

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Second Session — Seventeenth Legislature**  
**27th Day**

**Monday, April 3, 1972.**

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

**CONGRATULATIONS**

**UNIVERSITY OF SASKATCHEWAN SILVER MEDAL AWARDED**

**Mr. A. Taylor (Kerrobert-Kindersley):** — Mr. Speaker, before the Orders of the Day, I should like to bring to your attention and to that of this Assembly the recent achievement of a young farmer from Eatonia in the Kerrobert-Kindersley constituency. Although Mr. Steve Pavlik left school some years ago, he is now married, he and his wife Gloria having three children. Steve enrolled in the School of Agriculture two years ago. At the graduation ceremonies last week he was awarded the University of Saskatchewan silver medal for the highest marks in his graduating class, the Scott prize for the most distinguished graduate and he shared the prize for rural electrification. Steve has been active in community affairs having served as a member of the Eatonia town council and is presently a member of his church board. I am sure that this Assembly would want to join with me in congratulating him on his achievements.

**Hon. Members:** Hear, hear!

**LLOYDMINSTER BORDER KINGS WIN HOCKEY CHAMPIONSHIP**

**Mr. A. Kwasnica (Cut Knife):** — Mr. Speaker, before Orders of the Day, I should like Members of the Assembly to join with me in congratulating the Lloydminster Border Kings in winning the Alberta Intermediate AA Provincial Championship yesterday. The Border Kings under the capable leadership of playing coach Al Butt and team captain, Vic Smith, won out over the Grande Prairie Athletics in a four-game total point series, 15 to 5. The Lloydminster Border Kings advance now to the playoffs against the Shmyr Flyers of New Westminster, British Columbia. I ask all Hon. Members to join with me in wishing the Border Kings every success in the future.

**Hon. Members:** Hear, hear!

**ROSETOWN HOCKEY CLUBS WIN CHAMPIONSHIP**

**Mr. G.F. Loken (Rosetown):** — Mr. Speaker, before the Orders of the Day, I should like to bring to the attention of the Assembly that last weekend the Rosetown Redwing Hockey Club won the Intermediate AA Provincial Championship for Saskatchewan, the third consecutive year, defeating Kindersley in three straight games in the best of five series. They now advance to the Dominion playoffs.

Also two weeks ago the Rosetown Juvenile Team won the Provincial title by defeating Melfort in a two-game goal series with a score of 6 to 16.

Last week our Bantam hockey team won the Provincial title by also defeating the Melfort team. Three championships in one year, Mr. Speaker. I know the Assembly will join with me in offering congratulations to these wonderful hockey players.

**Hon. Members:** Hear, hear!

## QUESTIONS

### LIQUOR PROFITS FROM CP AIR, AIR CANADA AND OTHERS

**Mr. K.R. MacLeod (Regina Albert Park):** — Mr. Speaker, I should like to direct a question to the Hon. Premier and Provincial Treasurer. I refer him to the written answer to question No. 111 in which I inquired about what liquor profits were derived from CP Air, Air Canada and other air carriers and rail carriers crossing Saskatchewan. The answer was from CP Air – nil; Air Canada – nil; Canadian Pacific Railway - \$190 and Canadian National Railway - \$1,981. I wonder if the Provincial Treasurer would tell us the reason for that. I wonder why we get nothing from CP Air, why we get nothing from Air Canada as liquor profits and if any action is taken to look at this by the Government?

**Hon. A.E. Blakeney (Premier):** — Mr. Speaker, I will look into the matter for the Hon. Member. I frankly do not know why the figures are as they are. They were simply reported to me by the officials of the Liquor Board and the Liquor Licence Commission and I reported them to the House on that basis but I will attempt to get the answers.

### OFFER OF POSITION TO MR. CHURCHMAN IN SASKATCHEWAN

**Mr. D.G. Steuart (Leader of the Opposition):** — Mr. Speaker, before the Orders of the Day I should like to direct a question to the Premier. Has the Government of Saskatchewan offered Mr. Wilf Churchman, the former Deputy Minister of Natural Resources now in Ottawa – he has been in Ottawa for some time with the Federal Government. Have they offered him a position here in Saskatchewan? If so, what position and what salary?

**Mr. Blakeney:** — Mr. Speaker, the answer is, I do not know the answer to that question. I would be frank with the House and say that there have been discussions with Mr. Churchman with respect to his coming back to employment here and if an offer has been made to him it would not surprise me. I do not know whether it has been made. May we look into this and report tomorrow as to the state of whether or not an offer has been made?

### SCHOOL GRANT ESTIMATES

**Mr. J.C. McIsaac (Wilkie):** — Mr. Speaker, before the Orders of the Day, I should like to direct a sort of follow-up question, if you like, to the Minister of Education (Mr. MacMurchy). First of all we did appreciate receiving the Grant Estimates for 1972 on Thursday last, but I wonder, Mr. Speaker, to avoid a lot of individual questions on individual school boards in the

province, if the Minister would be kind enough to supply us also with a similar list from last year, a comparative list. I think if he looks back I am sure in the Department he will find that this has been custom, if you like, to prepare for Estimates to give us an idea. I am sure he has nothing to hide with the kind of increases he has been speaking of. In that way we could compare the list that he gave use with the actual Estimates from the year before, the preliminary Estimates from the year before.

**Hon. G. MacMurchy (Minister of Education):** — Mr. Speaker, I don't think that what you are asking is that those be tabled. Distributed to the Members — I think that if you give us a bit of time we can make those available to Members. It seems interesting that the former Minister of Education who undoubtedly distributed these grants to the Members last year would not have a copy on file which could be — however, I will see that that is done.

**Mr. McIsaac:** — On that very point, Mr. Speaker, I would be glad to do that. I have it but I feel that the Minister himself should have the opportunity to demonstrate the great increases he has been talking about and show the House himself. But if he doesn't I'll be glad to do it.

**Mr. Kramer:** — Mr. Speaker, I wonder if he could also supply the piece that the former Minister chopped off before he handed it out last year?

**Mr. MacDonald (Milestone):** — I should just like to bring to the attention of the Minister of Education that I have here the list that the Member for Canora (Mr. Matsalla) sent out. On that list he has both, the actual grant for last year, the Estimates for this year, the suggested mill rate for this year, the adjusted formula and so forth. If the Minister of Education can supply that to all the teachers and all the school boards and the Member for Canora can do that, surely he can supply it to the Members of this House.

**Mr. MacMurchy:** — I think I have an opportunity to reply to this. As I indicated before in this House there were no such figures distributed to anyone outside of the Department of Education. They were working figures which were supplied to this caucus as we explored the new grant formula. I will, as I indicated to the Member from Wilkie, provide the figures from last year. I think they will show significant increases in the Wilkie unit and the Rosthern unit and the Meadow Lake unit and so on.

## SECOND READINGS

**Hon. R. Romanow (Attorney General)** moved second reading of **Bill No. 48 — An Act to amend The Interpretation Act.**

He said: Mr. Speaker, I have the pleasure of moving second reading of an Act to amend The Interpretation Act. This prepared speech is a few thousand well chosen words on this Bill but I will limit to simply telling the Members of the House

that this is in effect a housekeeping or updating of certain references. Section 2 of the Bill is amended. The proposed change to this Section will update the cross references from the 7th day of April, 1955 to read the 16th day of July, 1971. The present cross reference to the Federal Statutes did not include the needed cross reference in the Criminal Code and this will bring it up to date.

With respect to Clause 3 of the Bill, you will note that the cross reference to the Criminal Code is to the Criminal Code of Canada and Acts already passed and any Acts hereinafter passed amending that code. That's the wording. The effect of the proposed amendment is retroactively to alter the references to the Criminal Code as it existed on the 16th day of July, 1971. The purpose of this restrictive amendment is to avoid the inclusion of the new bail provisions added by the amendments to the Criminal Code that came into effect on January 1st, 1971. The new bail provisions cannot be applied as they provided for a number of new offences for failing to appear and such offences cannot be made applicable with respect to provincial offences.

The new form of summons provided by the Criminal Code as amended is inapplicable as it sets out the penalty provision. It is for these reasons that we have only adopted the Criminal Code as it appears in the new revised Statutes. The date of July 16, 1971, is the day after the revised Statutes came into force.

Finally Clause 4 of the Bill. Members of the House will recall that Section 4 of this Bill is identical to the amendment that is being proposed in The Provincial Magistrates' Act which is presently in Committee of the Whole and amendment being made to the Magistrates' Courts Act as well. You will recall, Mr. Speaker, that the police suggested that subsection 9 of Section 22 of the Criminal Code might not apply in cases of provincial offences where it is quite obvious that certain people, certain age groups, claiming to be unable to pay and at the same time being able to operate automobiles. This would allow the Magistrate some extra leeway and room in this particular area.

As I have said, Mr. Speaker, these I think are fairly routine and non-controversial amendments, and I would move second reading of this Bill.

Motion agreed to and Bill read a second time.

**Hon. A.E. Blakeney (Premier)** moved second reading of **Bill No. 68 – An Act respecting the termination of the Athabasca Pulp Mill Project.**

He said: Mr. Speaker, the Bill that is before the Legislature, The Athabasca Pulp Mill Project Termination Act, when approved will ratify the arrangements made for the Athabasca Pulp Mill Project termination. Specifically, the purpose of the Bill is to ratify the agreements made between the Government of Saskatchewan and its agencies and Parsons and Whittemore and its subsidiary companies respecting the obligations and liabilities that occurred as a result of the Government's decision not to proceed with the Athabasca Pulp Mill project. These agreements were tabled in the Legislature on first reading of the Bill and all Members will have had an opportunity to review the

agreements which were made in respect of the termination of the Athabasca Pulp Mill project.

Mr. Speaker, in a strictly legal sense it may not have been necessary to bring a Bill to this Legislature to ratify the termination of the Athabasca Pulp Mill project. However, in order to remove any doubt about whether or not our agreement is legally binding and also to provide an opportunity for full debate on the merits of the Government's position, it was felt that we should seek the concurrence and support of the Legislature for the steps that the Government took in this matter.

Mr. Speaker, it might be useful at this point to review what the costs of settlement were and mechanics through which it was accomplished. Hon. Members may recall that Athabasca Forest Industries Limited was set up as a Saskatchewan company to operate the mill after it was constructed. Athabasca Forest Industries Limited was also, in effect, to arrange for the construction of the mill. This company in turn contracted with Parson and Whittemore Equipment Corporation and Parsons and Whittemore (Contractors) Limited, two of the Parsons and Whittemore Incorporated subsidiaries. These two subsidiaries were to construct, equip and start up the mill. And as all of us know these contracts went to the Equipment Corporation and Parsons and Whittemore (Contractors) by negotiation without any calling for tenders or without any seeking of any alternative arrangements or competitive bids by any other company which might build the mill.

Athabasca Forest Industries Limited – and we will recall again that this was the company which was, in effect, the partnership in which Parsons and Whittemore had a 70 per cent interest and the Government of Saskatchewan had a 30 per cent interest – raised \$35 million in the Canadian bond market. This money was raised in May or June of 1971 and on June 15th the proceeds of the bond issue were placed in a project fund under the control of a trust company to be drawn down only under certain conditions. As well, Athabasca had started to negotiate with prospective United States note purchasers to raise an additional \$72 million. This was the scene which was set when our Government took power; \$35 million had been raised and was under the control of a trust company, negotiations had been commenced and were well along for the raising of \$72 million in the United States.

Immediately after assuming office, and indeed before we were sworn into office, negotiations commenced with Parsons and Whittemore organization to find out the basis on which this project should either be continued or terminated. In August our Government announced that it would not proceed with the Athabasca Pulp Mill project. As a result of our announcement a claim was put forward by Parsons and Whittemore Incorporated. The claim was put forward informally in the sense that there was no legal action commenced at that time. The claim that was put forward might be divided into three parts. First, the claim was made for the direct costs incurred by Parsons and Whittemore (Contractors) and the Equipment Corporation – and these again are the two Parsons and Whittemore subsidiaries which had the contracts for constructing and equipping and starting up the mill. That was part one of the claim. Part two of the claim was for the financing and costs incurred by Athabasca Forest Industries Limited, in raising the \$35 million on the Canadian bond market

to which I referred and the work undertaken in the United States with respect to the \$72 million to be raised in the United States. Part three was the general damages, the loss of profits and the general loss sustained by Parsons and Whittemore Incorporated and its subsidiaries by reason of the termination of the arrangement which they had concluded with the Government of Saskatchewan.

Mr. Speaker, the costs of the settlement which we agreed to with Parsons and Whittemore will amount to slightly over \$6 million. The original claim was for a much larger sum than this. I will return to that in a moment. The cost of the settlement can be specifically broken down as follows. An amount of \$4.4 million was paid to Parsons and Whittemore and its subsidiaries. I won't at this time attempt to sort out in great detail the dealings with each individual Parsons and Whittemore subsidiary since our negotiations in effect took place with Mr. Karl F. Landegger and his leading employees or executives, speaking on behalf of the entire Parsons and Whittemore group. Approximately \$2.3 million of that sum covers direct costs of feasibility studies, engineering and design and other expenses incurred by Parsons and Whittemore.

The balance of approximately \$2.1 million was paid to cover any and all claims that Parsons and Whittemore might have against the Government and other expenses such as the relocation costs of engineering and field personnel, and including the obligations which Parsons and Whittemore had incurred in respect of third parties. In fact, a very substantial number of orders had been placed by Parsons and Whittemore, some of them firm orders, some of them tentative orders, for equipment in respect to the pulp mills. The orders totalled approximately \$25 million. These, as well as other costs, were to be dealt with by Parsons and Whittemore organization since they had placed the orders and were cost resulting from the cancellation of the project.

The Government assumed the expenses incurred, or to be incurred, by Athabasca Forest Industries Limited, totalling \$1.8 million. These relate mostly to financial and other costs in connection with the \$35 million Canadian debenture issue and the proposed \$72 million United States issue.

The \$72 million United States issue was committed to Athabasca by the United States lenders, but the money had not actually been drawn down. We didn't have the money. We had firm commitments from the United States lenders and we were obligated – or in this sense of the word, Athabasca Forest Industries Limited – were obligated to pay a standby fee until the money was actually drawn down.

The major cost under this heading of \$1.8 million is the interest loss on the \$35 million borrowed on the Canadian market. This money was borrowed at  $8\frac{3}{4}$  per cent. The issue cannot be redeemed until June 16, 1972 and it is necessary to pay  $8\frac{3}{4}$  per cent interest on this \$35 million until June of 1972. The money, however, is in hand now and can only be invested in short-term investments since it must be available in June 1972.

If these proceeds are to be invested, Mr. Speaker, by the trustee that holds them they can only be invested at short-term interest rates to average about 6 per cent. The interest loss in this period, that is the difference between  $8\frac{3}{4}$  per cent

and 6 per cent on \$35 million for a period of approximately one year, indeed approximately 13 months, is about \$1 million. This makes up the major part of \$1.8 million. Other costs include the underwriting fees paid on the Canadian issue, of 1 per cent, or \$350,000 and the placement fee for the United States issue for obtaining this \$72 million – this was negotiated out, it was  $\frac{1}{2}$  of 1 per cent or \$360,000 plus a fair number of expenses – and these were negotiated out at \$117,000. The other costs beside the approximate \$1 million in interest loss, the \$350,000 in Canadian placement fee, the \$117,000 in United States placement fee, are accounted for by legal fees, trustee fees, printing fees and other minor items. All these total \$1.8 million.

Mr. Speaker, I should mention that the terms of settlement provided that the Government take over sole ownership of Athabasca Forest Industries Limited. This is so that the Government could control the project fund in which the \$35 million was invested. It was through the Athabasca Forest Industries Limited that the \$4.4 million was paid to Parsons and Whittemore Incorporated along with the other fees and expenses just referred to. These are for technical or legal reasons, Mr. Speaker, but it will be realized that the Athabasca Company had agreements, construction contracts, with Athabasca Forest Industries Limited. And we wanted the payments to flow from Athabasca to the Parsons and Whittemore Companies in exchange for full and complete releases in respect of all the construction contracts.

In the supplementary estimates for the fiscal year 1971-72 \$6.3 million is provided for payment to Athabasca. This is a little more than we think the gross cost will be. There are some assets of Athabasca, notably trailers and some other construction equipment, which we anticipate selling and we anticipate accordingly that the next cost will not be \$6.3 million, but closer to \$6.1 million.

I should note in passing that supplementary estimates for the Treasury will include \$93,000 in commitment fees payable to the prospective United States note purchasers. This amount was paid directly from the Treasury Department in order that the province would not suffer, in terms of its credit reputation, in the eyes of these prospective United States note purchasers.

It will be recalled, again, that these particular investors had agreed to put up \$72 million to be guaranteed by the Government of Saskatchewan and had set aside the money for a period of time and had entitled themselves to a standby fee. They were clearly entitled by contract to the standby fee. They were entitled to it, as we judged it, from the Government of Saskatchewan since we had undertaken to guarantee the money. It seemed the most appropriate way would be for this payment to be made directly by the Government of Saskatchewan in order that in the eyes of these United States note purchasers there would not be anything resembling a default on a clear agreement by the Government of Saskatchewan.

Mr. Speaker, after providing this background I shall deal with questions which are in the mind of some about the termination of this project. First of all there will be some who will insist that we should not have paid Parsons and Whittemore anything because of the termination.

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Mr. Speaker, I should like, once again, to remind the House that the new Government would have been able to walk away from this project without fear of any substantial penalty, without fear of any payment other than approximately \$1.8 million, had not the previous Government signed and ratified the General Amending Agreement on June 14, 1971, nine days before the election. That General Amending Agreement has already been tabled in this House. The basis for my assertion in this case has been already tabled in this House, being the railway agreements. I say again that this \$4.4 million paid to Parsons and Whittemore is as a result of the signing and the ratifying of the General Amending Agreement on June 14, nine days before the election and as a result of no other document.

The Infrastructure Agreement contained a number of provisions – and I will repeat this again – about matters that would have to be settled before the mill could be operable. It included things like roads, railway service, access to forests. This Infrastructure Agreement, which has been tabled in this House, Mr. Speaker, provided that either party could opt out if these matters were not satisfactorily resolved.

There is no possible doubt as to what the Agreement says. It is there before you. These matters had not been resolved on June 14th when the General Amending Agreement was signed and yet the Government of the day enacted an agreement saying that whether these matters were resolved or not, the two partners to the deal would treat them as being resolved.

I mentioned in earlier speeches in the House the situation with respect to the railroad. There was an agreement between the parties and the CPR that the agreement was void and not binding on the CPR unless legislation passed through Parliament by June 30th. On June 14th it was virtually certain that the legislation would not be passed by June 30th. In fact there was no real prospect of it being passed by June 30th and it has not been passed yet. And it wasn't passed on August 13th, the date in August when we announced that we would not proceed with this project.

During this entire period the legislation had not been passed and the agreement ratified by the Government of Canada. So on June 14th it was virtually certain that on June 30th the Government of Saskatchewan would be able to withdraw from all pulp mill agreements without compensation or penalty, without any payment to Parsons and Whittemore. And yet on June 14th the Liberal Government signed an agreement saying that they were satisfied with the railway agreements. And these agreements, I say again, they knew would be non-existent on June 30th.

If it is argued that the General Amending Agreement No. 1 was necessary in order to prevent Parsons and Whittemore from having an opting out clause, after they could have drawn down the funds from the \$35 million issue, then I might add the following. Why would the Government guarantee \$35 million, why would the Government permit Parsons and Whittemore to have access to \$35 million, when such major items as the railway branch line and the forest rights access and other matters were still not finalized?

This is surely a remarkable negotiating strategy. And the Government, nevertheless, went ahead and did one of two things. There is no doubt that they precluded the Government of Saskatchewan from getting out of the deal with Parsons and Whittemore



without payment for loss. No doubt about that! And if they say it was necessary, if they say it was necessary in order that they might protect the Government of Saskatchewan from a possible opting out by Parsons and Whittemore, then how do they justify, how does the Government of last June justify, tying the Government of Saskatchewan to a \$35 million deal before the CPR was obligated to anything. Before anybody knew on what terms the railway lines would be built in there, before we knew what forests were available, before, in fact, the bedrock of the agreement was provided for.

There is no doubt, Mr. Speaker, that in the Infrastructure Agreement there were options and they were very proper options because nobody should go into a deal to build a pulp mill unless the wood is tied up and unless you know what the railway deal is. But, in fact, the Government of that day went into a pulp mill deal, released \$35 million out of its control, before the railway deal was tied up – and it is not tied up yet – and before the forest arrangements were tied up. As far as I am aware they are not tied up yet.

I don't know why the Government of that day moved in that direction. But I can tell you, Mr. Speaker, that no adequate explanation has been offered to this House. No adequate explanation has been offered and, I say again, had they not moved in that direction, had they not signed that General Amending Agreement, the Bill which we would have before us would not be talking about \$6.1 million it would be talking at a maximum of \$1.8 million.

**Some Hon. Members:** Hear, hear!

**Mr. Blakeney:** — At any rate, Mr. Speaker, once the decision was made it was necessary for the Government of Saskatchewan to reach a financial settlement with the Parsons and Whittemore interests. There will be those, I know, who will argue that \$6 million is too high a payment. The settlement represents a payment of about 4 per cent of the commitments undertaken by the Government of Saskatchewan.

Parsons and Whittemore took the position that considering the state of progress of the contracts at the time of termination, Parsons and Whittemore were entitled to a substantially greater sum. And while they did not, in a formal way to us other than by letter, settle upon the claim they made, they talked about \$15 million or \$20 million.

Parsons and Whittemore felt that it would be awarded such a sum in court proceedings. Quite frankly, the legal advice we received indicated that it would be entirely likely if the matter simply went to court proceedings, for Parsons and Whittemore to be able to establish a claim of the order of \$15 or \$20 million.

The Government took the position that, in view of all the circumstances, a considerably lesser sum than a court might award should be accepted by Parsons and Whittemore. We had lengthy negotiations with Mr. Landegger of Parsons and Whittemore and concluded that, weighing all the factors, a settlement was desirable and that a settlement of the order of \$4 million to \$6 million was desirable. We agreed that we would settle with Parsons and Whittemore for \$4.4 million.

We, in fact, had really three possible courses of action. We could allow the matter to go to court and let the law take its course. And I know that in that event our costs would be very much more than a gross of \$6.1 million. We could have attempted to legislate a fixed dollar settlement. We could have attempted to bring into this House a Bill which said that these agreements are terminated and the payment of X dollars shall be made to Parsons and Whittemore in full and final settlement. Or we could have attempted to set up, by legislation in this House, a procedure for arbitrating the differences between Parsons and Whittemore and the Government, and we could by that legislation have limited the claim. We could have attempted to limit the claim to actual out of cost expenses for example, or as the case may be.

Those who say that we should not pay the gross amount of \$6 million or the Parsons and Whittemore amount of \$4.4 million must be convinced that the legislation of a fixed dollar settlement, or the legislation of a method of arbitration, would be legally successful and would not be struck down by the courts. I think it cannot be stated with certainty that legislation of that kind, passed in this House, would not be struck down by the courts. Anyone who feels that the legislative power of the Province is clear in this regard should attend to the consequences which befell the Government of British Columbia when they expropriated the British Columbia Electric Company and by legislation provided a settlement.

This was struck down by the courts and the consequences were exceedingly expensive for the Government of British Columbia. Therefore, we had to make some decisions as to the best way that we should operate. It did not seem to me either desirable or prudent that we as the Government of Saskatchewan should risk the money of the provincial taxpayers simply by way of a punitive measure against Parsons and Whittemore.

We believe that our task, whatever we may have felt with respect to Parsons and Whittemore, was to get the lowest cost settlement for the people of Saskatchewan.

We felt it was a bad deal and we wanted to get out as cheaply as possible. We had no desire to make a bad deal worse simply to carry on litigation, or as it might be thought in one sense, to spite the party opposite or to, in any way, be punitive in respect of Parsons and Whittemore. Our desire was to get the best possible settlement and, quite frankly, our desire was to get the best possible settlement quickly and expeditiously so that any hard feelings – if that's the word – any feeling that this might create in the minds of some would be short lived and that we could get on with the job of governing the province.

**Some Hon. Members:** Hear, hear!

**Mr. Blakeney:** — Finally, Mr. Speaker, it will be argued by some that we should never have called off the project. I am sure some Members opposite will argue that the Athabasca Forest Industries project should still be on. This is old ground, I know. We debated this question in the summer and also in the Throne Speech in this Session. The Government has indicated . . .

**Mr. Romanow:** — . . . and May and June.

**Mr. Blakeney:** — Yes, we debated it at some length last May and June as I recall.

**Mr. Steuart:** — All of June.

**Mr. Romanow:** — What does Joe Bishop have to say about that?

**Mr. Blakeney:** — That's right. Well we saw it reflected on television by many television performers on behalf of the party opposite and I . . .

**Mr. Romanow:** — Joe Bishop.

**Mr. Blakeney:** — It included not only . . .

**Mr. Romanow:** — . . . some other stars from New York too, Davy, I hear.

**Mr. Blakeney:** — The Government has indicated that the major reason why the province decided to terminate the agreement was that we were overexposed in terms of the financial risk when related to the potential benefits. If the project were to fail, we would have to find at least \$150 million. If it was to succeed, we would be cut in for 30 per cent of the action. We were not convinced that the forest would regenerate satisfactorily under the proposed forest management plan. We felt, as well, that there were potential pollution problems that could have affected the entire Churchill River System. And with respect to the pollution problems, these have been reinforced by the public comments of the Assistant Deputy Minister of the Environment at Ottawa.

**Some Hon. Members:** Hear, hear!

**Mr. Blakeney:** — And even if pollution containment was possible, the costs of such containment may well have been prohibitive in terms of the economic feasibility of this project and I remind Hon. Members that it cannot be denied that this mill was economically marginal and accordingly any major additional cost for pollution control or otherwise may well have affected the economics of the mill.

A final area of concern was the state of the markets. And I remember last year we were assured that the downturn in pulp markets were temporary and that by a year or so probably all would be rosy. That was last year, Mr. Speaker. What's happened since then? The Canadian International Paper Company at Temiskaming will cease operations effective May 31st of this year. An estimated 875 mill and woods employees will be affected. Domtar Fine Paper Limited at Cornwall, Ontario announced the phase-out of their sulphite pulp operation effective within the next few months. An estimated 170 employees will be affected. Scott paper Company at Sheet Harbour, Nova Scotia, has decided not to rebuild as a result of storm damage suffered some time ago. Two hundred employees will be affected. Incidentally, I picked up an annual report of Domtar's lately and I see that of their \$8 or \$9 million profit about \$7 million has been written down because of their

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capital losses, capital losses which they have suffered in respect of two or three pulp mill projects that they are involved in. Consolidated-Bathurst Limited at Bathurst, New Brunswick are phasing out their sulphite operation during the first half of 1972 and approximately 200 employees will be laid off as a result. Bowaters at Corner Brook, Newfoundland, released 350 employees on December 31, 1971, in their newsprint division and this will apparently have some implications for their pulp operations.

Most other mills in Canada have closed temporarily for inventory adjustment. Excessive inventories across Canada have resulted in temporary lay-offs of employees as the mills attempt to balance production with markets. Here in our own Province the Prince Albert Pulp Company Limited announced a staff reduction. And this move certainly is partly reflective of the soft pulp market. Now, I will concede at this time the Athabasca Mill would not be on stream and it may be that two years from now the pulp market will be revived. But we were told last year that by now the pulp market would be revived and by no means is the pulp market revived. It is getting worse rather than better. And by general consent in the industry, 1972 will be a worse year for pulp companies in Canada than 1971 was.

Mr. Speaker, hardly a single Federal-Provincial Conference goes by without a number of provinces complaining about the state of the pulp industry and urging government assistance to help the pulp industry out of the doldrums. We have heard this, Mr. Speaker, at Federal-Provincial conference after conference, notably from the Governments of Newfoundland, New Brunswick and Quebec.

Mr. Speaker, I am not saying that the pulp market will not improve. The question is when? In an annual review and forecast in a recent issue of the Pulp and Paper Magazine, Mr. Prentice, Chairman of the Board of Canadian Forest Products, said and I quote:

In 1971 there was, for the first time in memory, a very substantial fall-off in market demand. If this is the forerunner of other years like it, then it will even be more important to the industry that it does not schedule mills into production for which there is going to be no market.

We were worried, Mr. Speaker, that if the lack of markets and the oversupply would have continued past a projected start up time of the proposed Athabasca pulp project, the start up losses, even if they had only continued for two or three years, Mr. Speaker, could have overburdened the project which was already heavily capitalized. I ask anyone to take a look at that project – the very large amount of bonded capital, interest bearing capital, the very small amount of equity capital, and what would happen if this mill ran at a substantial loss for the first three or four years. The project would be almost hopelessly overburdened with debt and with accumulated losses and it would be decades before the project could possibly get its head above water. Mr. Speaker, for all of these reasons it seemed to us wise that the Athabasca pulp mill project be terminated.

**Some Hon. Members:** Hear, hear!

**Mr. Blakeney:** — We lay before you the basis upon which we propose to terminate the project. We point out that about \$1.8 million of the loss arises from the financial costs, about \$4.4 million arise from payments to Parsons and Whittemore. I emphasize again that while the \$1.8 million would have been incurred in any case as at June 14, 1971, the \$4.4 million payable to Parsons and Whittemore is payable solely and directly as a result of the actions of the Government of the day, the Government of which Members opposite were on the Treasury benches, by reason of an agreement signed on June 14, 1971 on behalf of the Member for Prince Albert West (Mr. Steuart).

**Some Hon. Members:** Hear, hear!

**Mr. Blakeney:** — That payment is due to the actions of the Members opposite when they were in Government. It has not been explained to this House. When we assumed office we were left with those agreements, we felt it prudent to negotiate our way out of those agreements. We have negotiated our way out. We think that the settlement, while not the most desirable settlement in the world, is a fair and reasonable settlement and we feel that it puts a reasonable end to a bad deal and we therefore urge this House to support this termination of the Athabasca pulp mill project. Accordingly, I move second reading of the Bill.

**Some Hon. Members:** Hear, hear!

**Mr. D.G. Steuart (Leader of the Opposition):** — I suppose, Mr. Speaker, there is nothing that could differentiate or more clearly indicate the difference between the NDP philosophy and the Liberal philosophy than this pulp mill, nothing.

**Some Hon. Members:** Hear, hear!

**Mr. Steuart:** — You know they always find a bit of humor that one of the televisions advertisements that we had taken before the last election showed a fellow called Joe Bishop, a Metis. He is still a great figure of fun, saying that he hoped the pulp mill would go ahead because he hoped to get a job in it. I imagine Joe Bishop is on welfare now.

**Some Hon. Members:** Hear, hear!

**Mr. Steuart:** — I don't think that he thinks it is very funny that he didn't get a job in the pulp mill or he hasn't been able to get a job and hundreds and hundreds of Metis and other people like him, disadvantaged people that live in northern Saskatchewan, especially in the northwest part of Saskatchewan. I don't suppose they think it is very humorous that those people sitting over there drawing \$23,500 a year in the Front benches and \$9,000 a year in the back benches plus their school teacher salary and so on. I don't think that the Joe Bishops of this world, the Metis people of northern Saskatchewan, I don't think it is very funny they didn't get jobs. I don't think they think it is very humorous and I don't think they look themselves as figures of fun as the NDP do. The NDP were elected on a promise of a New Deal for People and they

have delivered a New Deal for people.

**Some Hon. Members:** Hear, hear!

**Mr. Steuart:** — A deal of hopelessness, a deal of unemployment. They have said literally, the people of northwestern Saskatchewan specifically and for many in the rest of Saskatchewan, our answer for the unemployed is go on welfare. That's your answer. The Premier got up and said, we are worried about the markets. Of course he is worried about the markets, so were we. He is worried about a lot of things. They were timid, he didn't have any nerve. They were negative. In fact, in the eight months that they have been the Government the Premier has obviously been so timid and so worried about a host of things that he has yet to come up with one major announcement of any new industry coming into this Province, private or government operated. As a matter of fact, we once labelled the NDP very rightly, the wrecking crew, and that is exactly what they have proven to be since the people of this Province gave them their confidence and misplaced vote on June 23. They have been, in fact, the wrecking crew.

**Some Hon. Members:** Hear, hear!

**Mr. Steuart:** — But I don't think the people of northern Saskatchewan, Mr. Speaker, or Mr. Premier, think that is very funny that they haven't got a job. The Members opposite do, they giggle and laugh every time it is mentioned. I suggest they go up there and talk to those people. I don't think they are worried whether it is a pulp mill or a government operated project or what kind of a project it is. What they want is a chance to work. They want a chance to make money.

**Mr. Michayluk:** — So do I.

**Mr. Steuart:** — Sure, just like you do, Dick. They don't want two salaries just like you have, Dick, they just want one salary. They want a chance to live on something besides the dead hand of social aid and that has been your answer. To giggle and to laugh and to cancel the pulp mills and to cancel iron mines. Well, I have never doubted the right of the Government nor did I really doubt their intention to cancel the pulp mill. But the Premier should have the guts, should have the intestinal fortitude to come before the people and say, look we didn't think it was a good deal. We were pressured by the Wafflers, by Mr. Richards the radical element of our party. I must suggest, Mr. Premier, that in the last half of your speech you should have turned around and talked to your own Members. You didn't have to convince us, once you decided to get out of the pulp mill, that you should pay reasonable compensation. I don't know whether you paid reasonable compensation or not as I haven't looked at those documents. I will look at them and I will comment on them. I don't doubt that you did. I don't doubt for one moment that you made a reasonable settlement. Let me say this, the red herring that you attempt, have attempted to drop in, and you repeated over and over again, won't fool anyone and that is really why you brought this Bill in. Don't try to kid the public that you are worried about getting the support of this Legislature about your settlement of the pulp mill. All you have to do is snap your fingers and 43 at least or 44

of those sheep behind you will vote on key.

**Some Hon. Members:** Hear, hear!

**Mr. Steuart:** — There are one or two that might have a little guts, a little independence.

**Some Hon. Members:** Hear, hear!

**Mr. Steuart:** — They might not vote on signal but the rest of them will, you don't have to worry about that. He brought it in before this House, this Bill, because he wanted a chance again to explain to the public and to excuse their actions and blame it on the former Liberal Government or some of the Members including myself who now sit on this side of the Legislature.

But let's talk about that settlement. The Premier says if we hadn't signed those documents on June 14th he could have walked away. Well, of course, that is sheer nonsense. He could still walk away. He could do as Mr. Richards (Saskatoon University) suggests, he could have still walked away. Whether that would have been held up in the courts or not I don't know. But his option to walk away was just as good after those documents were signed as it was before, if he had wanted to walk away. Now why did we have them signed? In the first place as I have explained before, there were agreements that were made in April and May. The fact that they were finally negotiated and finally signed on June 14th is nothing mysterious as he knows as a lawyer, I am sure, and his seatmate the Attorney general knows, many, many times complicated documents are agreed on, the final clauses are all agreed on, and they might not be executed for a week or two weeks or three weeks. This was the case with these documents. It's the reason they were signed by the deputy ministers and not by myself. They were signed on my orders and the orders of the Government. My orders acting for the Government.

Why were they signed? I have explained it before, I will explain it again, not with any hope of convincing the Members opposite but just to keep the record straight. We had agreed to go ahead with the pulp mill and that is the key issue. If you look at this proposition from the positive point of view of building something, not wrecking something, not tearing something down then it falls into place. We had agreed to enter into a partnership with Parsons and Whittemore to construct a pulp mill and a townsite.

Now, we had, as I explained before, it was a very complicated project that we were involved in, ourselves the Government and Parsons and Whittemore. We both placed in the contracts certain escape clauses as we went along. For example, had it been our opinion and the expert advice we received that we could not, in fact, have had pollution control within a cost that the project could afford and still have been viable, then we would have walked away from it and not proceeded. If we had found after studies were made that there was not sufficient pulp wood up there, both soft wood and hard wood, to supply a mill of 1,200 or 1,400 tons a day, again we would have walked away. We had escape clauses on our side, they had escape clauses on their side. When we came into May, all the escape clauses on both sides had been closed with three

exceptions. One of them was the railroad. One of them was the cutting rights on the weapons range at Cold Lake, that part of Cold Lake lying in the Province of Saskatchewan. Let's make that very clear that the amount of wood in Cold Lake, in the Cold Lake weapons range, is a small part of the total amount of wood. The Premier says we had not secured the wood necessary to supply this mill. He is exaggerating and he knows it. We had secured 80 or 85 per cent of the wood because it was on Crown land and was under the total and full control of the Government of Saskatchewan.

As far as the wood that was on the Cold Lake weapons range, this also belonged to the Government of Saskatchewan, the people of Saskatchewan. Years ago when that area was set aside as a weapons range there was an agreement made that there could be from time to time the development of the resources, fish resources and wood resources by agreement with the Department of Defence of the Federal Government. I had personally visited the Department of Defence, talked with the Deputy Minister, the individuals in charge and been given their assurance that if we gave them a proper cutting plan they in turn would allow us to go into the Cold Lake weapons range and harvest the wood from time to time. So we knew, we had no question in our mind, there was absolutely no question in our mind at all that that wood was available. So that was one loophole that we knew didn't exist that could be closed up.

The second one was in regard to the railroad. As Members know when you build a railroad in this country, even a branch line, you must have the permission of the Federal Government. A Private Members Bill must be put through the Parliament of Canada and the Senate of Canada. We had started our Bill as was the custom, many times, through the Senate and it had received the approval of the Senate. It had then been placed in the hopper by a private Member in the Parliament of Canada. We had received assurance from the Government of Canada that although this was a Private Members Bill they would, in fact, support it. We had also received assurance from many of the Conservative MPs from Saskatchewan that they, too, would support this Bill.

The question came – when could this Bill be passed? The Government of Canada had an extremely heavy schedule and there was very little, and I agree with the Premier when he said that it wouldn't have been passed in the summer session. Of course, we were aware it wouldn't have been passed in the summer session, but we were given full assurance that it would be brought forward in the fall session and that it would be passed. That was another loophole that we were confident could be closed, or another back-out, another escape clause that could be closed. As a matter of fact the CPR was so confident that Bill would pass and that they would be allowed to proceed with the railroad that they spent some \$25,000 or \$50,000 on clearing the right of way. And what was the rush about getting this through? As a matter of fact, Mr. Speaker, had we not started, or had this CPR not started to construct the right of way and had we lost the entire summer of 1972, we would have set the entire project back one full year. Now it doesn't take much imagination or much knowledge of economics to realize that when you are dealing with a project of this size that the interest for one year alone would have amounted to \$8 or \$9 or \$10 million. And there is no question this was a marginal proposition. No one has ever denied that. No one has ever denied that. And



that to set it back one year would certainly have meant that the project would have been very questionable, the viability of the project would have been very questionable.

We had the assurance that it would pass the Senate. We had the assurance of the Government of Canada, we had the assurance of some Tory Members of Parliament that they would, in fact, support this Bill. We were confident, as were the CPR who took a gamble, which they lost when the Government opposite cancelled the pulp mill, lost the \$25,000 or whatever it was they spent on clearing the right of way.

The third thing that was open was the question of support by the Federal Government through the Department of Regional Economic Expansion. And again, we had been given assurances by the Minister, Mr. Marchand, by the Deputy Minister, and by officials of that Department, that if the pulp mill qualified and we knew it would, then it would receive the support as any other project would in any other province in Canada. The Department of Regional Economic Expansion, their support was a considerable amount of money, it amounted to \$12 million. Having been given this assurance all three open questions as far as we were concerned, acting sincerely and honestly, were answered. Why did we feel it was necessary to close this? We were going to the market for \$107 million. We wanted to go the Canadian market for as much of this money as we could. The Canadian market at that time, at that moment in time, during May and the early part of June, was as strong as it had been for a long time. As a matter of fact for a period in there it was in better shape, a better market, than the American market.

First we wanted to get all the money we could in Canada because when you pay it back you are on much safer grounds, you don't have to worry about what happens to exchange, the exchange rate, so we knew that the market was good, it was as good as it had been for many years and we decided we wanted to go then. Interest rates on \$107 million, one per cent over 20 or 30 years could mean a tremendous amount of money. Again, it was the key to the whole project, we get the best interest rate possible. The best advice we could get from the fiscal agents who were employed by the Government of Saskatchewan, as far as I know they are still the fiscal agents, or they will be among the fiscal agents of this Government, people like Dominion Securities, Wood-Gundy, people of this stature, advised us that the market was sound, it was the best time to go. So it was incumbent upon us to close the back-out clauses that Parsons and Whittemore had if we wanted to put the money in place. If we wanted to go ahead with the project. So we closed the deal and we borrowed the money, \$35 million and we made arrangements to obtain the \$72 million in the United States through loans. Mr. Blakeney said we made this money available to Parsons and Whittemore – I don't know how he worded it – but that's the impression he tried to leave, the impression that the \$35 million had been turned over, or in some way was open to Parsons and Whittemore. It was not. \$35 million was placed in trust and there wasn't one five-cent piece drawn down. As a matter of fact, and the witnesses to this statement that I am about to make are Mr. David Dombrowski, still in the employment of the Government, a very honorable individual and I am sure he will testify to what I say. Mr. Bob Pearce who was employed by our Government as one of our negotiators, legal advisor, carried on with the present Government to close out

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the deal, were present when Parsons and Whittemore wanted to draw down some of that money, something like \$17, \$18 or \$19 million before the election. I refused and the money was still in trust when the Government changed hands and so to imply, if the Premier was implying, that somehow or other we turned over this money or any part of it over to Parsons and Whittemore, if he did imply that, he was in fact wrong. There was not one nickel drawn down or allowed to be drawn down by Parsons and Whittemore.

So, Mr. Speaker, if you look at the development of the pulp mill from a negative point of view and say how will we get out of this deal, then of course we shouldn't have signed the documents or had them signed in June agreeing to them in May and had then signed in June. I agree. Nor should we have signed the documents we signed in January or February or March. We shouldn't have agreed to anything. We should have said right from the beginning the deal is too big, the deal is too complex, the deal is too great a gamble. We will do what the NDP will do, or the kind of thing the NDP have done and would likely do and were advising us to do and back away and let the wood resources of northwestern Saskatchewan burn and rot and let the people in northwestern Saskatchewan sit and rot on social welfare as they have for the last 20, 30 or 40 years and as long as this Government is in, I presume we will have the same wonderful example. What about Prince Albert?

One of the great arguments about Prince Albert always is that there were more people on welfare in Prince Albert, a year or two after the pulp mill came, than there were before. What a nonsensical argument! There were more people working, the whole city was larger. More people had moved out of the North to come into Prince Albert to try and find jobs and they couldn't employ them all. There may well have been more people on welfare, but the fact of the matter is that as a result of the Prince Albert pulp mill, even if they can't get it through their socialist skulls over there, is that 800 or 900, or 700 or 800 people are working directly and probably 2,000 or 3,000 people are working indirectly in Prince Albert district as a result of the Prince Albert pulp mill.

**Some Hon. Members:** Hear, hear!

**Mr. Steuart:** — The same thing would have happened on a larger scale, a much larger scale, had they had the vision and the intestinal fortitude and the confidence to go ahead with Athabasca. Look at them! Timid is the word. No confidence in the future of Saskatchewan, no confidence in their people. They are going to do the planning. They are going to plan this Province right back into the mess it was in in 1964 when we rescued it after that election.

**Some Hon. Members:** Hear, hear!

**Mr. Steuart:** — Mr. Speaker, when we had signed the final document, we didn't put the now Government in any different position in reality than they were before. Had we not signed that, I agree, had we not signed those three clauses, had we not completed those clauses and signed that final document, then we would not have borrowed the money and had we not borrowed the money certainly the difference in interest rate that the Premier spoke

about would not have to be paid. I don't doubt that for one minute. And had we not signed that final document we wouldn't have gone to the market and borrowed the money.

Now, as to the rest of it, I haven't looked at all those documents, but I am confident that Parsons and Whittemore when we made the first agreement to move ahead in January, spent most of the money and made most of the commitments long before June 14th, before those final documents were signed. And, legally, I don't argue with the Premier that had we not signed the final documents they might have been able to walk away. If they wanted to come into this House and pass a Bill they could still walk away legally, but they wouldn't have been able to walk away morally anymore than they should have walked away. I congratulate them for not walking away from the commitments, the honest commitments that Parsons and Whittemore had made, the money they had spent and the money that was coming to the various people in the bond business who had legitimately, and with confidence in the Government of Saskatchewan, spent money, honestly spent money in the development of this project and they should have had that money repaid. Whether the Government paid out too much or too little I won't know until I have looked at those documents.

Mr. Speaker, I want to talk about this question after I have had a chance to study the documents and again I just want to sum up at this time. I have never argued with the right of the Government to back out of the pulp mill agreement. I have never argued, and I won't argue now unless the documents prove otherwise, that they didn't make the best deal possible. I have condemned the Government and they do stand condemned for the fact that they did not have the courage and the confidence in the people and our resources to either go ahead with that deal or to replace it with one that they were involved in directly themselves.

**Some Hon. Members:** Hear, hear!

**Mr. Steuart:** — I say this now and I have said it before, I would have admired Mr. Blakeney a great deal more and so would the people of this Province if he had had the honesty and the courage to say, I've looked at the deal, I don't like the deal, I'm going to cancel the deal, but not look for some scapegoat or some red herring to try and drag in front and say, look it's those Liberals, if they hadn't done this we could have walked away from this costing us little or no money at all. He knows this is nonsense, he knows it's not true and I would have admired him a great deal more if he had the courage to say it.

I think it is a disgrace that they cancelled this. He talks about the markets. Well, of course, the pulp markets were down and we predicted that within a year or so the markets might be up and they are up now. If he had studied the pulp industry he'd find that the pulp industry is like a roller coaster that the markets go up and they go down and we are in one of the troughs right now. Of course we'll come out of it.

Why are some of the pulp mills across Canada having trouble? Well you notice that he talks about sulphite pulp mills. One of the reasons that these pulp mills are having trouble right now is they are old-fashioned, they are small most of them, they haven't been kept up-to-date and they are

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using a process that will make it almost impossible to meet the new and tougher Federal standards on pollution and so they are closing them up. Of course the official organ of the pulp industry at this time would be advising all and sundry not to build more pulp mills. Why would they be advising anybody to build a pulp mill? I can't recall when the official organ of the pulp industry has ever advised anybody to build a pulp mill. They have been against every new pulp mill that ever came along unless it was built by one of the members of the club. I am not impressed by the fact that some pulp mills in Eastern Canada are closing up. I am sorry to hear they are, but you will notice we have had to cut back a little bit in Prince Albert, not a great deal, they have laid off 17 men. They may still be stockpiling some pulp but I guarantee you that Prince Albert will be one of the first pulp mills to recover because they are producing a quality product, a prime product and the sale of that product will move ahead of many pulp mills from Quebec or Ontario or even British Columbia. So this new pulp mill when it came on stream would have, in our opinion and the opinion of the people that did the feasibility study, met the market on the upswing.

I have never denied that there was an element of risk in this. The safest thing to do is exactly what Mr. Blakeney and the NDP did. The safest thing to do with the iron mine was to get out of it, draw back and now I understand they are sending people scurrying down to Toronto and so on attempting to get that iron mine and that pellet plant back on the track. Well I hope they succeed but I don't really have any confidence that they will.

I think they have shown in the cancellation of the pulp mill and the attitude they have taken to the iron mine and the attitude they have taken to industry generally, what the people of this Province can expect until 1975 until they get a chance to put them out of office. That is that our resources, once again, will rot and they will stagnate and our people will have to look somewhere else if they want to find a job or a future. I think, again, it has shown up the vast difference between the NDP and the Liberals. We look at this Province and its people with confidence. We recognize that if you live in Saskatchewan you have to take some risks. We recognize that you have to take some chances and that if you take some chances you will make some mistakes. But we think it is better to take the chances. We think it is better to risk the mistakes and to give our people and our resources an honest chance to make a decent living and take their place in society with the rest of us. We don't agree with the Member for Shellbrook (Mr. Bowerman). The only thing that's expanded since this Government took place is the Hon. Member from Shellbrook. If industry had developed like he has we would be sitting here applauding the Treasury benches not berating them for the fact that they have been, up until this point, a wrecking crew of do nothing Members, a Government that has indeed given a New Deal for People. The worst deal that the people, especially of northern Saskatchewan, have had in the 20 or 30 years.

And what's been their answer? Well, their answer is a new department. Bring back some of the old civil servants. I hope you bring them back. I hope you bring them all back. They were the people that brought your downfall. Oh, it was the Bowermans and all the rest of them up there pushing the people

of northern Saskatchewan around that helped to bring us to power in 1964. I predict, Mr. Blakeney, that if you put those same people back up in charge you will suffer the same fate that Mr. Lloyd did. Because they haven't changed their mind, they haven't changed their attitude, they haven't changed their philosophy.

Mr. Speaker, I want to look at the documents the Premier tabled laying out all the details how they arrived at these figures and so I beg leave to adjourn the debate at this time.

Debate adjourned.

## ADJOURNED DEBATES

### SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. R. Romanow that **Bill No. 27 – An Act to amend The Surface Rights Acquisition and Compensation Act** be now read a second time.

He said: Mr. Speaker, in closing the debate with respect to this Act to Amend The Surface Rights Acquisition and Compensation Act, I am hopeful that Members on the opposite side will concur with the main principle of this Bill and will in fact vote approval of it in second reading.

As I endeavored to explain in introducing the Bill we feel that these amendments will substantially add to the remedies available to those landowners affected by the operation covered by The Surface Rights Act. We have added the tortious clause provision. We have improved the matter with respect to mediation. We have brought the flow lines and pipe lines under the operation of The Surface Rights Board. I think these amendments will be generally accepted by the farmers of the Province of Saskatchewan and those who deal with the oil operators on a regular basis. I should also state again that there is a matter of the five-year review for those leases that don't have a five-year review clause provision. I think this is also a very worthwhile amendment.

The Member from Cannington (Mr. Weatherald) was one of two Members on the opposite side who spoke in second reading of this Bill. I recall the remarks from the Member for Meadow Lake (Mr. Coupland). He in effect said that he agreed with the amendment. The Member from Cannington did not demur from that position but cautioned the Government to keep in mind that it is necessary for us to have the confidence of those in the oil industry as well. I think that is a good reminder. Certainly it is the intention of myself as the Minister in Charge of this Board at this particular time at any rate, to ensure that the members of the Board do act in such a way that they do have the confidence of those in the oil industry. Our main concern with the former Board was that it appeared for right or for wrong reasons that the farmers had lost confidence in the old Board members of the Board. Perhaps the pendulum has gone a bit the other way but I think that it will be rectified over the next little while as the members get more experienced. It was necessary to rectify this and to restore the farmers' confidence in the operation of the Board. I am pleased to inform the Members of the House that I have, on a

couple of occasions at any rate if not more, held meetings with members of the Canadian Petroleum Association and their executive to discuss this proposed legislation, to discuss the makeup of the Board. I can tell the Members of the House that in fact one of the members of the Board was an individual who was suggested to us by the Canadian Petroleum Association, Mr. Ron Galloway. We asked their executive to submit names to us as we did with various surface rights organizations and we took the name of Mr. Galloway. He is a new member on the Board.

One of the reasons this Bill has been kicking around in second reading for some time is because I have been waiting for a more formal communication from the CPA as to the proposed amendments, I have not yet received that. I feel it is necessary to move the Bill ahead but in case there is any change it can be done in Committee. The point that I am making here to all Members of the House is that I believe that our rapport with the CPA is certainly every bit as good at this time as it was with the former Government. I think the advantage in this legislation and with the Board is that our rapport with the farmers is immeasurably and incalculably better today than it was under the former administration. The Member from Cannington also regretted that we chose the by-election of Souris-Estevan at the time to make the announcement of the change of the Board.

**Mr. Steuart:** — Pretty good timing . . .

**Mr. Romanow:** — The Leader of the Opposition says it is pretty good timing. It may or may not have been. The fact of the matter was that before the by-election, yes, in fact, before the by-election was called I had occasion to meet with members of the southeast Surface Rights Association. It was clear that pressure was mounting. In fact I first attended the annual meeting of the Surface Rights convention where there were about 200 to 300 farmers. They wanted to hear from the Minister-in-Charge and we indicated to them at that time regardless of the Souris-Estevan by-election that it was the intention of the Government to try to establish a board that has their confidence. I think we are going to have that. I hope the Board will work. It is only set up for a one-year operation, the chairman knows that. We want to see what kind of complaints and compliments it gets and how it works with the new mediation and the new provisions with respect to this Bill. I close, Mr. Speaker, with those few words, commending this Bill to the attention and the approval of all Members of this House. I move second reading of this Bill.

**Mr. T.M. Weatherald (Cannington):** — Mr. Speaker, would the Attorney General permit a question.

It is simply that I request that you bring in information as to how the changes of compensation — I know your Department has statistics on information indicating changes of money earned on surface rights for leases and so forth over the past 7, 8, 9 or 10 years. I am not going to be particularly political about this but I know it goes back a number of years. When we come to Committee of the Whole I should like to know how the changes in compensation going before the Board was set up in 1968 up to the present. I think this would be quite important so if he could bring that information when we have Committee of the Whole.

**Mr. Romanow:** — I should suggest to the Hon. Member that perhaps it would be more appropriate at the time of the Estimates for Surface Rights Arbitration Board. I should prefer the Estimates. I don't know if the new chairman can provide the information but we will certainly come with all the facts that are available to us. Perhaps in Committee of the Whole we could deal with a clause by clause study of the law. I will certainly try to inform myself with the Estimates of that area.

Motion agreed to and Bill read a second time.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Bowerman that **Bill No. 67 – An Act to establish The Department of Northern Saskatchewan** be now read a second time.

**Mr. A.R. Guy (Athabasca):** — Mr. Speaker, when I adjourned debate on this Bill the other night I said that the concept of the Northern Department was not new, studies had been done over the past 15 or 20 years as to whether it would be desirable to establish a separate Department for Northern Saskatchewan, recognizing that by so doing, of course, there is a tendency to isolate perhaps even further the area of northern Saskatchewan which is being considered in this legislation. I think the fact that it was never established prior to this time shows that there are some advantages and disadvantages which made it difficult to determine the feasibility of proceeding in this direction. I suggest that the fact that the Government has decided to proceed in this direction today is one that can be supported. There are some advantages. It will focus special attention on the problems of the North and I think we all recognize that there is no question there are many problems that are peculiar and unique to northern Saskatchewan. Also the advantage is certainly there that it will provide co-ordination of departments and agencies. I think we all agree there is room for better co-ordination. When you have such a widely diverse area it is difficult to co-ordinate all departments and agencies which have responsibility there.

A third advantage is that there may be some efficiencies gain in travel, maintenance and organization, although some of it may be lost by additional staff that may be required. I think if the new Department is efficiently run there should and can be some efficiencies in organization, maintenance and travel particularly.

Now some of the disadvantages, of course, that are possible is the separating of the North from the South. People in southeastern Saskatchewan could well say why can't we have a department of southeastern Saskatchewan or the ranchers in the southwest may say, why can't we have a department of southwestern Saskatchewan if you are going to go by geography? So there is the disadvantage that you are separating a part of the province from what we hope to look at in the sense of being a whole province. In fact, I think over the last while if anything we have been trying to bring northern Saskatchewan and the people of northern Saskatchewan more into the mainstream of Saskatchewan life. I am not sure that establishing a separate department is going to accomplish this. This could be one disadvantage.

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Another disadvantage of course is one that always occurs when you set up a new tier of bureaucracy and this is what we are doing. We have a new department with a new minister and a deputy, directors and the necessary staff to go with it. This may be a disadvantage. I think generally speaking the fewer civil servants we have running around in any area of the province the better. There is no doubt by establishing a new department you are going to increase the number of civil servants and the number of staff that will be involved.

However, the main disadvantage that I see in this Department and again it may turn out that I am completely wrong in this regard, is that some functions can't be co-ordinated. I can see you co-ordinating the functions of Mineral Resources, Natural Resources, Industry and Tourism Development and so on. I don't think there is any question that these can be co-ordinated under an agency or a department with very little difficulty, in fact probably with a considerable amount to gain. However, when it comes to trying to co-ordinate the departments of Health and Education particularly with Natural Resources, the Power Corporation, and things like that I am not sure whether this can be done. I hope that the Minister will discuss this with the Northern Teachers' Federation and also with doctors and nurses in northern Saskatchewan. I can tell him that some of the discussions that I have had with these people show they are not convinced that you can take Health and Education away from their main departments in the province. Unless I misunderstood the Minister when he introduced the Bill I gather that education and health will be completely divorced from the Departments of Health and Education as we know them now. I suggest that this is one area that will be most difficult to do.

Mr. Speaker, because of the fact that there are such definite advantages and disadvantages I think that it is absolutely essential that a concise blueprint of the organization, both provincial and local, the programs, costs and staff required should be provided to this Legislature and the people in northern Saskatchewan who will be affected, before we can judge whether the establishment of this Department is in their best interests or not. I sincerely suggest that this is the area where the Government has completely fallen down. I am not arguing for or against the advantages or disadvantages, other than to point them out, as they do exist. I think the fact that we have looked at this new department on several different occasions by different governments and have never quite reached the point where we proceeded with it should point out the fact that if we are to proceed we need a pretty definite blueprint of exactly what is going to take place in this Department. I am afraid that this Bill that we have before us is a complete failure in that regard. It shows that the Government has not yet determined the responsibilities of this new Department. This Bill really is nothing else than a sort of a blanket control of the area which is taken in under the Act.

I don't mind the Minister being given such wide sweeping powers if the organization through which these powers are going to be exercised is shown. We know that the Minister has already established a Northern Advisory Council and yet nowhere in this Act do we find where there is any reference made to this Council, in fact there may be some doubt as to his authority to establish it other than under the very wide sweeping powers which he has taken upon himself as the Minister-in-Charge. I think this is the weakness of this Bill both from the point of view of this



Legislature and the people in northern Saskatchewan who are naturally concerned over what this new Department will do, what its responsibilities will be and through what kind of an organization it will be carried out. I mentioned the other night that the setting up of this new Department, regardless of the advantages and disadvantages will be, no cure-all for the problems of northern Saskatchewan unless you have the programs, the financing and the local participation, that will really count.

I should like to take just a few minutes to see how the Government has developed this concept because it is a concept that was first introduced during the election campaign last June. That is when it was first announced that there would be a Northern Department and certainly at that time there had been no consultation with the people involved other than the candidate and the campaign manager and maybe one or two of the NDP executive. However, at that time the promise was made, and I am sure it was made sincerely, that no action would be taken without full consultation before any department was established. Since that time we have seen a steady flow of propaganda as I mentioned the other day by both the Minister and the Premier that the Department would be established and that there would be consultation. Whenever questions have been asked about any particular program whether it is in health or education or what have you, the answer is always that it will be looked at once we establish the new Department of Northern Saskatchewan.

The Premier accepted the concept of consultation back as early as October. Surely since that time there has been time to carry out this consultation. Surely the Minister from Shellbrook (Mr. Bowerman) in the time he has been advocating and supporting this new Department has had time to consult with the majority of the people that are going to be involved. Surely both of them have had time to detail far more of the organization and the programs that are going to be offered than appears in this Bill. I think they have really failed the people of northern Saskatchewan in this regard, when they bring a Bill of this type into the Legislature with nothing but a rough breakdown of powers that are going to be held by the Minister. There is certainly reason to believe that this consultation that was promised has not been carried out. It started back on October 21st when Mr. Blakeney was addressing the Federation of Saskatchewan Indians and he promised the FSI that the NDP Government is willing to listen. The Government does not intend to work out programs for the Indians but rather the Government looks to the FSI to explain what programs the Indians themselves want. It was rather strange on that occasion after that statement that he then goes on to say, "that the Government will create a new Department of the North with Ted Bowerman Minister of the Department of Indian and Metis in charge." Surely if the Government was going to consult with the FSI and Metis Society in regard to the establishment of the new Department he wouldn't announce the Department and the Minister-in-Charge of it at the same time that he promised consultation. So I can't help but feel that this Department was planned and organized and the details set out within a very small group of civil servants and probably politicians, with very little regard to the wishes of the FSI, the Metis Society or particularly the people of northern Saskatchewan who may or may not be involved in either of these groups.

As we go along we see that this continues to be the

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situation, that the consultation with northern people has been very limited. As far as I can see the people that are involved have never said that they wanted a Northern Department but I am sure they are all prepared to listen to the suggestions for one if they get the opportunity. To date they haven't had that opportunity.

On January 11th the Minister designated announced four members would be appointed to the Northern Advisory Council. And, again, this was done with no consultation with the people involved. Of these four people, three of them are white men and this is the complete opposite to what the Minister said the other night that the time had come when the majority, I forget what percentage he used, of the Indian and Metis population of the North should now begin to have some say. Yet when he goes and appoints his advisory council he is doing two things; first of all he is appointing white men instead of Indian and Metis and secondly, he is appointing them rather than electing them as he had promised earlier when this Department was being considered. This, of course, did not meet the wishes of the Metis Society. They refused to appoint a member to the council. I am not sure that they have appointed one yet.

On January 26th at the Trappers' Convention the Minister outlined the plans for the North. He went on to say what plans were being drawn up in his Department. Now again this seems strange coming from a Minister who had promised full consultation with these groups to appear before the northern trappers and tell them what his Government is going to do. In fact he ended up by saying these six persons, referring to the four that he appointed plus one each from SGI, who I might mention was not a northern Indian, but came from the south of the province, and one from the Metis Society, have begun discussing programs for the North. Well, Mr. Speaker, the people in the North certainly were not consulted about any of these programs. They came, as far as I can see, from these four people who were not elected but were appointed. I said in an earlier debate that for the most part it appeared that they were appointed more on their political background than they were for any other factor. So, again, I say to the Minister I think that you have not consulted with the people and if I were to look back through your debates when we established the Indian and Metis Department, it seems to me I recall very definite statements made in that regard.

You will recall also, Mr. Speaker, that the Metis Society wanted a grant of \$73,000 to go and hold meetings throughout the North to get the feeling of their own people. I don't think that we can certainly find any fault with that idea. I only wish that they had been given the money and also been given the time. I think maybe a fair amount of money was given, but what was even more important was the time required to hold their local meetings and their regional meetings as they had scheduled prior to having this legislation presented in the House. Of course, this didn't take place. The Metis Society met last week and the Minister was there. They were meeting to discuss a Northern Department which at that time had already come up for second reading. In fact if I hadn't adjourned the debate last week it could well have been on the legislative books of this Province before they ever had the meeting and before the Minister ever sat down and discussed it with them. So, again, I say, Mr. Minister, I don't think that you have kept your promise to these people regarding consultation. Certainly the people in

the North are of that opinion because at the same time as the Metis Society are sending their representatives around to try and get an understanding of the views of the people that are going to be affected by this legislation, they are finding that a few days ahead of them or behind them, Government personnel are coming on their own trying to tell them what programs and what the details of this Department will be. So there has certainly been a breakdown in communications, if communication was ever intended. I am not sure from the actions that we have seen that the Government intended to act any differently than they have. The facts as I have pointed out here today speak very strongly against it and I am not surprised that the Metis Society have made quite clear that they are very unhappy with the way this whole Department has been handled and the way things have happened.

I think also that Members of this Legislature are entitled to some of the details. I don't think that it is right that the Minister appeared in Prince Albert last week and spoke to the Metis Society and promised that local councils would be formed and yet he is not prepared to tell Members of the Legislature what is going to be in the Bill. He brings in the Bill and there is no mention of the Northern Advisory Council and there is no mention of local councils. I think that we are certainly entitled to have more detail and more plans than we have been presented with.

So, Mr. Speaker, in summary the Government's idea to establish a new Department, we do not suggest is wrong. But the consultation which was promised earlier and hasn't been done we do say is wrong. The people in the North that are affected do not know what is going on regardless of what Members opposite might say. They are becoming suspicious. We can't tell them what is in the minds of Members opposite when we look at the Bill because there is nothing in the Bill telling what the details of the new Department will be like. We submit that in principle there is certainly nothing wrong with this Department. But in view of the definite advantages and disadvantages surely to goodness this Bill is not satisfactory when it comes to the details that people of the North want and I think are entitled to have. It is not fair to them or to the Legislature to try and pass judgment on a Bill that provides none of the details, none of the plans, none of the organization. It certainly doesn't spell out in any way the involvement of the local people. There has been no consultation with local communities, there has been no consultation with local Indian bands or with local community authorities. There has been very minimal consultation I suggest with the FSI and the Metis Society.

You know, Mr. Speaker, when one considers the public hearings that have been held relating to the Land Bank, to kindergartens, to Workmen's Compensation, to Liquor regulations, to Community Colleges, surely it is not too much to suggest that the Government, if they had been sincere, would have considered holding public hearings in the local communities that are going to be affected by this new Department. After all this is the Department which could change drastically every aspect of a person's life in northern Saskatchewan and surely it is not too much to say that they at least should have had an opportunity to ask questions, to discuss some of these far-reaching changes.

I think the fact that the Premier in his Budget Address acknowledged that the \$100,000 budget would only create a nucleus of the new Department, would lead us to believe that

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perhaps it is not too late for the Government to carry out some public meetings, in the best interests of all concerned. If we wish to give the northern people some time to understand what is happening, to discuss what the Government is planning, to provide the Legislature with those views, I would suggest that it can still be done. Therefore, I should like to move, seconded by my colleague, the Member for Meadow Lake (Mr. Coupland):

That all the words after "Northern Saskatchewan" be deleted and the following substituted therefor:

be not now read a second time until public hearings by the Government have been held in every northern community to discuss the establishment of a Department of Northern Saskatchewan.

**Some Hon. Members:** Hear, hear!

**Mr. J.K. Comer (Nipawin):** — Mr. Speaker, I should like first of all to deal for a few moments with some of the comments of the Member for Athabasca. You know generally the Member for Athabasca (Mr. Guy) is somewhat amusing in his speaking style, today he was pretty quiet. I think maybe we have hit on something pretty good. He is afraid to oppose it.

**Mr. Cody:** — He isn't interested. He has already left.

**Mr. Comer:** — The first objection or disadvantage to the Bill that the Member for Athabasca listed was that it was going to separate the northern part of this Province from the southern part in the treatment by the Government. I think this contention is substantially wrong because what the problem has been in the past is that southerners have been dealing with the North and this Bill gives an opportunity for the people of the North to be dealt with by people who understand the North. He said that he wanted to see us bring northern Saskatchewan into the mainstream of Saskatchewan life and I think this Department has that potential. It has the potential to bring the people of northern Saskatchewan into the mainstream of Saskatchewan life.

He talked about the problems of a new bureaucracy and admittedly there could be problems of a new bureaucracy and they are problems that we will have to be watching and I am sure the Member for Athabasca is going to be watching inside or outside of this House.

He went on and dealt at some length with the fact that we needed a blueprint, an exact blueprint, of what this Department was going to do. I submit that the action the Government is now taking in introducing this Bill, in setting up a Department, really just the bare bones of that Department, is the correct procedure. Then go out to the people of the North and find out from them what they want that blueprint to be. Not to make the blueprint rigid in legislation but rather to make it more flexible.

Mr. Speaker, I think that this Bill has a great deal of potential, it has some wide-ranging implications for northern

Saskatchewan. It has the potential of substantially changing the actions of the Provincial Government in its treatment of our northern citizens and I emphasize the word potential. The Act as the Member for Athabasca has mentioned in itself changes very little but if that potential is realized I think we shall see some pretty wide-ranging changes for the better in northern Saskatchewan.

In a few minutes I shall deal with what I feel that potential is. Firstly, I would like to deal with some of the reasons why there is a need for a Department of Northern Saskatchewan. As has been mentioned a number of times now, there has been a number of studies made in the last two decades which have recommended that a Department of Northern Saskatchewan be established. Probably the most important reason that can be advanced for a single agency of government in the North are the peculiar problems of the North as have been mentioned already. The Minister in introducing this Bill a couple of nights ago went into those peculiar problems in some detail. I don't intend to re-cover that ground. Probably the biggest problem that is encountered in the North is the feeling on the part of northern people that they are powerless, the feeling that they have no part in the making of decisions and that those people who do make the decisions which affect them have no comprehension of the North or of its problems. This Department will assume responsibility for the programs of the Departments of Health, of Education, of Social Services, of Agriculture, of Local Administration or Municipal Affairs and of Industry. The programs of these Departments will be run in the North by northern people, people who understand the North.

One of the problems a number of civil servants in the North have mentioned to me on a number of occasions and a number of the people in the North have mentioned on a number of occasions, is that programs that are of benefit to the North have been vetoed on many occasions by senior civil servants basically located in Regina who have very little understanding of the North. For this Department to work, the staff of this Department must be imbued with an esprit de corps that they believe they can aid in improving conditions in the North. The thing that will kill the esprit de corps if it exists or stop the creation of that esprit de corps from the very beginning is a bureaucracy that stops activities that are in the interests of the North. This Department by assuming responsibility for various government programs in the North has the potential to modify these programs to suit the needs of the North. It must allow a degree of freedom in the development of certain programs for the North. This freedom cannot be legislated, it must be developed. Many of the contentions raised by the Member for Athabasca that the Bill was too scanty is not a good contention. Once we put it into legislation we make it rigid. We can't legislate consultation, we can't legislate diversity anymore than we can legislate sympathy or understanding or love or what have you.

I have mentioned on a number of occasions the potential of this Department. I have dealt very briefly with the way that this potential can be realized.

I should like to turn, lastly, to the factor that in my opinion will be most important in developing this potential, and a factor that the Hon. Member for Athabasca mentioned on a number of occasions, and that is the factor of consultation. Again I say you can't legislate consultation. At this very time

consultation is being carried out with northern people and they are fairly excited about this Department. Consultation is something that cannot be easily defined. It is something that has to be developed. Today we have a number of people meeting with the people in the various northern communities finding out from them what they want in this Department. Once this Department is established, based on those consultations, one of the most important things we must develop in the civil servants of the North is the realization that they must consult. It is very easy for civil servants, it is very easy for legislators to sit down to make the decisions for other people. It is more difficult, it is more time consuming to consult. But the thing that, I submit, will make this Department work, will make the Department of Northern Saskatchewan realize its potential is the development of those lines of communication. The development of consultation with northern people about their problems, about their programs. It is because of this potential which can be realized by this Bill that I am glad to support the Bill and will oppose the amendment.

**Some Hon. Members:** Hear, hear!

**Mr. H.E. Coupland (Meadow Lake):** — Mr. Speaker, on rising to speak to this amendment, the Member from Athabasca has done a pretty good job of covering the subject. We find ourselves in a sort of a funny situation. We are setting up a new Department and later on we shall be asked to abolish a department so we are almost compelled to agree with this Bill with the amendment. Now I have been in the North for a good number of years and as far as I can find out there hasn't been too much consultation with any of the people in the North. We shall be asked to abolish the Department which has been responsible for most of the work that this new Department will be doing. As the Member from Athabasca has already said, the Minister is going to have quite a time trying to co-ordinate all the programs for the North. A lot of these other departments are going to dig in their heels and they are not going to be too happy with anybody else infringing on the rights they have had over the years, not only for seven years but the years before that. I can only wish the Minister well and say that he is surely going to have his work cut out for him.

You know it is strange, Mr. Speaker, to recall when the Member from Shellbrook (Mr. Bowerman) sat over on this side of the House and the Government of the day was bringing in the Bill to set up the Indian and Metis Department. I remember at that time he made quite an issue of the fact that the Government should consult all the Indian and Metis before setting up that Department. I would just like to quote, I happen to have the Debates and Proceedings from 1969 and here is what the Member said at that time:

I listened intention and I listened expectantly, Mr. Speaker, to hear the Premier tell this Legislature that as a result of a comprehensive program of communication with Indian people, or as a result of an independent study, or as a result of petitions or requests, made by Saskatchewan Indian people or even because of any intensive or minimal survey which the Hon. Premier has undertaken . . .

This is what he was saying at that time.

**Mr. Kramer:** — Does it say anything about \$1 a vote?

**Mr. Coupland:** — No, it didn't, that's strange. But it seems strange, Mr. Speaker, that a man will try to bring a Bill into this House after making these statements because I don't think any Member on this side of the House has heard of any comprehensive program or communication with Indian people, or petitions or requests or any of the like. He says this back in 1969 but today it's altogether different. He didn't even have the decency, Mr. Speaker, to appoint a Metis to represent the Buffalo Narrows area, he puts a white man up there. I wonder why? I don't know about all the rest of them but I do know Buffalo Narrows. I am wondering if it's a bit of a payoff.

**Some Hon. Members:** Hear, hear!

**Mr. Coupland:** — A little more than \$1 in that case you know. They have fun mentioning the \$1. I can categorically say that I had nothing to do with any one dollars in this Province and that's a lot more than you fellows can say over there. I could quote you a few things of what you fellows have done up there.

But getting back to the Bill, Mr. Speaker, I am hoping that the Members opposite will support this amendment. I think this Bill should be held until we can go out and have meetings with all the people in these different areas. As the Member for Athabasca has said this Department can affect the lives of each and every person up in those northern areas and I think they should have consultation. The Member that is bringing in the Bill said back in 1969 that they should have all these consultations so why is he not doing it now? I will certainly support this amendment.

**Some Hon. Members:** Hear, hear!

Amendment negatived.

The debate continues on the main motion.

**Hon. G.R. Bowerman (Minister of Indian and Metis):** — Mr. Speaker, I am pleased to conclude the debate on second reading of the Bill to establish a Department of Northern Saskatchewan. I am somewhat surprised at the comments which I heard from the Hon. Member from Athabasca (Mr. Guy) today as he spoke in this debate. In relation to the comments which he made following introduction of the Bill the other day, one of the things which the Member from Athabasca today seemed to be less definite about was the disadvantages of the proposed new Department. He began listing what he thought might be disadvantages and he indicated that the separation of the North from the South might be a disadvantage although he wasn't sure it would be a disadvantage. Then he said that this would create a new bureaucracy which may or may not be a disadvantage. Then he said it might be a disadvantage but nevertheless he sort of agreed with the proposal for the new Department.

He went on to suggest as well that he couldn't understand how the various departments of the Government would be phased

into the new Department and he continued to press the issue that the Bill itself was very limited in the amount of information which it provides so far as the establishment of that Department is concerned.

I want to say, Mr. Speaker, that I think this Bill is not unlike a number of Bills which have been brought into this Legislature and passed for the establishment of departments. They do not in themselves provide a lot of information. They do provide the administrative requirements but anything in addition to that is not usually found in department Acts. I suggest to you that this Bill is similar to that particular situation.

I want to comment briefly on the point raised with regard to the bit on non-consultation with the people of northern Saskatchewan and in particular the people of Indian ancestry in northern Saskatchewan. If there has been any other program that has expended funds more than have been allocated to this particular project, I would very sincerely like to know what that is. The Member from Athabasca referred to the consultation process in the Land Bank and in the kindergarten program and a number of other programs. I want to inform the Members from Meadow Lake (Mr. Coupland) and from Athabasca (Mr. Guy) that the involvement process which has been going on with the people of northern Saskatchewan, it's surprising that they are not aware. To suggest to you, Mr. Speaker, and the Members of this Legislature that they are not aware of the consultation process that is now going on in northern Saskatchewan and have been for some time, only indicates to this Legislature that they do not know their constituencies and they do not know what is going on in their constituencies. They do represent in this Legislature the people of northern Saskatchewan. But I say to you that there was a grant provided to the Metis Society of Saskatchewan, \$50,000 in fact, that they might go out without any strings attached and that they might undertake their own communications process, that they might consult with their own people on the basis that they thought best. I say to the Members of the Legislature and to those Members opposite particularly that the meeting which was just concluded in Prince Albert last week was a final meeting of that consultation process. They had held in addition to that meeting, meetings in Buffalo Narrows, which the Member from Meadow Lake represents. They had a large meeting in Buffalo Narrows which they held as a result of the grant which was provided for them. In addition they held a meeting at Uranium City. In addition to that they held similar meetings at Cumberland House and LaRonge. In addition to the broad, general meetings which they had, they travelled in the northern area, they consulted with individuals and with their local societies.

The money with which they travelled was granted to them by this Provincial Government. May I say in addition to that that financial provision was made for four persons who were appointed and whom the Member from Athabasca seems to be critical about; critical about the fact that they were appointed. But let me say that there were no provisions whereby you could elect a person in northern Saskatchewan as a representative on that council or that could be represented through any authorized election process that would be able to undertake the communication process which we wanted to undertake. So I say to you that of these four persons who were appointed some were put on salary. The question which was asked by the Member from Athabasca provided him with the answer that certain of these four persons



were put on a salary and they were provided with expenses, with an automobile or other transportation and they were provided with the necessary means to travel in northern Saskatchewan to consult with the northern people regarding their wishes with respect to the Department of Northern Saskatchewan.

May I say in addition to that, Mr. Speaker, the Federation of Saskatchewan Indians who were vitally concerned about this program in the North also have received a grant. They applied for their grant under the Local Initiatives Program and it was approved. In addition to the Local Initiatives Program a grant was provided to the Federation. Additional Funds were provided by the Provincial Government for air transportation expenses incurred in a communication process by the Federation of Saskatchewan Indians with registered and Treaty Indian people in northern Saskatchewan.

I don't know of any other program including the Land Bank and the many meetings that were held in regard to that Land Bank program. I don't know of any other program which the Provincial Government has placed more emphasis upon than the consultation that has gone on with respect to the Department of Northern Saskatchewan. I should be the first one to agree that not all of those persons who have been consulted, not all of those persons who have been involved, have agreed that this will be the best way. But there have been no major objections with the exception of the fact that the Metis Society have expressed the concern over what they term may be the separation of the Metis people in the province as the result of the drawing of a northern district boundary line. But let me assure you that the Northern Administration District boundary line has been drawn for many, many years and that under The Northern Administration Act, which was established by this Legislature, the provision of that boundary line was made some time ago and that nothing new is being provided in that sense.

Let me say to the Members who are concerned about what the Member from Athabasca considers inadequate information to the Legislature about the provision of information on the Department. The setting up of the Department of Northern Saskatchewan is only a part of the legislation that will be required. The Northern Administration District Act which has been in effect for many years and passed by this Legislature and which has really been the basis for municipal organization in the North and which has really been the basis for the administration of programs in the North is available for the Members to read. There will be brought before this Session some time in the future certain amendments to The Northern Administration District Act which will provide for the amendments which have been suggested and the points which have been raised by people in northern Saskatchewan to establish the details about the setting up of municipal government or civil government in northern Saskatchewan.

Therefore, Mr. Speaker, the objections which have been raised and the concern which has been expressed by those Members from the Opposition with regard to the establishment of this new Department are not valid. In the sense that the objections which they raise with respect to the consultation certainly is not valid and not valid with regard to limited information or limited particulars within the Bill itself. So far as we are able to understand, Mr. Speaker, this has been the way that most other new departments have been set up or established in

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the Government.

Therefore, once again, it is my pleasure to move second reading of this Bill.

**Mr. Guy:** — Was it my understanding that The Northern Administration Act would come in at this Session? Did you say so or not?

**Mr. Bowerman:** — Yes, we are hopeful that certain amendments that will be required will be brought into this Session.

Motion agreed to and Bill read a second time.

The Assembly resumed the adjourned debate on the proposed motion by Hon. Mr. Bowerman that **Bill No. 69 – An Act to provide for the Promotion of the Development of Human Resources for Saskatchewan** be now read a second time.

**Mr. A.R. Guy (Athabasca):** — Mr. Speaker, I haven't got too much to add to what I said the other night when I adjourned debate on this.

This is the Act to provide for the Promotion of the Development of Human Resources in Saskatchewan. I don't think that anybody in this House can take exception to the desire to develop our human resources. I do feel that the human resources of Saskatchewan would be far more impressed if they saw legislation from the Government, setting up agencies to provide jobs for our students and for our unemployed, rather than to provide window-dressing through an Act of this type.

I think that we all recognize that this Human Resources Bill does not solve the problem of unemployment. It doesn't solve the problems of creating jobs. It doesn't solve the problems of keeping the businesses and industries that we are seeing leave Saskatchewan every day. I think that the human resources of Saskatchewan would be far more impressed if there was legislation, and if there was action taken in this regard, than they would be by merely setting up a new agency with another tier of bureaucracy and under a fancy heading for the promotion and development of human resources.

If one is to take the broadest interpretation of human resources, of course, every Act and every department in Government has responsibility towards human resources. And there is certainly plenty of leeway and plenty of opportunity for the Government opposite within its own framework without having to bring in new staff and a new tier of government to provide the assistance and the help the underprivileged or any other human resource in Saskatchewan might need. This Act, Mr. Speaker, doesn't delineate just who the human resources are that are going to be affected by this legislation. I would think that it is a Bill that refers to every single person in this Province.

As I said earlier, these are the very people who need and should have the assistance to find jobs and see a buoyant economic climate being developed. I think that we all have to agree that human resources under the NDP since June 23rd last has had a difficult time and probably they do need a prop or need some assistance, if we are going to keep the people here in

Saskatchewan.

I gather by looking at the Bill and particularly at the Estimates, that most of the emphasis is aimed at our people of Indian and Metis ancestry since the programs that were provided under the Indian and Metis Department have been transferred to this new agency. I think that we all recognize what has happened, of course, is that while the funds are being moved to this new Department the responsibility, the direct responsibility, of the Government for these people is not going along with it. This is a Department where the Minister has given up his responsibility for people of Indian and Metis ancestry by saying, oh, well we don't want to have a branch that names them as such. You know I can't help but think that he really doesn't mean that because I notice in the Estimates he has specific funds in other departments allocated for Indian and Metis. If his argument was true on one hand why would he leave this type of allocation in his Estimates. We shall probably get to that when the Estimates come along.

I think probably the most glaring factor of this legislation is as I mentioned the other night, the inconsistency of the Government opposite. They say that in order to provide services for the North you have to co-ordinate it all in one department and then they turn around and say, in order to provide the services for our human resources we have to spread it as thin as we can. We get away from the centralized agency that we have had in the Indian and Metis Department. However this inconsistency by friends opposite is nothing particularly new. They say on the one hand that they want to provide jobs for our human resources and then they turn around and close down industrial developments, resource developments, that will provide the jobs. So, inconsistency, I think my colleagues here will agree with me, has been a mark of our friends opposite since they took over last June 23rd.

I mentioned earlier that it appears the Government is trying to shirk their responsibility for the underprivileged and various segments of our society that are having difficulty, by bringing in such a broad Act which really provides nothing tangible in the way of providing assistance to the people who really need it. However, if there is anything that can be done for our human resources, certainly we are pleased to support it. But I must say, Mr. Attorney General, that our hopes are not very high.

**Some Hon. Members:** Hear, hear!

**Mr. Bowerman:** — Mr. Speaker, I take pleasure in closing debate on second reading of this Bill.

The question which was raised by the Member from Athabasca (Mr. Guy) the other day in wanting to know whom the Bill was referring to. I refer him to Section 6 of the printed Bill wherein it describes, and if I may quote it for his benefit, as obviously he has not been able to read it. I quote in part:

Associations or organizations that are composed of or that represent persons or classes of persons who by reason of poverty, lack of culture, economic or social means, or for any other reason do not have the opportunities for the social, economic or cultural development or

attainment that are enjoyed by the majority of the people of Saskatchewan.

This Bill was designed to replace the present Saskatchewan Indian and Metis Department. I indicated to you the other day and to this Legislature, that so far as the Department is concerned, and the work of that Department, was not satisfactory to the people whom it was designed to assist — these are the people of Indian ancestry in this Province. There is no question about the fact that they did oppose the establishment of the Department and after it had been established they opposed the organization and the structure of that Department as not being related to their needs and specifically to the kinds of things which they thought were necessary for their best advantage.

Therefore, Mr. Speaker, we did consult with these people again and we did say that we would repeal the legislation which established the Saskatchewan Indian and Metis Department and in its place we would attempt to form a different kind of structure, a kind of structure which would relate itself more closely to the needs and the aspirations of the people whom it was designed to serve.

I say to you that it is really not this Act nor is the agency set up to solve the problems of unemployment or to solve the problems of industry in this Province, or to solve jobs, or to solve many of the other things which the Member for Athabasca referred to. But I say that this Act was set up in order that those who have problems because of the fact there is unemployment and that there are no jobs, and because there is no industry for some. Because of the many other circumstances which require different and varied kinds of attention, this Bill, the effort and thrust of the agency, is designed to lift people out of the difficult position which they find themselves in in order that they may find, through self help objectives, an opportunity to give expression to work and employment and a new lease on life with respect to finding their own place in society and finding a place wherein they might themselves make a contribution to society again.

Therefore, Mr. Speaker, I do not wish to take the time of the House to elaborate any further on the principle of this Bill. I say that from the kind of response which we have received from the associations representing Indian people in this Province as well as those of various groups that are represented either by association, by organized associations or as individuals, that this Bill has received their recommendation and has received their support. We hope that the province will be able to meet the anticipations that this Bill provides and will be able to solve many of the problems which confront those of our society today, particularly in the areas of the disadvantaged.

Therefore, Mr. Speaker, I am pleased to move second reading of this Bill.

Motion agreed to and Bill read a second time.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Smishek that **Bill No. 77 – An Act to provide for the Education of Ancillary Dental Personnel** be now read a second time.

**Mr. G.B. Grant (Regina Whitmore Park):** — Mr. Speaker, I am sorry the

Minister is not here but I don't want to hold this Bill up because of his absence.

When I adjourned debate I was merely commenting that the situation has changed considerably in this Province in the last five or six years with regard to the attitude of the dental profession to the utilization of ancillary-type personnel. I had made mention of the fact that Dr. Curry, Director of the Dental Division of the Department of Health was in the gallery and he was the one who should get a lot of the credit for this change in attitude.

The Bill is really just the bare bones and there is no indication of the type of program or type of teaching course that is going to be offered. Nor does it indicate the relationship between the ancillaries and the dental profession. I suppose ultimately this will come down in regulations. I think one of the important things to consider is the question of insisting that this type of personnel is required to provide service in Saskatchewan in return for the educational program that they are being offered, because there is no doubt about it that we are very short of professional people in the dental field in Saskatchewan, particularly in the rural areas. I don't know how you will ever get over that hurdle except by utilizing this type of person on a plan whereby they are required to render service for a certain amount of time.

Mr. Speaker, this Bill does what I think we would have been faced with doing this year in view of the Oxbow pilot project and I can assure the Members to your right that we will support it.

**Some Hon. Members:** Hear, hear!

**Mr. A. Taylor (Kerrobert-Kindersley):** — Mr. Speaker, I am very happy to hear the comments from the Member for Whitmore Park (Mr. Grant), happy that he appears to be supporting the introduction of this legislation.

It is true that the Bill does not indicate the type of training program that may be implemented or carried out. I think this is perfectly normal, however. The Bill is enabling legislation and the program will be developed at a later stage.

I think we are all agreed that there exists a real need for better dental care for the population of our Province. We probably all recognize that many children are not receiving the dental care that they both need and deserve. In one school where a survey was conducted not very long ago it was discovered that 82 per cent of the school population had decay in the lower right first molars. And almost 12 per cent of the students had these teeth extracted.

Although we may not all be aware of actual statistics I think we are all conscious of the fact that a problem does exist in the field of dental health. It is this need that has prompted the introduction of this piece of legislation. The way I see it the present problem is three-fold.

First of all many patients just cannot afford the dental fees that are being charged at the present time, particularly when one considers the unilateral increase of 20 per cent in the last year. Whether these fees are fair or not is not the

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question. It is difficult for many people to be able to handle it.

Secondly, there is a difficulty in the availability of service and as the previous speaker indicated that is particularly true in rural areas, where many people are a good number of miles from the nearest dentist.

Thirdly, there is the problem of the overloaded dentist himself. The dentists could not possibly cope with the vastly increased patient load. It just couldn't be handled at this stage. The training of dental ancillaries will assist in overcoming all three of these problems.

I recognize that there are some fears expressed regarding the work of such ancillaries. The point to remember here, I believe, is that we are not really breaking new ground. Although we shall be creating a new type of service in North America it is not a first in the world. Other countries have already done the pioneering and the testing with extremely encouraging results. The dentists in these other countries have discovered that ancillaries complement rather than compete with the private dental practice.

The ancillary system makes people far more conscious of the need for the proper care of teeth and this in turn, in the long run, assists the dental profession. These same countries have also found dental ancillaries to be extremely effective in improving the general dental health of the nation.

The New Zealand experience alone is one of the best examples. Their program has been in existence now for almost 50 years, which I think even the Opposition must admit is a fairly good trial period. The New Zealand program was started following the discovery of a very high percentage of the recruits for what we call the First World War suffering from poor dental conditions. Following that war New Zealand attempted to institute a school dental program using fully qualified dentists. But it soon became apparent that there just wasn't the available manpower needed for such a program. As a practical alternative that country decided to train ancillaries to handle what could be best be termed routine dental work for children. There can now be no question regarding the effectiveness of that program. An observation team was sent from Saskatchewan to New Zealand in 1962. Their report was published in 1965. Two sentences from that report speaking about the training of ancillaries provides emphatic evidence for the effectiveness of the program.

Within a few months, they (the trainees) talking about how they are trained, are working on extracted natural teeth obtained from local dentists installed in phantom heads. When natural teeth are not available, and this is an increasing problem, plastic acrylic teeth will be and are being substituted.

The fact that extracted teeth are becoming increasingly difficult to obtain is I submit an indication of the success of the New Zealand program.

Now the report provides many other conclusions that are also worth nothing. I should like to just mention two or three of them.

The quality of care appears generally to be above serious criticism. The absence of prematurely lost deciduous or permanent teeth in most instances speak for itself from the standpoint of quality, quantity and organization of the program.

Another one:

The provision of this service by an organized state supported program having removed the economic factor from the family unit, also provides an incentive by example for all the children in the school to participate. The proximity of treatment facilities plus the close co-ordination with the school and educational process appear to have incalculable psychological advantages in the upgrading of dental health for the school-age child and eventually for the adult.

A representative of the Saskatchewan College of Dental Surgeons who went on the observation team to New Zealand did have some reservations concerning the training of ancillaries. He questioned some of the training procedures, some of the course of study. He also emphasized, however, that the program itself provided excellent dental health.

The Bill before us now is to provide for the training of dental ancillaries. Building on the experience of other countries there are some things which I believed we ought to keep in mind. First the ancillaries must be well trained. We must ensure that the training gives them the grounding they will need for the job they have to do. They must be able at least to diagnose those conditions which will require more expert dental service. Secondly, they must be trained to handle much of the routine work, such as fillings and extractions of baby teeth. Thirdly, they should be given a knowledge of teaching methods themselves, so that they can work in the schools to educate children in good dental hygiene. At the same time the ancillaries must consider their primary function to be that of preventive dentistry. Fourthly, once in the field, the ancillaries must work under the supervision of a dentist. Fifthly, as we proceed to implement this program we must remain in constant consultation with the dentists themselves.

Now it seems to me that such a program will bring about an upgrading of dental health in general. It will in the first place meet one of the requirements and that is to remove the financial barriers. Secondly, it will make dental services available by delivering the service to the area and this is of the utmost importance. It seems to me, Sir, that we should take note of the fact that other professions already have ancillaries. Engineers and architects work with draftsmen, doctors work with nurses. In fact in 1961 the Commission on the Survey of Dentistry in the United States in their report, their final reports says this:

Physicians faced and solved the problem of utilization of auxiliary personnel earlier than did dentists. Their experience has indicated that many advantages accrued both to the physician and the public by using auxiliary personnel. The role of aids in the practice of medicine is in striking contrast to the current pattern in dentistry. For example, a nurse routinely gives injections of biologicals and medication, yet in the dental

office only the dentist himself uses the hypodermic syringe. If physicians were as hesitant to delegate selective types of patient care as are their dental colleagues each hospital ward would require not a supervising nurse but a full time doctor.

I believe the time is right in Saskatchewan to move forward in this field. We can provide at reasonable cost the high quality of dental care needed by our population. This Bill will provide the trained personnel to carry out the program. I am convinced that this will provide us a means of taking a major step forward in this Province in the provision of medical services for our people. Certainly this will make us a leader of North America in the field of dental care. This may mean facing a certain amount of opposition but Saskatchewan has never shirked its responsibility of being a leader in the field of providing social services for the benefit of all people.

Mr. Speaker, I am very happy to give my support to this particular piece of legislation.

**Some Hon. Members:** Hear, hear!

**Mr. H.H. Rolfes (Saskatoon Nutana South):** — Mr. Speaker, I should like to say that I am also very pleased to participate in this debate and to lend my support to this particular Bill. I think it has already been mentioned that this Bill needs to be introduced not only at this time but should have probably been introduced many years ago. First of all, I think my colleague already mentioned that the high cost of dentists today makes it impossible for many people to get the type of care that they need for their children. Secondly, the shortage of qualified dentists in the province makes it absolutely imperative that we come up with new programs for our children. The dental manpower, Mr. Speaker, in this Province leaves something to be desired. As of December 31st, 1971 we have 215 dentists on the register in Saskatchewan. Some of these were not engaged in full-time practice and it is estimated that we have about 185 dentists in full-time private practice. In the New Deal for People platform, Mr. Speaker, we have promised to implement a dental care program for children up to 12 years of age. It is fairly clear, Mr. Speaker, that our present dental care personnel will not be able to cope with this task but this is not going to deter us from our promise.

Mr. Speaker, I may say that the Liberals also made some promises years ago. They promised to hold a plebiscite on the matter of dental care for children but they did not. No, Sir, they did not hold a plebiscite. This Government, Mr. Speaker, is going to pioneer in the dental field just as we did in medical care and hospitalization fields. My colleague, Mr. Speaker, from Kindersley (Mr. Taylor) has already spoken about New Zealand but I should like to also turn to New Zealand.

In New Zealand we have a good example of what can be achieved if there is a determination to act. They have a dental care program based on the use of dental nurses. These nurses are trained in a 22-month course to take care of the routine dental needs of the children population in New Zealand. There is one nurse for every 500 children. These nurses are trained to do simple fillings in the baby and permanent teeth. They are also trained in the extraction of baby teeth. They are



very competent but in a narrow field. It is our intention, Mr. Speaker, to improve on what is being done in New Zealand. We will be utilizing all possible means to prevent the ravages of dental disease. These new personnel will be utilizing preventive as well as corrective measures.

The NDP Government sent a mission to New Zealand in 1962 and the report of this mission was issued on March, 1965. Had we remained in office, Mr. Speaker, perhaps the Public Health Department's 1971 survey statistics on dental health would not have shown that 75 per cent of the children when examined needed one or more fillings. We have had the Royal Commission on health services recommend action along these lines. We have had the report of the Federal Ad Hoc Committee on Dental Ancillaries. We have had lots of deliberation but previous little action. I think, Mr. Speaker, that it is time to act, or in the words of some unknown poet, "While we sit around and deliberate, our children's teeth disintegrate." This Bill, Mr. Speaker, is a logical first step on the road to action and I certainly support it.

**Some Hon. Members:** Hear, hear!

Motion agreed to and Bill read a second time.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Messer that **Bill No. 75 – An Act to amend The Veterinary Services Act** be now read a second time.

**Mr. D.F. MacDonald (Moose Jaw North):** — Mr. Speaker, I am sorry that the Minister of Agriculture (Mr. Messer) is not in the House today. I should like him to hear some of my comments.

This Bill No. 75 amended The Veterinary Services Act and will increase the maximum total grants that can be paid to a Veterinary Service District by the Government in any one year from \$8,000 to \$30,000. This amendment to the Act opens up the whole Veterinary Services Act for the consideration of this Assembly. I think we should first consider why the Act was put on the Statute Books. There appear to be two prime reasons. One was to provide financial or other kinds of assistance to encourage veterinarians to practise in a district. Two, was to enable a veterinarian to practise in an area and provide the service at a uniform fee throughout the area. I am sure that a check into history would show that the main concern was that the livestock producers in Saskatchewan would have access to veterinary service. This concern is understandable. It is also understandable to think that a good way to ensure this service was to offer financial assistance as an inducement to provide the service.

However, the facts have shown over many years that this plan does not work. The Veterinary Services Act has failed in its objectives. As a matter of fact I think that it is obvious that the Act has thwarted its own objectives. The Act has provided a roadblock to veterinary service in Saskatchewan. After all these years under The Veterinary Services Act, all livestock producers in Saskatchewan do not have easy access to veterinary service. There is also no reason to believe that the situation will improve in the near future. The very existence of this Act will prevent improvement. It was hoped that the new

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Veterinary College at Saskatoon would ease the situation. Canada now graduates nearly twice the number of veterinarians that it did before the College was established. It was seen very quickly that even this new influx of practitioners have not helped to provide better access to service in this Province. The new graduates are not interested in working under the conditions of this Act. Those few who have tried to work in a service district usually leave for a different province after a very short period of time.

If the province is considered as a whole I think one would see that accessibility to veterinary service by livestock producers is poorer in Saskatchewan than in any other province in Canada. I understand that Manitoba is now approaching our situation. It is ironic that this poor accessibility is due to The Veterinary Services Act, the very Act that set out to make service accessible. I have no quarrel with the two prime objectives of the Act which I will repeat are, one – to encourage veterinarians to practise in an area, and, two, to provide service at uniform fees throughout an area. My quarrel and the downfall of this Act is that the Act tried to combine both these objectives with one solution. The Act makes provisions for giving a veterinarian a grant to induce him into an area and then prescribing the uniform fees to be charged. Time has shown, Mr. Speaker, that the plan does not prove practical. There are some exceptions, that will be noted, which will appear to be working very well. You could point these out and show them as examples of longstanding good veterinary service districts, however, if you look further you might wonder why there were not two or even three veterinarians in the areas instead of just a single practising veterinarian. Even cases of apparent success will often show that they are not providing service comparable to similar situations in Alberta, for example.

The Veterinary Services Act discourages multiple practice and it discourages and almost prohibits another veterinarian from entering a district to go into competition with the district veterinarian. The Veterinary Services Act has also discouraged veterinarians from acquiring equipment and facilities. We, therefore, have a province with the least accessibility of veterinary service and the least facilities for veterinary service. Veterinarians or any other group of people are not willing to invest their time, effort and money into a business which they may not be able to sell at a future date. A veterinarian in a service district is placed in this situation. When he retires he has no assurance that he can sell his facilities. The service districts have the right to contract for a new veterinarian and if the new man doesn't want the facilities then the retiring veterinarian has no way of disposing of it. In effect the service district owns the practice and the veterinarian owns the facilities and equipment. As opposed to this the veterinarian who practises outside the Act is able to sell the facility which is in reality also the practice.

This amendment that we are dealing with apparently recognizes the lack of facility in Saskatchewan. Therefore, we are asked to approve of grants for new veterinary facilities. This measure will only slightly improve the situation. A facility will only be as successful as the time and energy put in to build it up. A service district veterinarian will still be required to invest time, energy and money to make the clinic a success. There is still no incentive for this investment. The cost of operating a clinic properly can be substantial and

without either operating grants or an incentive factor these new facilities will not live up to the expectations. And further the operation of a clinic is never at its best with a one-man practice. As I have said, the service district discourages multiple practice.

I feel that grants to veterinarians and service districts should be stopped completely. The money paid to them could be spent in a manner which would mean better and more accessible veterinary service in Saskatchewan. At the same time we could stop giving grants for building veterinary clinics. This money could also be spent in a manner which would mean better facilities in Saskatchewan.

First, let us consider the grants to veterinarians. These are meant to induce them to an area and also to equalize fees no matter how far a producer may be from a veterinarian. Veterinarians will practise in an area as long as their services are needed, in an amount necessary for them to make a living. A grant is not needed unless there is no need of a veterinarian. If there was not a need then obviously under the provision of this Act the grant would have to equal or almost be equal to his income and this does not occur.

It is true that in some areas of the province, because of long distances, the producer would not use the services of a veterinarian due to the cost factor. It is said that without the service district the producers would not use a veterinarian and therefore it would appear there was no need in the area. This is the place where the money that is granted to veterinarians could be put to better use. The money could be paid directly to the user of the service to provide some equality of access.

I am not prepared to outline any definitive scheme at this time, but it can be seen that it would be fairly easy to ensure all producers that they would pay the same fees for service no matter where they live. The money now being spent by the Provincial Government would be much better spent by giving it directly to the user of the service instead of indirectly to the user through the veterinarian.

Secondly, let's consider the grants for building clinics and service districts. This money could be better spent by providing operating grants to private clinics that would deliver specified service to the livestock producer. This will allow veterinarians to give the kind of service that would be of real benefit to the livestock industry. This would provide an incentive to practising veterinarians in that they would be able to deliver a type of animal health care that they are capable of and trained to deliver. This is the type of care that is presently too expensive for a practitioner and is only available at the veterinary college.

The livestock industry would reap the benefits of this type of service and it would induce veterinarians to stay in the field of practice. This particular scheme of providing operating grants is a scheme that will have to be followed across Canada. It is, however, impractical under the present plan of veterinary service districts.

Mr. Speaker, I have grave misgivings as to this amendment. I strongly believe that The Veterinary Services Act should be

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repealed in its entirety. It has outlived any usefulness it might ever have had. However, I realize that it will not be repealed right now. I feel that building clinics and service districts is not the best way to spend the money. However, these clinics will produce a little better quality service than is now available and they would still be available when and if the Act is repealed. So I shall reluctantly support the Bill.

It is very difficult to support a Bill that only slightly improves a bad situation. In closing, Mr. Speaker, may I add that The Veterinary Services Act was a plan designed to give equality to all and like to many other well intentioned plans that attempt to provide equality to all has resulted in mediocrity to all.

**Some Hon. Members:** Hear, hear!

**Mr. J.C. McIsaac (Wilkie):** — Mr. Speaker, there are a few comments that I should like to make on this particular Bill before us. In view of the time and the hour, Sir, I beg leave to adjourn debate.

Debate adjourned.

The Assembly adjourned at 9:30 o'clock p.m.