprenticeship training programs.

4. We ask the power to require retraining for pharmacists who have been out of practice for five years.
5. The disciplinary section has been enlarged in an attempt to strengthen disciplinary procedures. There will now be power to levy fines and assess costs against offenders. The entire procedure is laid out as well for the method of appeal.
6. The council asks for power to suspend, after due inquiry, members because of mental or physical disabilities who could constitute a danger to the public.
7. There is now a much needed section which sets out the responsibility of a pharmacist and a corporation in the termination of a pharmacy.
8. To prevent the sale of medicines by vending machines.
9. To specify items which may be sold by any person.
10. To provide for product selection, otherwise known as substitution of generic named equivalents.

Mr. Speaker, with these remarks, I move that Bill No. 70, an Act respecting Pharmaceutical Chemists and Druggists be now read a second time.

Some Hon. Members: — Hear, hear!

Mr. G.T. Snyder (Moose Jaw North): — Mr. Speaker, like the Member for Humboldt (Mr. Breker), I must agree that the sheer volume of the Bill which is before us — some 41 pages — represents a major chore in attempting to determine its contents and its purpose. We've been in this Session almost two full months, and now in the dying stages of the Fifth Session of the Sixteenth Legislature, we are being asked to consider this voluminous document and it is rather unfortunate that the Bill should arrive this late.

However, as near as I am able to gather from a cursory study of Bill No. 70, it does provide the opportunity for a medical doctor to prescribe for his patient using the generic drug rather than the more costly brand-name equivalent and this is a feature of the Bill that I am particularly interested in.

It is my understanding that Section 104 provides that the pharmacist may substitute the generic drug in place of the brand-name drug specified in the prescription, unless the person who is prescribing the drug states specifically that the generic equivalent is not to be dispensed. And this, to me, has to be the principle feature of the Bill which causes me to support it.

There are many other features of this Act which I haven't had the opportunity to digest properly, Mr. Speaker. I think it is somewhat unfair for the Government or for a Member to present us with a Bill of this magnitude at this stage. However, as I said, I intend to offer my support to this Bill 70

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because it does move in the direction which we in the New Democratic Party have suggested for many years.

For many years, Mr. Speaker, we have advocated measures which have been designed to lower drug costs to the consumer. It has been our constant position that any industry which thrives as a result of excessive charges levied upon the sick, needs and cries for an overriding authority which will be charged with the responsibility of controlling the cost and restricting excessive profits in that particular industry. All evidence points to the fact that the drug industry has in the past gouged the Canadian public.

The Pharmaceutical Manufacturers' Association of Canada is a group of 56 drug manufacturers who control 85 per cent of the Canadian market. Nearly all of them are American or foreign-owned subsidiaries. Their profits are double the average for other Canadian industries. It is also a fact that pharmaceutical manufacturers spend vast sums on promotion and advertising which averages over 25 per cent of sales revenue.

I believe, Mr. Speaker, that the time is appropriate to remember that in 1967 a committee of the House of Commons on drug prices made a number of observations and it said first of all that drug prices are ridiculously high because of a lack of competition and abnormally high advertising expenses. The committee went on to say that drug makers spend only two and one-half cents of the prescription dollar on research but they spend over 11 and one-half cents on promotion.

It went on to say that the Canadian drug prices are the highest of any industrial country in the world and it pointed out also that prescription costs rose by 140 per cent — that's 140 per cent — between 1949 and 1965 while the consumer price index rose by only 41 per cent during that same period of time.

This same committee showed that brand-name drugs sell at a price far above charges levied for the same drug selling under their generic or chemical name. To give an example, Frosst, an Ottawa firm, sells one drug under its generic name for \$3.85 per 100 tablets but charges \$20.50 for 100 tablets for the same thing under its brand name. One vitamin sold as a generic for \$2, as a brand name commodity for \$9.

Additionally, this House of Commons committee showed that charges that generic drugs are of poorer quality than brand-name drugs are specious and untrue. The Food and Drug Directorate told the Commons committee that the drugs had shown the same clinical effects and were of similar quality.

Additionally, evidence from Government investigators corroborated this.

The following testimony was taken from Dr. George Wright, President of Empire Laboratories of Toronto, who had said that \$68 worth of chemicals retailed at \$5,880 in final tablet form. Also, that a drug costing 55 cents to produce, wholesaled at \$1.66 and retailed at a greater figure, at something like \$10.30 under the brand name.

The same committee, Mr. Speaker, suggested that savings of up to 25 per cent to 33 per cent could be realized through the use of the generic name when prescribing drugs.

Inquiries in this country over the last decade have shown the Canadian drug prices are the highest of any industrial country in the world.

Quinine prices in 1967 went up by 100 per cent over the 1966 level. In 1968, a United States court indicted 15 drug companies and charged them with price fixing. Following this, Mr. Speaker, the price of a quinine derivative, Quinidine, dropped from \$6 an ounce to \$2.50 an ounce. Quinidine, as some Members may know, is a drug which is vital to the survival of elderly persons with heart problems.

It should be remembered also, Mr. Speaker, that in September of 1967, the Ottawa Liberals removed the 12 per cent Federal tax on drugs. The Canadian Pharmaceutical Association claimed at that time that it would reduce the price of drugs by almost \$15 million to the consumer. However, the Dominion Bureau of Statistics consumer price index showed that only 50 per cent of the reduction ever showed up in lower prices to the consumer. This, Mr. Speaker, would seem to indicate that the removal of the 12 per cent sales tax served to enrich the Canadian drug industry by about \$7.5 million.

I just want to say before I close, Mr. Speaker, that the horrendous charges that have been foisted upon Canada's sick people remain as a dark cloud which must be removed from the Canadian scene.

This legislation which is before us today appears to take a timid halting step in the right direction. I am afraid, however, that it will not solve the problem of excessive costs in the total picture. If the experience elsewhere is to be a guide it will be found that many practising physicians for reasons best known to them will continue to prescribe by the brand name. However, the provisions of this Act will make it possible for the pharmacist to substitute the generic drug at a substantial saving to the customer.

For this reason and because there must be a point from which we may take more significant steps, I shall be pleased to support the Bill on second reading in spite of the fact that there are some provisions of the Bill that are somewhat less than acceptable to some Members, but I expect there will be an opportunity to deal with this in Committee tomorrow, Mr. Speaker.

Before I take my seat I just want to suggest to the Government additional proposals which we in the New Democratic Party have favored over the years. It has been our view, Mr. Speaker, that brand names for all new drugs should be abandoned and generic names should be used instead.

It has been our feeling and our policy that all patents on drugs should be abolished, that drug advertising should be extensively scrutinized and legislation introduced on truth in advertising. It has been our position also that an intensive doctor-education program be established regarding prescription drugs, prices, safety, quality, generic names, etc. and that a Crown corporation be established to manufacture and distribute certain important and basic prescription drugs initially to supply hospitals and public agencies in Canada.

It has been a policy of the New Democratic Party that under the terms of The Corporation Income Tax Act that a maximum of 10 per cent of total sales only be allowed as deductible

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expense for advertising and sales promotion. Finally, failing the effectiveness of these measures to reduce drug prices, that consideration should be given to nationalizing the drug industry. The high cost of drugs remains, Mr. Speaker, as a major problem that must be overcome in the provision of health services for Canadian people. The necessary measures to reduce and control these costs will be determined by the degree of responsibility which is exercised by the industry. To date, I suggest that their performance has been less than responsible. There has been a history of gouging and price fixing, Mr. Speaker, with the victim once again being the economically deprived, the aged and the large low-income groups.

The Bill which is before us will take the initial step towards the provision of prescription drugs at a somewhat lower cost. For this reason, Mr. Speaker, my colleagues and I will support the measure.

Some Hon. Members: — Hear, hear!

Mr. G.B. Grant (Minister of Health): — Mr. Speaker, I should like to express my appreciation to the Hon. Member for his support for this Bill and I express my regret that it is being brought in at such a late hour. This was because of various circumstances, some of which we have no control over.

The Hon. Member made mention of the practice of the physician not necessarily prescribing generic-named drugs. I think we in Saskatchewan are blessed with a responsible group of pharmacists. I appreciated the fact that the criticism of the Hon. Member was directed at the manufacturing level rather than the distribution level. I can assure the Hon. Member that I shall continue to press the medical profession to do everything possible to support prescribing generic-named drugs. I have a meeting tentatively arranged with the College to discuss various health costs and this is certainly one that I shall be pressing for their full co-operation on.

Motion agreed to and Bill read a second time.

The Assembly adjourned at 10:10 o'clock p.m.