

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Second Session — Seventeenth Legislature**  
**36th Day**

**Friday, April 14, 1972**

The Assembly met at 10:00 o'clock a.m.

On the Orders of the Day.

**WELCOME TO STUDENTS**

**MR. D.H. LANGE (Assiniboia-Bengough):** — Mr. Speaker, on behalf of the constituents of Assiniboia-Bengough, I should like to introduce to you the Assiniboia Roman Catholic School students seated in the Speaker's Gallery. They are accompanied by their teacher Mr. Tom Gamble. They are starting a very full day here in the Chamber. They are going to the RCMP Barracks this afternoon and to the Museum and tonight they will be going to the production of Macbeth put on by the Globe Theatre. I think two things are significant about their being here today. First is that Mr. Gamble and myself were in university I believe five years ago, so I have known him for some time. He has been in Ontario teaching for three years and has returned to Saskatchewan, because he says he likes the climate here.

**SOME HON. MEMBERS:** Hear, hear!

**MR. LANGE:** — I think that it is fitting that they should be starting their day with the drama of the Chamber and concluding it with another five act play over at Globe Theatre tonight.

**HON. MEMBERS:** Hear, hear!

**QUESTIONS**

**ADVERTISING ON PUBLIC VEHICLES**

**MR. A.R. GUY (Athabasca):** — Mr. Speaker, before the Orders of the Day I should like to direct a question to the Minister of Industry or the Attorney General whoever wishes to answer it. I should like to know whether it is government policy for public vehicles provided by the taxpayers money to use for advertising purposes stickers for or against particular products or companies?

**HON. K. THORSON (Minister of Industry and Commerce):** — If that question is directed to me I shall take it under advisement and be glad to answer it in due course.

**MR. GUY:** — I think we should like to have the answer today. Maybe the Attorney General would give us the answer on government policy. He should know it.

**MR. THORSON:** — I found, Mr. Speaker, there are many things we would like but can't always have them immediately.

**MR. SPEAKER:** — I think the rules are plain that the Minister can be asked questions but it cannot be insisted that answer be given. The Minister has agreed to answer it at a later time or take it under advisement.

### **DENTAL CARE**

**MR. G.B. GRANT (Regina Whitmore Park):** — Mr. Speaker, before the Orders of the Day I should like to direct a question to the Minister of Health. A few weeks ago he indicated that he had communicated with the College of Dental Surgeons about some legislation. I should like to have his comments about an article appearing in last night's paper, headlined, "Dentists say no Contact with Smishek." They indicate that they have had no opportunity of meeting with Mr. Smishek to discuss the question of dental care and they questioned the wisdom of trying to fill all the cavities that occur in the children in Saskatchewan.

**HON. W.E. SMISHEK (Minister of Public Health):** — Mr. Speaker, in reply to the Hon. Member's question, I was equally surprised when I saw the article because I have not received a letter for any meetings. I did meet with the College of Dental Surgeons some months ago, but there have been no requests for meetings from them in the last while. We did submit to them the Dental Ancillary Bill to which I have not received any reply from them nor a request for a meeting. In fact I have my officials checking this morning whether perchance the communication may have been mislaid. I do have a request from the College to address their meeting on April 29, the Conference will be held in Saskatoon, I accepted the invitation. This morning or yesterday they also made a request for a meeting with the council on that same day. The news story comes to me just as much as a surprise as it perhaps does to him. There have been no requests for any special meetings. We have been holding meetings incidentally with respect to negotiations with the dentists for a new fee schedule for the medical services clients. Meetings have been carried on in negotiation of the fee schedule.

**MR. GRANT:** — Mr. Speaker, an additional question on the same subject. Is the Minister prepared to meet with the College before proceeding with the third reading on the Bill dealing with Ancillary personnel?

**MR. SMISHEK:** — Mr. Speaker, they have not asked for a meeting to discuss this particular Bill. If they make a request, I should be willing to meet with them certainly.

Mr. Speaker, while I am on my feet, the Hon. Member asked two questions of me yesterday. In respect of any claims that may have been submitted by doctors from the Community Clinics, I didn't quite get the dates. But since March 1st approximately 17,000 claims have been submitted and are being held pending processing by the Medical Care Insurance Commission. It has been assumed by MCIC that all of these claims have been submitted under the umbrella of the global budget since they have arrived in blocks and for services provided by all doctors in the

clinics, that is, not in separate lots by the particular doctors. I trust that this answers the question that he wanted an answer to.

The other question was, under what authority did we enter into agreements with the community clinics for global budgeting? Insofar as the present and the immediate past are concerned, the Hospital Services Plan is making payment to the three associations on a budget review basis for all services rendered by the clinics. The Hospital Plan is making payment for the physicians' services rendered in these three clinics as out-patient hospital services. In this respect the Hospital Plan is following precedents that have been established for four or five years. May I point out that when the University Hospital took over the Children's Rehabilitation Centre in Saskatoon on April 1, 1967, the hospital continued paying for physicians' services being provided to certain rehabilitation out-patient cases on a sessional basis and the Hospital Plan in turn has been paying the University Hospital since that time for the medical services being provided. Mr. Speaker, similarly when the Provincial Geriatric Centre in Regina and the Regina Rehabilitation Centre were amalgamated as of April 1, 1968, the Wascana Hospital began paying for certain physician services being provided to certain out-patients on a sessional basis and the Hospital Plan in turn made payments to the Wascana Hospital for these physicians' services. Because of these precedents which incidentally were created by the former Government, the former administration, it was assumed that the Hospital Services Plan has the authority to make payments to the three associations that is, Regina, Saskatoon and Prince Albert.

**MR. GRANT:** — Mr. Speaker, am I permitted to ask the Hon. Member a question on his reply?

**MR. SPEAKER:** — I'll permit one question.

**MR. GRANT:** — Mr. Minister you make references to other cases but in each case I believe, if I heard you correctly, they are hospitals. My question is: have you designated the three clinics as hospitals and secondly, do you plan to transfer dollars from MCIC to SHSP to reimburse them for the payments you say they are making?

**MR. SMISHEK:** — The answer is yes, to the last question, there will be an arrangement as is being done in the case of the University Hospital as well as being done in the Wascana Hospital . . .

**MR. GRANT:** — It hasn't yet . . .

**MR. SMISHEK:** — Well it has been done for the last five years for reimbursement of physicians' services. The Hospital Services Plan will be reimbursed. The present treatment is that they are on a similar basis as out-patient facilities are being handled in cases of hospitals. May I point out, Mr. Speaker, that to clarify this situation we are going to be bringing in legislation which will clarify the authority.

**MR. GRANT:** — Mr. Speaker, the Minister didn't answer the first

part of my question. Has he designated the three clinics as hospitals in order to be eligible for that type of . . .

**MR. SMISHEK:** — Well, not as hospitals per se but as the Hon. Member knows under the Federal legislation, The Hospital and Diagnostic Services Act. We have not designated them as hospitals with any institutional beds.

### **HOURS OF WORK HIGHWAY MAINTENANCE**

**MR. E.F. GARDNER (Moosomin):** — Mr. Speaker, I should like to ask a question of the Minister of Highways, but I see he is not here, perhaps the Premier might have answered in his absence and he is not here either. In fact it is unfortunate that during this question period we have almost no Cabinet Ministers. However, I'll ask the question anyway. The Department of Highways maintenance workers in my area I understand are working a 47½ hour week, contrary to the new Government hours of work legislation. I should like to know if this is going to continue or if they will be paid overtime for the extra 7½ hours per week that they are working? These are regular maintenance people, not construction workers.

**HON. G.T. SNYDER (Minister of Labour):** — Well, you will know that under present circumstances the Hours of Work provisions exempt construction in highway building basically because of the fact that the operation is seasonal in its nature. The definition of construction takes into consideration also the maintenance under present regulations for both private contractors and for government maintenance and construction. Department of Highways employees are exempt from the provisions of the Act in that way.

**MR. STEUART:** — Are you going to continue this practice?

**MR. SNYDER:** — The Department is looking at the whole thing with an eye to making an adjustment at some point in time. There hasn't been a final conclusion reached on this matter.

### **MOTIONS FOR RETURNS**

#### **RETURN NO. 78**

**MR. G.F. LOKEN (Rosetown)** moved that an Order of the Assembly do issue for Return No. 78 showing:

Whether the Department of Agriculture received appropriation of funds for payments to farmers on account of unharvested crops in the year 1971. If so (a) The amount of money appropriated. (b) The formula for payment to the farmer. (c) Whether this money is for distribution to any farmer in Saskatchewan or whether it is designated to a particular area of Saskatchewan. (d) When these funds will be distributed. (e) The person who determines amount payable.

**HON. J.R. MESSER (Minister of Agriculture):** — Mr. Speaker, we are just in the process of processing the claims that have been submitted in regard to this Order for Return, I therefore beg leave to adjourn debate so the answer can be tabulated in the near future.

Debate adjourned.

## **ADJOURNED DEBATES**

### **RESOLUTIONS**

#### **RESOLUTION NO. 6 – FULL EMPLOYMENT BY CANADA BY FEDERAL GOVERNMENT**

The Assembly resumed the adjourned debate on the proposed Resolution by Mr. W.A. Robbins (Saskatoon Nutana Centre):

That this Assembly urges in the strongest possible terms that the Federal Government mobilize all its resources to create jobs and achieve full employment in Canada.

And the proposed amendment thereto by Mr. Grant:

That all the words after the word “assembly” be deleted and the following substituted therefor:

Congratulates the Federal Government for having created more new jobs in Canada in the last six years than the Governments of Italy, France, Germany, Belgium, Holland, Sweden, and Great Britain combined, and condemns the Government of Saskatchewan for its failure to mobilize its resources to create jobs in the Province of Saskatchewan and create an economic atmosphere which would encourage the Private Sector to provide employment opportunities for our young people.

**MR. E.C. WHELAN (Regina North West):** — Mr. Speaker, the amendment that appears on the Order Paper attempts to excuse the Federal Government for the situation that exists. With about 650,000 people unemployed the Opposition says that the Federal Government provided more jobs than a whole list of other countries. Well, Mr. Speaker, let's have a look at the list of countries that they have submitted, let's have a look at their rate of unemployment. Great Britain, the unemployed rate is 3.3 per cent of the work force; Italy, 2.9 per cent of the work force; France 1.4 per cent of the work force; Germany, .6 per cent of the work force; Belgium, 3.3 per cent of the work force; Holland 1.7 per cent of the work force and Sweden 2.3 per cent of their work force. Mr. Speaker, whether the Government in each country found jobs or not, the facts are that the percentage of unemployed is a much better percentage in each case than is ours.

**SOME HON. MEMBERS:** Hear, hear!

**MR. WHELAN:** — But the number of unemployed is interesting, Mr. Speaker. In Great Britain, there are 762,000 unemployed where the population of the country is 55 million. In Canada

where we have a population of approximately 21 million we have approximately 650,000 people unemployed. About 110,000 more people are unemployed in Great Britain than in Canada and yet their population is approximately 33 million greater than ours. Sweden's total unemployment is 93,000 people; Germany 199,000 or .6 per cent of the work force. Wouldn't we like to boast of a .6 per cent figure, or about one half of one per cent of the work force being unemployed. Yes, Mr. Speaker, the lone Liberal MP in Saskatchewan might stand a better chance of re-election if this were the case.

But look at the situation in Canada at the end of March, 12.1 per cent of the work force was out of work in the Maritimes, 9.3 per cent in the Province of Quebec, 5.6 per cent in Ontario, 8.6 per cent of the work force in British Columbia was out of work. There were 15,000 more people out of work in March than there were in the month of February. For the workers in the age group under 25 years it is a very, very bad situation, the picture is 12.6 unemployed. For those over 25 years of age 6.3 per cent of that group is unemployed. The Canadian average for those unemployed is 7.4 per cent of the work force. This says to all of us I am sure and it says it loud and clear, no matter what Germany, France, Timbuktu or any country on the face of the earth is doing about unemployment, it will not hide the fact that Canada's performance is inadequate, ineffective, insufficient and inept, Mr. Speaker.

**SOME HON. MEMBERS:** Hear, hear!

**MR. WHELAN:** — Figures alone do not tell the story. Add up the increase in welfare expenditures, the number of break-ins and broken families and for my money the Federal Government has the evidence to show all of us they have failed the working people of this country and have failed them badly. Don't take my word for it, ask the unemployed, go to the welfare office, visit the manpower offices, listen to your own telephone if you like. Then if you vote against this motion and vote for the amendment, I suggest you are not listening to your conscience. The resolution calls for mobilization of all resources to combat unemployment, Mr. Speaker, I submit this is not being done at the present time. A proper program to muster our resources should include:

1. A plan to construct 250,000 new homes each year for at least the next five years.
2. The rebuilding of 250,000 older homes each year for the next five years.
3. The construction of roads into every northern region of our country.
4. The construction of summer resorts for tourists in the far northern areas of our country for the use of the average citizen.
5. The establishment of regional policies to develop industry on a regional basis by subsidies, tax concessions to business, public ownership and low interest rate loans to co-operatives.
6. We should establish a policy to reduce taxes for low income people.

7. In order to provide more work for more people we should reduce the work week to 32 hours.

8. We should expand the training programs and increase unemployment insurance programs to cover tuition fees.

9. By every financial and legal method known to the parliamentary system develop 51 per cent control of our basic industries by Canadians living in Canada.

10. Through marketing boards we should establish and organize the sale of farm produce to every needy country in the world.

Mr. Speaker, vehicles for production, for jobs, for economic development, include training programs, research, construction of transportation facilities and proper staffing of marketing machinery. No effort thus far indicates the Federal Government has done so or will do so unless we keep insisting. Mr. Speaker, this Resolution does exactly that. The amendment only apologizes for a bad job. The Federal Government has planned unemployment to combat inflation. The result is we have both unemployment and inflation. To provide jobs we must plan through the Federal Government our economic development. We must plan industrial activity and full employment region by region, province by province across this country. Anything less will fail to solve unemployment in this the richest country in the world.

Mr. Speaker, I will support this Resolution. I am absolutely opposed to the amendment.

**SOME HON. MEMBERS:** Hear, hear!

**MR. T.M. WEATHERALD (Cannington):** — Mr. Speaker, that has to be one of the worst speeches ever given in this Assembly . . .

**SOME HON. MEMBERS:** Hear, hear!

**MR. WEATHERALD:** — . . . by a Government or a Member . . .

**MR. SPEAKER:** — I would remind the Member that he spoke to the motion but did not speak to the amendment. He must strictly keep his remarks to the amendment.

**MR. WEATHERALD:** — . . . given by a Member who was elected less than one year ago and who has done less in a government in the Province of Saskatchewan to create jobs than probably any government in the last 30 years.

The question is we are going to ask the Members opposite what are they going to do? They were elected on June 23rd less than a year ago. What are they going to do? I am going to tell you a few things they have done so far. They have more industry leaving Saskatchewan than has left Saskatchewan in 30 years. They have got more uncertainty in the Province of Saskatchewan than we have seen for 50 years because of the Estates Tax Bill that is coming in that will cause great destruction and great concern to anybody who creates jobs through the use of property,

April 14, 1972

Mr. Speaker. We have more unemployment in rural Saskatchewan, I think the rate of Saskatchewan is at six per cent. Last year at this time it was at two per cent. And under a Government that told us they were going to do something, Mr. Speaker.

Then the Hon. Member really tops it off. He gets up and he says he should have 51 per cent Canadian control in every industry. Well, okay, that's fine, that's good. Get started, you've got lots of them here in Saskatchewan you can start with. Lots of them, the potash industry, 51 per cent control, why don't you get started on it, it's in your jurisdiction. Don't tell the Federal Government to get 51 per cent of control in the potash industry, you get 51 per cent of the control of the potash industry and there are a lot more things in Saskatchewan you can get 51 per cent of control too.

Mr. Speaker, we get the usual nonsense from the Members opposite as to what the Federal Government should do while they sit around and do absolutely nothing and have caused more uncertainty in the Province of Saskatchewan as far as creating jobs than anybody else has done for the last 30 years, Mr. Speaker. Things like the control of the economy they have certain responsibilities right here in the Province of Saskatchewan to get started on. They should get started on them if they honestly believe this nonsense that they peddle day in and day out about what somebody else should do.

They were elected on June 23rd to do something in the Province of Saskatchewan. Let's get started to do something and quit this whining and crying to somebody else. That's what the people of Saskatchewan elected them for and I suggest they get started and right now.

**SOME HON. MEMBERS:** Hear, hear!

**MR. ROLFES:** — Mr. Speaker, I wonder if the Member would permit a question?

**MR. WEATHERALD:** — No.

**AN HON. MEMBER:** — Oh, I don't blame him.

**MR. SPEAKER:** — I must again warn the Member that if he wishes to speak he must speak to the amendment because we can't close the debate until the amendment is dealt with.

**MR. H.H. ROLFES (Saskatoon Nutana South):** — Mr. Speaker, if I may I wish to speak to the motion and the amendment. I certainly hadn't intended to but I think this House must be informed on the misconception just given by the Member opposite. In last night's paper in the Leader-Post it said: "Employment Level Higher in Saskatchewan." And he said last year at this time the unemployment level was at two per cent. Now unless the Leader-Post and the Federal Department of Employment don't know what they are talking about, they said that the March level a year ago was 4.8 per cent but the labor force was smaller at that time — 4.8 per cent, not 2 per cent as indicated by the Member opposite. The other factor that he forgot to mention, Mr. Speaker, was that we have many more people in Saskatchewan in the labor force at this time, so it



doesn't necessarily mean that just because the percentage is higher that this Government hasn't done anything in the meantime.

**SOME HON. MEMBERS:** Hear, hear!

**MR. WEATHERALD:** — Mr. Speaker, on a Point of Order, I take it that the same logic he is applying to the Province of Saskatchewan . . .

**MR. SPEAKER:** — Order! I want to hear what the Point of Order is. I don't want interruptions I want Points of Order when there is a Point of Order and I want to be able to listen to what the points are. The Member may continue.

**MR. ROLFES:** — Obviously, Mr. Speaker, he doesn't have a Point of Order.

**MR. WEATHERALD:** — If you insist I'll give it, I'll be glad to. I said the same logic you apply to Saskatchewan about our labor force being larger then apparently would also apply to Canada.

**MR. SPEAKER:** — That is not a Point of Order. That is part of the debate, that's not a Point of Order.

**MR. ROLFES:** — As I said before, Mr. Speaker, it is obvious that he didn't have a Point of Order. The Member opposite, obviously because he didn't permit my question was afraid of what he had said and knew well that it wasn't the truth.

**SOME HON. MEMBERS:** Hear, hear!

**MR. ROLFES:** — Mr. Speaker, this particular report goes on to say that the March number of unemployed certainly had decreased from the February one and further stated that the employment situation in Saskatchewan is improving. I should just like to quote:

The employment picture in Saskatchewan is improving with positions opening in many fields in the Regina area, reports the Federal Department of Manpower.

Now if the Members opposite are going to oppose the legitimacy of the Department of Manpower that is their business.

Mr. Speaker, I certainly didn't intend to speak to this motion but I felt that for the public it must be corrected. The unemployment situation last year was 4.8 per cent, the labor force was smaller and that the Member opposite knew that it was greater than 2 per cent and he purposely, intentionally deceived this House.

**SOME HON. MEMBERS:** Hear, hear!

Amendment negatived.

The debate continues on the Motion.

April 14, 1972

**MR. W.A. ROBBINS (Saskatoon Nutana Centre):** — Mr. Speaker, the Hon. Member from Cannington and his handling of statistics reminds me of the story of the fellow who said he couldn't remember statistics, he couldn't digest statistics, the only statistic he could remember is that if all the people who went to sleep in church were laid end for end they would be a lot more comfortable.

Mr. Speaker, in discussions arising in relation to the resolution which I introduced in this Assembly at an earlier sitting, a number of Members on both sides of this House participated. The Hon. Member for Cannington said there wasn't much in that resolution with which he could take exception. However he felt, or at least seemed to imply that the Budget for 1972-73 fiscal year should not have been a balanced one. He implied we should have run a deficit. He cited Alberta with a deficit of some \$199 million and Ontario with an estimated deficit of \$575 million. It appears he feels this approach should be used to help fight the unemployment problem.

**MR. WEATHERALD:** — Mr. Speaker, on a Point of Order. I have the right I think as an individual Member to correct those remarks. I was implying that we should not be running deficit such as the Province of Alberta. The Member has got the absolute opposite to what my remarks said.

**MR. SPEAKER:** — I think Members have the right of correction but they should wait until the end of the speech and rise on a Point of Privilege at that time if they feel they have been misquoted.

**MR. ROBBINS:** — If we hadn't brought in a balanced Budget of course the Member from Cannington would have been the one who would have criticized us most severely.

**MR. WEATHERALD:** — I agree.

**MR. ROBBINS:** — Well I am in trouble if you agree with me Hon. Member from Cannington.

I wish to go back to my original remarks and I wish to point these out both to the Member for Cannington and also to the Hon. Member for Whitmore Park (Mr. Grant). I am using specifically the remarks I made and I don't see how they could be misconstrued. Mr. Speaker, I said, "Opposition Members in this Assembly have expressed well founded concern for the unemployed persons in Saskatchewan. They cannot therefore do other than logically support the intent of this Resolution. They are well aware that the economic capabilities of the Federal authorities whether in the field of monetary or fiscal policies are the vital factors in determining whether or not unemployment is a major problem in Saskatchewan and indeed throughout Canada." I repeat, Mr. Speaker, it is the Federal authority which is the vital factor in determining whether or not unemployment is a major problem in Saskatchewan and throughout Canada. They know it and if they don't know it they should. That's why I give this particular emphasis.

I stressed in my earlier remarks that the actions of

powerful groups on both sides in the business world and in the field of labor organization and I cited the case of Falconbridge and International Nickel which had a strike called at their plant in 1969 by the United Steel Workers who are a union with considerable economic muscle. I cited the case of these groups on both sides gaining great advantages in relation to the total economic picture in this country. United Steel Workers had a strike for some four or five months in those plants. They gained very sizeable increases in their economic returns and immediately the two companies, Falconbridge and International Nickel which dominate the nickel market not only in this country but throughout the world, raised the price of nickel 25 cents a pound. I cited the case of International Nickel whose earnings in the following year rose to \$161 million over \$59 million in the preceding year. I stressed, Mr. Speaker, that obviously the strike for the four or five month period would hurt their earnings in 1969 but the fact remains that the 25 cent increase in nickel price was a major factor in the tremendous returns they gained – almost three times as much in the following year. Then I went on to stress the fact that this is one of the major problems in terms of inflation. The fact is that a basic industry with a basic commodity which enters all of the industrial production of this country, whether it is in TV sets or automobiles or kitchen sinks or whatever. This is a major factor in inflation. This is one of the reasons why we should have some reasoned kind of price review on those basic commodities.

One other thing I think the Hon. Member from Cannington said, I am not always too sure what his line of reasoning is, was that individuals would have to accept a good degree of responsibility in relation to controlling inflation and I agree with him in that respect. If the House may permit, I would like to use a personal example to illustrate this point. In 1964 I came into this House for the first time. One of the things we keep saying in our country is that everyone has the right in a democratic country to run for office. Often that isn't true. I had some grave difficulties in relation to my particular occupation at that particular time. We had been pretty successful in our operation in Co-operative Superannuation Society and I often hear people across the way saying, oh, we haven't got any business-like people over here. Sometimes they refer to the Minister of Agriculture (Mr. Messer) as being a good businessman. But I would like to tell these people that in the 16 years I had the investment responsibilities with the organization we made over \$11 million which we credited back to the 5500 participants in that fund. I want to cite this personal example, if I may, Mr. Speaker. When I came into this House in 1964, some of the Directors of that organization had put some pressure on for a resignation. I had argued that I should not be required to resign. I felt I had a responsibility and a duty as a citizen to permit my name to stand for nomination and I was elected. In any event they hired a consultant and the consultant came in with the report, a report that my wages should be raised from the \$11,200 scale I was at at the time to \$18,000 a year. I refused to take that wage increase, I said it was ridiculous. Throughout my participation as the manager of that organization my argument always was on this basis, that if the board said to me that I should have a four or five per cent increase that each person below me should have a larger percentage increase down to the lowest paid employee who would get the largest percentage increase. We had no difficulty, Mr. Speaker . . .

April 14, 1972

**MR. McISAAC:** — Mr. Speaker, on a Point of Order, I am interested indeed in the Hon. Member's personal history and so on and I am not sure what in the world it has to do with this debate. It's brand new material in closing debate. I suggest he's out of order.

**MR. SPEAKER:** — I would have to concur with the Member for Wilkie, I think that in closing debate you can't bring in new material and I hope the Member will either tie it in with something others have said or else go back to the motion. You cannot bring in new material.

**MR. ROBBINS:** — Thank you, Mr. Speaker, I felt I was dealing with some of the argument put up by the Member for Cannington in talking about personal responsibility.

I contend that when we get wage increases they should not be across-the-board increases. I contend that this should be true in professional groups such as lawyers and doctors and dentists and, yes, even teachers. My argument is that we will not control inflation adequately or properly and look after the unemployment problem until such time as we realize that the people who really need assistance are the people at the lower level in relation to income.

One other point I should like to stress in concluding this debate. I feel we should encourage earlier retirement. I think this is a very major barrier in terms of unemployment. I stress that until we get reasonable approaches in relation to pension administration we will not get earlier retirements. Now we have some grave problems in this field particularly among the some 14,000 private pension plans in this country. I think it very, very important that we get to the state where we are retiring people probably at the age 60 level in initial stages, so that younger persons have greater opportunity for the employment opportunities that are about.

It is true that in the technological age in which we live the productivity of the machine is tremendous and we are simply going to displace more and more people.

In concluding the remarks with respect to this Resolution, Mr. Speaker, I must stress again that the basic and most vital factor in relation to the unemployment problem always lies with the Federal authority. Opposition Members must know that. I am certain that Members on this side have a realization of it and I sincerely hope on that basis that every Member in this Assembly will support this Resolution.

**SOME HON. MEMBERS:** Hear, hear!

Amendment negatived.

Motion agreed to.

#### **MEETINGS REQUESTED BY COLLEGE OF DENTAL SURGEONS**

**MR. W. SMISHEK:** — Mr. Speaker, I should like to rise on a Point of Privilege. The Hon. Member for Whitmore Park (Mr. Grant),

raised a question about meetings that might have been requested by the College of Dental Surgeons. I want to inform him that I did get a copy of the letter that was received in my office this week. The letter is dated April 10th, that's the date it was written and I just want to make reference to it.

In accordance with your covering letter forwarded to us, along with a draft bill for enabling legislation on the training of dental ancillaries, we would appreciate an invitation to meet with you and your officials.

They have asked for a meeting. I would presume that no one will accuse me of failing to meet when the letter was just written on Monday. It was received in my office the following day. We are trying to arrange a meeting with them.

I would also like you to take note of this reference. "The Council of the College of Dental Surgeons of Saskatchewan wishes to commend your Government on its concern for the dental health of the citizens of the province. Your concern with a wider provision of dental services, particularly for the children, is certainly commendable".

**MR. GRANT:** — What's that got to do with answering my question? Next time you call us . . .

**MR. SMISHEK:** — Mr. Speaker, may I also inform the Member that I also received a letter from Dr. Parker who is the chairman of the Economics Committee of the College of Dental Surgeons, Saskatchewan, dated April 11th. The letter was received in my office the following day, which is:

The Council of the College of Dental Surgeons of Saskatchewan have instructed me to contact . . .

**MR. McISAAC:** — Mr. Speaker, again regarding . . . On what basis is the Minister giving us a speech now?

**MR. SPEAKER:** — He rose on a Point of Privilege and it puts the Chair in a position. He rose on a Point of Privilege to bring information back for the Member for Whitmore Park (Mr. Grant). Now I hope that he will keep it short and discuss this elsewhere because we can't permit debates in the midst of resolutions.

**MR. McISAAC:** — Mr. Speaker, I think the Point of Privilege, as I understood it, was he earlier informed the House that he did not have direct communication with the College of Dental Surgeons and then he comes in here three-quarters of an hour later and tells us that he did in fact have a letter. We're glad to know that, but that's all. We don't need what the letter said, or didn't say, or how many other bits of mail he didn't open on his desk and so on.

**AN HON. MEMBER:** — Are you . . .

**MR. McISAAC:** — Nothing.

April 14, 1972

**MR. SMISHEK:** — Mr. Speaker, the other day there was an accusation that I was trying to mislead the House and since I . . .

**MR. SPEAKER:** — I don't think that should be debated at this time.

**MR. GRANT:** — It seems to me that it is in order to . . . You wouldn't allow me to quote from a newspaper article. That's what he's doing now.

**MR. SPEAKER:** — I don't think we want to get into debate at this time. You . . . or I think the Minister has made his Point of Privilege. There is to be indication which he wasn't aware of earlier this day, but he is making known to the House and I think any further discussion, as I mentioned on previous occasions, can be raised during the time of Estimates when that Department is up.

### **FINAL REPORT OF THE SPECIAL COMMITTEE ON CROP INSURANCE AND THE FAMILY FARM PROTECTION ACT**

The Assembly resumed the adjourned debate on the proposed motion by Mr. Kowalchuk (Melville) — **That the Final Report of the Special Committee on The Crop Insurance Program and The Family Farm Protection Act** be now concurred in.

**MR. E.F. GARDNER (Moosomin):** — Mr. Speaker, I'll be quite brief and we're prepared to let this item go but I should just like to re-emphasize our opposition to compulsory crop insurance. I should like to make this quite clear and have it on the record. I'm not going to repeat the reasons at the moment but I do want it known that the Liberals are not in favor of ramming compulsory crop insurance down the farmers' throats and as a member of the committee I want this clearly understood in the House.

**SOME HON. MEMBERS:** Hear, hear!

**MR. GARDNER:** — I made a few remarks the other day about The Family Farm Protection Act and I think I'll be very brief on this today also because I think the less said about The Family Farm Protection Act now the better.

We certainly wish we had never heard of it and I'm sure the Government wish they had never thought up this idea. The hearings indicated throughout the country that the farmers couldn't care less about The Family Farm Protection Act. Implement dealers and credit unions, of course, would be very happy if they had never heard of it. Many people appeared before the Committee, rural sheriffs, for example, assured us that there had been a negligible number of land foreclosures in the last few years. No problem in this regard really existed. We tried to question one or two of the people. They indicated, I think last year there were four foreclosures in an area the size of several rural constituencies, two the year before and most of those were credit unions who were quite often acting on the behalf of the wife to try and straighten out some land deals. So there just wasn't a problem in that area. Farm Credit Corporation has never acted to seize anybody's land and

they are, of course, by far the largest lender in this Province. Literally thousands of Saskatchewan farmers have loans from the Farm Credit Corporation. They have never seized anybody's land so we are of the opinion that the problem doesn't exist and the need for The Family Farm Protection Act just wasn't there.

We had a prominent Saskatoon lawyer who is an expert on this type of legislation who assured us it was not needed.

I think the Committee members will certainly recognize who it was. The SARM passed a resolution condemning the legislation and they made it quite clear that they were against The Family Farm Protection Act and certainly Members on all sides of the House have to listen to an organization such as the SARM which adequately represents all farmers.

**MR. ROMANOW:** — How about the farmers?

**MR. GARDNER:** — You can get up and make your speech on that, Roy, when I sit down.

So, I think it's agreed then that the sooner we forget about The Family Farm Protection Act the better. And the Attorney General has assured us, or at least it has been reported in the Press, as saying that as of July 31st, 1972, he's willing to forget about it and we would agree. We think it's a good idea. The only catch in the whole thing is that the people who have suffered a loss or been harmed by The Family Farm Protection Act, they are not going to be able to forget about it so easily. Because the Government has made it clear that they have no intention of paying any compensation to these people, so they will probably be the ones that remember.

So I will concur with the Report because the parts that we disagreed with, we had reservations about, are clearly indicated and I will concur with the Report of the Committee.

**SOME HON. MEMBERS:** Hear, hear!

**MR. H. OWENS (Elrose):** — Mr. Speaker, on rising in this debate I should first like to thank the Members of this Legislature for giving me the privilege of serving on this Committee. Our chairman, the Member from Melville (Mr. Kowalchuk), I feel carried out his duties in a manner that demanded the respect and admiration not only of the Committee members but of the general public as well.

**SOME HON. MEMBERS:** Hear, hear!

**MR. OWENS:** — Mr. Speaker, firstly in the area of Crop Insurance. It was realized after our first two public meetings that many farmers were not conversant with all risk crop insurance, especially in those areas of Saskatchewan where this type of insurance was not available. So in order to carry on meaningful discussion our research assistant, Norman Bray, was asked to present a short paper at each succeeding meeting to open up the subject.

I felt that when farmers thought about crop insurance they were thinking firstly of hail insurance or top loss insurance and not really about insuring a basic income. Therefore, I think the removal of hail insurance, if feasible, should be

considered.

Inclusion of more grains and the offer of higher coverage is already in the program which has been extended to cover all farming areas in the province.

The Members from Moosomin (Mr. Gardner) and Cannington (Mr. Weatherald) have stated their reservations in opposition to the possibility of compulsory crop insurance. In fact, they are opposed to the recommendation to study, Mr. Speaker, to study the effect of such a program. The Member from Moosomin in his remarks stated that no submission was made in this regard, which is possibly quite right, but when the people were questioned as to their thoughts about compulsory insurance there were some who agreed. Bear in mind, Mr. Speaker, the audiences were very individualistic and in no way consolidated in their thinking.

As I have stated the lack of knowledge on the whole subject of all risk crop insurance is startling and an educational program to inform the farmers is a real need.

May I add further regarding the compulsory aspect of crop insurance. I'm not surprised at the approach taken by the two Liberal Members. A similar approach was used when automobile accident insurance and hospital and medical insurance programs were initiated. And both have proven to be the lowest cost and best coverage insurance programs ever provided.

**SOME HON. MEMBERS:** Hear, hear!

**MR. OWENS:** — Neither would have been operating today if the compulsory aspect had not been a part of them. Experience proves that costs are lower if everyone participates and benefits. Surely it is not asking too much to study the feasibility of crop insurance. How are we ever going to know the implications if we refuse to become informed. The old adage of 'if I don't want it, so my neighbors can't have it' is the old 'dog eat dog' approach and is not good enough in today's world. Study and planning and the releasing of information to the people we represent so they will be able to make reasonably sound decisions is one of our chief responsibilities, as legislators, and one we must be prepared to accept.

A study of compulsory crop insurance is of great importance to Saskatchewan farmers and should be made available to them for their decision.

The second reservation by the two Liberal Members regarding the recommendation that the Provincial Government study the potential of co-ordinating the crop insurance program with any grain sales stabilization program or government income guarantee plan that may be proposed for Saskatchewan farmers and/or that study be made of the potential of co-ordinating the indemnity of payment of the crop insurance program with crop sales.

This falls into the same category, Mr. Speaker. Obtaining information to assist in making reasonably sound decisions for the betterment of Saskatchewan agriculture is a task which we cannot ignore.



Mr. Speaker, The Family Farm Protection Act has created much controversy. Most of it to date is in the confined area of the effect the implementations of the Act on implement dealers.

It will be almost impossible to forecast just what the total effect of the Act will be until July 31st, unless those affected start to do some negotiating soon. The Act does not prohibit negotiating now. In fact, businessmen will be doing just that and my personal correspondence indicates that debtors and creditors are sitting down and trying to work out agreements satisfactory to both parties. In cases where agreement cannot be reached by the parties concerned, the Committee has suggested that mediation procedures be available to those needing them.

Mr. Speaker, one of the main objections voiced in opposition to The Family Farm Protection Act when it was before the Legislature, was the withdrawal from Saskatchewan of credit by the financial institutions. This scare tactic did not materialize and finance is still available, possibly too readily available. May I add, Mr. Speaker, the ready availability of financing, in fact, too ready availability of finance was one of the principal reasons for the need of this Act. Too often in the past, Mr. Speaker, incentives to purchase were offered to buyers, such as long-term interest free financing, for one and in some cases the buyer received a cheque from the company in return for an acceptable contract.

Mr. Speaker, incentives pertained predominantly in the farm machinery industry and sales were made and contracts signed by buyers who were in no financial position to purchase, but could really not turn down the opportunity to use a new unit for a season or two without layout of any cash money, especially in view of the fact that the buyer's contract was accepted by the finance company and underwritten by the dealer; without question.

Of course, it was everyone's hope that economic conditions for agriculture in Saskatchewan would improve so farmers would have no problem in meeting their obligations, but I am sorry to relate that the previous administration, along with their Federal counterparts did nothing to alleviate the problems of the Saskatchewan farmers.

**SOME HON. MEMBERS:** Hear, hear!

**MR. OWENS:** — Mr. Speaker, a number of conditional sales agreements were signed in recent times that should not have been accepted by any finance company concerned about their dealers and customers. These companies have ways and means of determining the economic facts of Saskatchewan agriculture and I am confident that they will realize they will need to re-negotiate some of their sales agreements when The Family Farm Protection Act dies on July 31st. And I am also confident that this will happen. I believe the number of closures of implement dealers caused directly by the effects of this Act will be very small.

Mr. Speaker, there are other areas of protection covered by The Family Farm Protection Act, namely land and livestock, but this has had very little debate and controversy and yet involved much larger sums of money. Probably this is because

April 14, 1972

Most of the credit has been advanced or guaranteed by a government lending agency. The debtors in these cases will have had a year of grace, as well, to make arrangements for refinancing or extension of their obligations.

Mr. Speaker, The Family Farm Protection Act will have given the debtor a one year stretch to get his financial problems ironed out and will, in many cases, have saved him from disaster. The Act was timely and welcomed by those in oppressed circumstances.

Mr. Speaker, the Special Committee on Agriculture held meetings in eight separate communities in Saskatchewan and heard submissions by concerned groups and individuals, some travelling many miles to be present. Several submissions were presented by groups in forms of briefs and were read and commented on by articulate and experienced persons with well documented materials. Other submissions were made by very ordinary and not experienced orators who were in many cases extremely nervous when starting to talk, but were very concerned as individuals about their own problems and those of their neighbors.

Mr. Speaker, I want to congratulate our chairman again, the Member from Melville, for his ability to make everyone feel as comfortable as possible and letting them know that the Committee wanted to know what their problems were and more than anxious to listen. I am sure everyone felt at ease under his fine guidance.

Mr. Speaker, the implementation of the recommendations of this Report would in essence, be carrying out the wishes of the majority of the people who appeared before the Committee. As a member of the Committee, I will be interested to hear the comments of the other Members of the Legislature, keeping in mind that the recommendations are the result of face to face discussions with people directly concerned. In other words, the 'grassroots of Saskatchewan', the farmers.

Mr. Speaker, once again I want to say it was a pleasure to work on this Committee. Although we are a mixed group from various occupations and with many personalities, I feel we molded together into a group that had mutual respect and admiration for each other.

This experience has been a personal highlight that I enjoyed tremendously, but I think the more important aspect was the 'going to the people' approach, for information and ideas and bringing them back to this Legislature as proposals for legislation.

I sincerely believe this practice should be continued and expanded.

Mr. Speaker, I wholeheartedly support the Report and the recommendations.

**SOME HON. MEMBERS:** Hear, hear!

**HON. R. ROMANOW (Attorney General):** — Mr. Speaker, I am going to speak very briefly on this Bill and on this particular recommendation.

I could, of course, always be prompted to speak a little

longer.

**MR. STEUART:** — Go ahead Roy, it's going to be a long time.

**MR. ROMANOW:** — Mr. Speaker, I am sure that is true, that it is going to be a long time before those boys leave the Opposition benches. They will be sitting there for a very, very long time and you might as well get used to it. You'll be sitting there for a very long time, indeed.

Mr. Speaker, I was not a member of this Committee. I did have the pleasure of appearing before the Committee on one or two occasions, I am not sure precisely how many, but one for sure, wherein I observed the conduct and the proceedings of the Committee. It certainly appears to me, and I think it is substantiated by the basic conclusions of this Report, that all Members of the Committee both on the Opposition side and the Government side are to be commended with the Report that is before us.

As an aside, I should say, Mr. Speaker, that very often we read about criticisms of the Parliamentary system and sometimes what is thought of as wasted time in the Legislature. That may or may not be true. I personally don't believe it to be true. I think in any event the work such as the work done by this Committee, by Members on this side and the Members of the Opposition, is a credit to the entire legislative process in the Province of Saskatchewan, whether we agree with the recommendations or not.

I rise, Mr. Speaker, primarily with the second part of the Report and that deals with The Family Farm Protection Act. I don't want to rehash the debate of July 1971. I think that it is quite clear to all of the people of Saskatchewan what the purpose behind the introduction of The Family Farm Protection Act was.

The purpose was to give the farmers of Saskatchewan, those who wanted to obtain the protection of the Act, a breathing space whereby they could consider their debts and see what their financial income situation is like and hopefully within the year consolidate it and improve it.

I said at the time of second reading that it was our hope that farm income would, in fact, go up from 1971 July to 1972 July. I think that has been proven to be true, that income in fact is going up and as income goes up the needs for continuing this type of protective legislation on debt collection is diminished. We predicted that it was likely to happen, but we also said that in July 1971 it was our duty, we felt, having won on such a large mandate, to come in with some immediate protective legislation for the family farmers.

I believe that decision, political, economic and social was a right decision at that time. I believe the findings of the majority of the Committee determined that that decision was also the right decision to make by the Government of the day. I further submit, Mr. Speaker, that any government that would have done less so soon after having campaigned on the need for protection of our farmers, as we did, and obtained the support of the farmers, would have betrayed the trust placed by the

April 14, 1972

electors in this Government.

May I say also, Mr. Speaker, that the Committee – I submit even the Liberal Members opposite – agreed that there was a real critical problem with respect to cash. The preface in this regard on page 26 of the Report says, and I quote:

The Committee concluded the cash situation for farmers in Saskatchewan continues to be serious and that farmers who are in arrears on debts for land, livestock, and/or machinery will continue to require consideration by the Saskatchewan Government.

Mr. Speaker, I stress that these are the exact words made by the Committee. There are reservations drawn up in the Committee Report by the Liberal Members opposite. I stand to be corrected, but basically there is no recommendation even by those who have reservations about this Report, against the basic thrust of the statement that I have just read, namely, that the cash situation remains “serious” and that the Province of Saskatchewan should continue to look at debt legislation to protect the family farmers of the Province of Saskatchewan.

And yet, this morning, the Member from Moosomin (Mr. Gardner) would have us believe that that recommendation from which he did not demur is somehow not in keeping with the true farm situation in Saskatchewan. That is his opinion. I don’t happen to agree, although the situation has significantly improved, I still say it is serious and in the long-run it is likely to remain serious. In the long-run that will require continued consideration by the Government of the day, no matter what political party is in power, to make sure that we are always on top of this type of debt problem.

Mr. Speaker, the major recommendation of this Committee is that The Family Farm Protection Act should be terminated on July 31, 1972. That recommendation comes by virtue of an unanimous decision, both by the Liberal Members and by the Government Members.

That recommendation, like all recommendations of any committee, was very seriously considered by the Government. I think the fact that it was unanimous adds added weight for the necessity of considering and implementing that particular recommendation. I remind the Members of the House that at the time of second reading of this Bill, I indicated at that time, and it was repeated I believe by the Premier and other Members who spoke, that it was not the intention of the Government because of the improvement we saw in the economic situation, to allow The Family Farm Protection Act to continue beyond July 31st, 1972. That was said unequivocally and in clear terms at the time of second reading in July of 1971. And now this has been buttressed and further supported by the recommendations of this particular Committee.

I am interested in many of the major recommendations with respect to staffing of the Provincial Mediation Board. I am pleased to advise the Members of the House they will have some detailed opportunity in Estimates later to consider this. There will be some increase in staff of the Provincial Mediation Board. We have had one added and we hope to have another additional staff increase.

I am the first to acknowledge, in Estimates, that the complement for 1972-73 will not be as recommended, namely, legal counsel and full field staff, I think it is a desirable objective to which we will work. We have made some significant strides in that area.

I also note the recommendation – apparently unanimous because there is no reservation – that there is a need for greater public information on debt legislation. In that regard, I must admit frankly, that we have not done as much as we should. I hope that once the Session is terminated, that we can have the officials look to see if there can be a fairly accurate and concise document which will, in fact, implement this particular recommendation.

I think the recommendation that decisions of the board be made quickly, will come once the staff complement is improved in terms of numbers. I think the Provincial Mediation Board can do a much better job than it has been doing now. I think the job that it has been doing is good. It can be improved. The efficiency of the decisions of the board can also be improved once we improve the number of the staff and the complement of the staff.

I also note that one of the major recommendations of the Committee is that all debt legislation be reviewed in the Province of Saskatchewan and we straighten out the Federal and Provincial jurisdictional problem. In this area, Mr. Speaker, I want to say that this is a much more complex and difficult problem than perhaps might appear at first glance. First of all this entire area of debt legislation is one which is fraught with the problem of constitutional delineation of provincial and federal responsibility.

Members will know that since the 1930s because of the specific economic conditions that have prevailed in Saskatchewan and Western Canada various provinces have tried debt adjustment legislation, trying to strengthen the hands of individual provincial boards, mediation boards, and the like. I can report to the House that this has not met with very much success. The courts, have in some cases, in most cases in fact, found a way to strike down that type of legislation as being contrary to the jurisdictional powers of the provincial government, and ultra vires of the provincial government.

There have been one or two specialized Bills which have, I think, gotten around the constitutional aspect of The Family Farm Protection Act because it dealt with a class of individuals, namely, farmers. It was an example of the specialized Bill for specialized circumstances, which I think, can be clearly shown to be intra vires. But in terms of general legislation, which would give many of the powers of a court to a provincial board, this we have to study with a great deal of care and consideration. I can only assure the Members of the House that as one Member of the Government and I suppose the Member that is more directly concerned with this recommendation, my officers will be giving it their utmost and earnest consideration in the weeks and months ahead particularly after the legislative workload finishes.

In conclusion, Mr. Speaker, I say again, the work done by this Committee has been an excellent piece of work. I think they have done a good job and the majority of the Committee has substantiated and justified the action taken by the Government

April 14, 1972

on July 30th, 1971 in instituting The Family Farm Protection Act in the first instance. It was worthwhile then. It was a show of support for the farmers of our Saskatchewan then. I think the legislation will turn out to be symbolic of the difference of attitudes that are taken towards the family farmers of those who represent the Government to your right, Sir, and those who are in Opposition. The Liberals apparently do not share the same concerns as we do about the need for this legislation to help our farmers.

With those few words, Mr. Speaker, I will conclude with saying again we will look at the recommendations very carefully.

**SOME HON. MEMBERS:** Hear, hear!

**MR. E. KAEDING (Saltcoats):** — Mr. Speaker, I should like to say a few words with respect to The Crop Insurance aspect of this Report.

First of all, I should like to thank the Members of the Assembly for having given me and the other members of this Committee the opportunity to participate in this inquiry. I am sure that we all appreciated this opportunity and have benefited greatly from the experience gained from our participation in the discussions.

I should like to acknowledge the very good job done by my colleague the Member from Melville (Mr. Kowalchuk) who so ably chaired this Committee. Throughout the entire tour he conducted the hearings with the kind of down-to-earth approach which rural people appreciate. He very ably drew out from hesitant participants the ideas and suggestions which were so valuable to us in our final deliberations.

I was proud to be part of a group which was genuinely resolved to determine the needs and the desires of our farm community. Through my work on the Committee I became thoroughly convinced that a Legislative Committee is a real way to get local participation in the process of government and one that has not been used as much as it should. Not only does it give local people an opportunity to express their views but it affords an opportunity for Committee members to thoroughly study their subject and assess the implications of proposed programs on the various segments of society.

As you are aware, we spent some time on the road attending public meetings. One of the most interesting observations which struck me was the wide divergence of opinion in various areas of the province, reflecting for the most part, differences in income potential. Our Committee was made up of Members from both sides of the House but we did work together seriously to bring down a report which realistically represented a cross-section of the opinions expressed.

All of our time was not spent in serious deliberations, however. One evening one of our youngest Members, David Lange, from Assiniboia-Bengough, invited us to spend a restful few hours at his home with his parents, where we were most graciously treated to a wonderful meal. Having met his parents and seen the dedication they have shown in their home, surroundings and family, it is not hard to see why the new generation of Langes is also dedicated to working for a new and better life for our people.

I recall that evening, it was just a day or two after the Assiniboia by-election, the two Members of the Committee of the Opposition were understandably depressed. The conversation got around to a conversation regarding the conservation of rare species of wildlife. The Member for Cannington (Mr. Weatherald) was heard to propose that we should set up a program for the conservation of Liberals, as they were nearing extinction in the Province of Saskatchewan.

We had not been on the road more than one day when it was immediately evident that farmers throughout the province were amazingly lacking in even the most minimal information with respect to the Crop Insurance Program. In spite of the fact that the plan had been in existence since 1961, information on the plan was almost non-existent. Because it was a new program and it was understandable that it was undertaken cautiously. However, in the last few years the program not only failed to expand but the number of policies in effect fell from 12,300 in 1968 to 9,000 in 1970-71, and coverage fell from 27,000,069 acres to just over 9 million in 1971.

There was no promotional program, no advertising and no real attempt by agents or management to expand the program. As a result it was necessary for us, after the first meeting, to bring in Norman Bray of the Extension Department as a consultant to explain the whole program at each meeting before discussions could take place. This, of course, indicates once again the low priority placed on this program by the previous administration. Probably the major complaint by all areas was the lack of coverage on all crops and the low level of insurance coverage offered.

Some considerable feeling was expressed also, that the rates were too high for the coverage offered. However, I agree that probably we have not yet perfected a system for relating premium to risk, we all agree that premiums must reflect the risk as closely as possible in every area. If any deviation is to be made from that criterion then it must be for some other reason. Because of the rapid change-over to livestock production in some areas, considerable demand was heard for some coverage on forage crops. We have made recommendations that this be explored but there are a number of difficult problems to be overcome in that sector.

As a farmer who has used this insurance since its inception in 1961, I find it difficult to understand the reluctance of farmers to use this management tool. We insure homes against wind, storm and fire. We insure our major equipment against the same hazards and yet on the most important and most vulnerable commodity we have, our growing crops, we seem to find a great deal of resistance. Personally I would rather drop my insurance on my home than the insurance on my crops. Since I have now reached the maximum discount rate of 40 per cent because of good performance, I now have all risk crop insurance at approximately 50 cents per acre, which guarantees me a production of \$15.50 per acre.

In other words if I have 500 acres in wheat the cost would be roughly \$250 for insurance and I would have a guaranteed coverage of a maximum of \$800 for a total cost of one per cent on 15,000 bushels, which was my normal output, or around \$200 per year, there is really no comparison.

Because of the wide range of per bushel price option

included in the plan, any farmer can tailor the plan to suit his own needs. If he wants minimum coverage then he insures at 50 cents per bushel. If he wants maximum he insures at \$1.25 with premium rates adjusted accordingly. Because of the fact that a province such as ours has very extreme fluctuation in weather patterns, very few years go by when at least some acreage is not destroyed by one hazard or another. This has resulted in the past with a continuous demand for ad hoc assistance programs to assist stricken farmers, sometimes costing the Provincial Government several millions of dollars in relief payments and welfare.

This then, led to the proposal by some groups, that there should be some form of compulsory minimum insurance coverage. The feeling was expressed that with a compulsory feature bringing contributions from all farmers, that a minimum coverage of probably \$8 to \$10 per acre, could be offered at a very low price, because then the Government would not be faced with ad hoc assistance programs.

Personally I have some reservations to this but it does have some very interesting possibilities. Our Committee felt that it was deserving of more intensive study. The recommendation that such a study be carried out is included in our recommendations. The alternative for this compulsory coverage would, of course, be a subsidy by senior governments to provide assistance in financing a program of minimum coverage throughout the province in order to get a high percentage of participation.

The draw-back of such a program is, of course, that in most cases it would be the smaller, low-income farmer, who would still not take coverage and if a disaster struck he would have no protection. And in spite of the fact that you could say, "Tough luck, buddy, you had the opportunity for coverage and you failed to take it," this is politically a very difficult thing to do.

Some considerable weight of opinion indicated that some farmers are dissatisfied with the inclusion of hail under the all risk program. Farmers, have for years insured their crop for hail and have been adjusted on the basis of percentage of damage on individual fields. This kind of adjustment is not possible under the present all risk program. There are some very real problems involved in providing such a change, particularly in the administrative area.

We have recommended, therefore, that a feasibility study be made to examine whether this change could be made without endangering the balance of the all risk program. With respect to the section on hail suppression, research is going on in a large scale in Alberta by private companies with substantial assistance by the Alberta Government. The research seems to indicate that there is some real prospects for hail suppression. If we could reduce the risk of hail in some of our most hail prone areas where hail storms are a way of life, it is reasonable to assume that crop insurance rates and hail insurance rates in these areas could be considerably reduced with a resulting benefit to the province as a whole. The Committee felt that there was sufficient chance of success for this experiment that the Government of Saskatchewan should consider financial assistance to these researchers.

The matter of insurance agents caused us some concern as one of the complaints we heard in many places was that in many



cases agents were political appointments. Some considerable pressure was applied for the work to be done by secretaries of rural municipalities. However the Committee felt that if crop insurance was to become an accepted management tool in Saskatchewan some considerable effort would have to be made at the early stages to get out and sell the program. It was felt that this would require the full time of an agent, particularly in the spring months when contracts were being renewed. It was also felt that there was a fair number of farmers or retired farmers in all areas who are fully capable of doing this work, thereby adding to their low incomes. Some controversy developed with regard to performance discounts and some so-called efficient farmers argued that there was no incentive under the program for those who used good management practice such as fertilizer, chemical weed control and so, thus making them a better than average risk. We have recommended that the Crop Insurance Board acquire actual production records on policy holders which would enable them to make a more realistic assessment of an individual operator's ability to produce. We hope this will overcome some of this problem. We are naturally very pleased that a number of our recommendations have already been incorporated into the crop insurance program for this year. One was the expansion of eligible crops. Another was the extension of coverage to all parts of Saskatchewan which was very urgently required. We now have the option of coverage at either 60 or 70 per cent. We have a greatly improved public relations program to inform farmers as to the benefits they can get under the program. I am sure that the other recommendations made by this Committee will be incorporated into the program in years to come.

With respect to The Family Farm Protection Act, I will not be making any remarks on that as it was very ably covered by my colleague from Eston-Elrose (Mr. Owens). I think he did a very good job on that and I will save time by not adding my remarks.

In conclusion I would say that I think the recommendations made by this Committee are very good ones. If incorporated into future crop insurance plans there is no reason why a large percentage of farmers in Saskatchewan should not take advantage of this plan as a management practice to cut down the year to year risk in their farm operations.

**MR. E.C. WHELAN (Regina North West):** — Mr. Speaker, I too would like to express my appreciation to the Legislature for naming me to act on this Committee. Not as a farm representative but as a person who had some experience with debt legislation. This, the first Committee that I had participated in that took its problems directly to the citizens of the province. I think this was a good program and the participation was excellent. That participation was due to some degree in my estimation because of the excellent chairman that we had at the head of the Committee.

John Kowalchuk was a good listener, a good chairman and a good democrat. The Committee worked well together, it was a good cross section of the Assembly. Allan Engel is an alert aggressive individual. Edgar Kaeding is an encyclopedia on crop insurance. He knows the problems of the small businessman, he is an able spokesman for them. David Lange is a precise person with a rapier-like vocabulary. John Gardner is a polite and accurate questioner and Tom Weatherald is a persistent exponent of his particular point of view. Mr. Speaker, it was a good Committee and I think the recommendations that they have submitted are excellent recommendations. It was an honor to

be associated with them and I would like to commend the staff for the hard work and conscientious manner in which they applied themselves to the work that was undertaken. Generally speaking there were great areas of agreement, Mr. Speaker. There was one area where there was a sharp difference of opinion. I think this is a philosophical difference and I intend to spend some time on that because I believe it should be clarified.

Statements have been made to the Press and statements have been made in the House in this particular area by the two Members of the Opposition who sat on the Committee. That area is in the area where the recommendations made are suggesting a study of compulsory crop insurance. The Members opposite are opposed to this study. I think I should ask the question, Mr. Speaker, why?

Well, Mr. Speaker, they believe in free enterprise and they don't believe in compulsion. What has happened under the present system of individual initiative in the crop insurance field? Well, the crop insurance sales haven't been as they should be. They have dropped, they have had a heavy government subsidy and even then many farmers complain that they are beyond the scope and beyond the reach of the average farmer, that it is too expensive. As a matter of fact, I am inclined to think that the cost of crop insurance is too expensive for my two farm friends, the Hon. Member from Cannington (Mr. Weatherald) and the Hon. Member from Moosomin (Mr. Gardner) because they do not buy crop insurance themselves. Why does it cost too much? Why has it covered too few farmers? We should ask ourselves this question and this is why I think we should be studying compulsory insurance. Several groups when they came before the Committee advocated compulsory insurance. I looked at the record last night and discovered that one large farm organization recommended compulsory insurance. At each meeting too, our chairman asked the question of those present, how many of you are in favour of compulsory insurance? What we got from the meeting was not a positive answer, yes or no, in many instances. My interpretation of that reply was that they didn't know anything about it, they didn't know how it would apply and they didn't know what the cost would be. They were not prepared to give us an answer in most instances. This in itself I suggest justifies the need for a study. Frankly, I don't think as a Committee we could answer the question without a study. You know we might have said it would be cheaper, we might have quoted a famous British Conservative leader who said, "Compulsory public insurance brings the miracles of averages to millions." Quote Winston Churchill. We might have said that the Canada Pension Plan is compulsory and it costs less than any free enterprise pension plan in existence. I could quote the Hon. Minister who brought it into the House of Commons to show that it was the lowest cost pension plan in existence mainly because it was a compulsory plan. If this is so and I have no reason for arguing with the Hon. Minister then I think we should study compulsory insurance. I think we could have said to them, what about the compulsory aspect of government insurance? Isn't it a fact that one dollar spent on compulsory government insurance costs 17 cents to administer while the free enterprise insurance system in many instances costs 51 cents out of every dollar to administer or three times as much? We say that we want to save farmers money and yet we are not prepared to study a compulsory plan to find out whether or not the administration of their insurance on a compulsory basis might save them money.

The Hon. Member for Cannington uses \$4,000 as a minimum income for farmers. I should like to use this \$4,000 figure when I apply the cost of life insurance, I am not talking about income insurance, I am talking about life insurance but I am going to use it as a figure for comparison. We have a compulsory group insurance plan for civil servants. It costs, because it is compulsory, I submit, 35 cents per thousand per month. \$1.40 per month for \$4,000 worth of coverage or \$16.80 per year. Well, let's look at free enterprise insurance. Let's take insurance on the Hon. Members from the Opposition who sat on the Committee. Let's take them as individuals rather than on a compulsory basis and check what it would cost. For a whole life policy for the Hon. Member for Cannington for \$4,000, just phoning up and giving his statistics they told me \$79.28 a year. For the Hon. Member for Moosomin for \$4,000 whole life policy, \$131.76. I point out that it is not compulsory it is on an individual basis while the civil servant in the same age group gets insurance for \$16.80 per year and has \$4,000 coverage.

I suggest and I submit that there is need for study. There is a good argument for a study. You know it is compulsory to take out loan insurance if you borrow from many of the credit unions in this Province. Let's have a \$4,000 loan, let's use the age bracket of the Hon. Members for Cannington and Moosomin. 45 cents per thousand per month, \$4,000 loan and their life is insured for \$4,000 the total cost \$21.60 per year. If they don't borrow through a credit union and they take this loan insurance on an individual basis they will find that the rate, in one instance is almost three times as much and in the other case well over three times as much. But I submit that they want it on an individual basis and they want the higher rate. They argue against compulsory insurance. Civil servants I suggest should be well aware of this, they should know that they say compulsion is a bad thing, that they are not in favor of compulsion. The credit union people should know that they are not in favor of compulsion. Even the Canada Pension Plan beneficiaries who have received the benefits as a result of the Bill that was introduced in the House of Commons should know that the people in the bottom of their hearts are for the 'sock it to them' individual rates of the insurance companies and they are absolutely opposed to any form of compulsion. We all want to introduce policies and reduce farm costs. There isn't anyone in this House, on either side of this House who doesn't say over and over again we want to reduce farm costs. Well how sincere do we sound when we come to a point where we could study the possibility of getting insurance on a compulsory basis and a real possibility from the evidence I have submitted exists that it would be cheaper and we are afraid to study it. Do we really want to reduce farm costs? I wonder. You know we get on radio and television, and I admit the Hon. Member for Cannington is an orator, an able person, an extremely good speaker. He is one of the finest orators I have ever heard, he says \$4,000 a year a farmer should have. We want to make sure they have a \$4,000 income but when we suggest that we should find out how, perhaps we should have a study, oh no, no, we're not for that we are going to stick by the big insurance companies. We don't want the study. I think it is being inconsistent, completely and absolutely inconsistent to say this and it is an old trick to pull on the farmers that you are in favor of a \$4,000 minimum income by some insurance method or another and then come here in this House and refuse to say they want a study, that's all, just a study.

**SOME HON. MEMBERS:** Hear, hear!

**MR. WHELAN:** — I think this is political trickery. I think the study is justified and we have to follow through. If it comes up with an answer like the Otto Lang one, if it is as bad as that I am in favor of throwing it out. I'll say that without hesitation, but at least we should study compulsory insurance and that is all that the Committee is asking. I think the farmers have had enough talk, and enough sanctimonious sympathy. What they really want is security through insurance but they are not satisfied with the present form. I think the drop in the number of insurance policies that are being written indicates this clearly. This was evident to the Committee. I think the Committee recommendation is right and I think the Opposition reservation is wrong and I think the House should unanimously endorse the majority position of the Committee.

I don't think we can afford any more to take the old position that we are just against compulsion, because if we are going to be consistent there are too many good programs around that if you want to use compulsion as an evil word you will find yourself against the Canada Pension Plan, The Automobile Accident Insurance Act, Saskatchewan Government Employees Association Group Insurance and the Credit Union Loan Insurance policies. I don't think it is wise to do this. I don't think we should just ignore the idea of taking a good look at the possibilities of applying some sort of, in some degree, even on a regional basis, a study of a compulsory plan. I think if we are going to talk about a \$4,000 minimum, I think we shall have to talk in terms of at least studying the compulsory aspect.

I wonder if I could turn for a moment and look at the Provincial Mediation Board and the recommendations that were contained in the report. One of the things that has happened in the Provincial Mediation Board and I can say readily that every government, Conservative, Liberal, CCF, New Democrat has realized the value of such a board and has kept it in existence and written legislation and referred legislation to it. There isn't in effect legislation that has taken any power from it that has been written by a provincial government. The Federal courts have challenged it, that's true but I think that all parties have sanctioned the value of the Provincial Mediation Board. But the Provincial Mediation Board was stripped of its staff during the period 1964 to 1971 and without a staff I suggest it could not cope with the problems. Debts and debt problems plague at the present time the middle and low income people of our province. Where the Board at one time handled as many as 700 mortgage negotiations a year now it is geared to handle a mere handful. The debt consolidations that they handled at one time by the hundreds are now a thing of the past. And I am sure that every Hon. Member knows that these debt consolidations are in existence and the service is needed. Constituents are constantly approaching members of this Legislature I am sure and the evidence is there to prove that there is a need for a debt consolidation service. This service is gone, the service that the people need. Why? I suggest because the previous Government ignored the people, even though they or we will say the previous Liberal Government had written legislation, the kind of tough legislation that is contained in the Moratorium Act or even more recently amendments to The Limitation of Civil Rights Act.

Mr. Speaker, legislation without staff is like a tractor without fuel. It has no power and it does no work. Mr. Speaker, the Committee suggests a rejuvenation of the board. The Opposition puts a case for representations that were made before us when we sat as a committee. Well, I suggest in this case that they ignore the fact that the machinery companies pleaded for a negotiation procedure. Strangely, the Hon. Members are, I suggest, less practical than even the long experienced machinery dealers. They know the need and understand the results of negotiations, negotiating with Saskatchewan people whose integrity has long been established.

Even in tax collections, Mr. Speaker, the board is a safeguard to prevent the sale of land for taxes at fire sale prices. Its value has been proven many times. It should not be withdrawn to satisfy an irate administrator who has done a bad job of watching his tax arrears.

Mr. Speaker, the Opposition says the Family Farm Protection debts will be held up by the board. I think we should get this aspect of it straight. As has been the case for many years if properly staffed and a procedure is set out the board will, as it has done since 1943, have the power to negotiate every debt over \$100, but it never did have the power to negotiate Farm Credit Corporation loans. My friends opposite will argue times have changed. They argued this in the Committee. They will argue now I am sure. But I ask Members of this House have they, basically, changed? We sell on a world market that fluctuates and we buy in a high-priced local market. To prevent hardship there is a need for checks and a need for some protection of the producer. The Mediation Board is that check. Times have not changed. I suggest to Members of this House, neither has the position of my friends opposite. Their first loyalty seems to be to the mortgage company, to the insurance company, to the big machine wholesaler and then finally, Mr. Speaker, to the farmer. If this is not the case why are they opposed to a study of compulsory insurance? Why are they opposed to a strong, active Provincial Mediation Board? I would suggest that they tell us why.

The Committee recommendations are good. The majority represents the need to solve farmers' problems. The recommendations are the kind and the type that I think are representative of the courage that wrote the Automobile Accident Insurance Act and the original Provincial Mediation Board Act in 1943. That courage must be recognized or we will not protect our people but we will retreat to let them fall prey to tough dealers, people who will plan to exploit them and eventually this sort of procedure will eliminate them and they will put out of business some of our farm people.

Mr. Speaker, I wholeheartedly support the motion put forward by the chairman of the Committee, the Hon. Member for Melville (Mr. Kowalchuk).

**SOME HON. MEMBERS:** Hear, hear!

**MR. D.H. LANGE (Assiniboia-Bengough):** — Mr. Speaker, as a Member of the Committee on Agriculture, I should like to support the recommendations made by the chairman and also compliment the Committee and particularly the chairman for the diplomacy with which the public meetings were carried out. I should also like to recommend that in the

future the Government do more study upon the aspects of compulsory crop insurance and perhaps go a step further thereby eliminating crop insurance and substituting a guaranteed annual income program along with it.

I should like to begin by looking at the concept of insurance. It is an act, a business or a system by which pecuniary indemnity is guaranteed by one party as a company to another party in certain contingencies such as loss, old age, risk, sickness, unemployment, death, accident, damage, disaster or injury. By its own definition it is not something which is taken out to guard against something good that may unexpectedly happen; unless of course it may be flight insurance for your mother-in-law. Further, the total business of insurance makes a profit upon the hardships incurred upon people. There is no altruism associated with insurance companies. They exist solely to exploit human misfortune through probability projections. Insurance programs are expensive because they have overhead, because profit must be allowed for the shareholders and because emergency reserves must be built up. In most insurance programs as in society those hurt most are those least able to pay in the first place. When relating this to crop insurance we must remember that there is more involved in an individual being born into a naturally cataclysmic free area than just his own good management, and particularly there is more involved than just poor management when he has a crop failure due to weather. I believe the society should have an obligation to protect the well being of an individual to the same degree that the individual contributes to the well being of society. It is evident that present crop insurance programs are inadequate in many respects. A totally comprehensive program can only be handled through even more injections of funds by the Federal Government. In view of this I would recommend that the total concept of crop insurance be eliminated and that its funds and manpower be channelled into properly researched guaranteed annual income programs.

This plan would initially cover operating expenses on a regional basis and could be optionally expanded at a later date. I would suggest that it also be incorporated into any stabilization or guaranteed income plans which may be forwarded from the Federal Government. Basically it would be a percentage premium paid by farmers on all produce sold, grain, oil and livestock. In return for which the Government would handle the fund and disburse to qualifying individuals on a similar basis as that upon which the income tax system now works. Incorporation into the income tax structure, the Canadian Wheat Board and other administrative structures would avoid duplication of programs. It could eventually represent a guaranteed annual income in line with guaranteed income plans proposed for all people in the country.

In the payment of premiums a limit of a certain percentage should be imposed on all produce sold up to a certain maximum. Some of the ideas of the grain stabilization plan could be followed, for instance, premiums of two per cent on all produce sold to a certain maximum with a maximum indemnity payable by the fund. A maximum indemnity would eliminate incentive for large producers to get larger merely to cash in on possible returns but more important it would help the smaller farmer. This program would eliminate the need for hail or any other type of disaster insurance. There would be no stipulations upon what to grow and no guessing about how to comply with or

beat the scheme. There would be no deadlines for payments of premiums and it would still allow an individual to insure with private or other companies if he felt the need. In a program like this the Government could supplement farmers in time of disaster by lending money to the fund. The fund would return this money to the Government during better times subsequently building up equity for itself, which equity could always be in circulation. If expanded this program would give an assurance of stability to the total agriculture enterprise of Canada. Some calculation will reveal the potential of such a program if everyone were to continue subscribing over an extended period of time.

A guaranteed income program should eventually include an amount equal to a decent income for everyone. It should be regional so that individuals can benefit because of disaster due to the vagaries of nature. It should not be expensive, particularly for the small farmer. It should involve a check-off premium payment or perhaps an overdelivery type of payment. This would also eliminate discrepancies in determination of premium rates. It should not involve compulsion unless absolutely necessary to make the plan work. It should also leave the field open so that the individual can insure for more if he so wishes.

A guaranteed income program should be universal so that all people in the agricultural business can pay into it and receive from it. It should not duplicate other schemes in practice or administration and it should be controlled by the agrarian community. It should be flexible enough to allow for changes as they arise in the future and hopefully not bogged down in bureaucratic structures. Although the ideas here are only conceptual I would suggest that they are the direction the Government should take in the next few years regarding crop insurance.

**SOME HON. MEMBERS:** Hear, hear!

**MR. J.R. KOWALCHUK (Melville):** — Mr. Speaker, with your permission and the permission of the House, Sir, I would like to bring to the attention of this House that there was a slight error in the Report, an error which is of not much consequence but I think should be reported. That is the section where it states that the hail research program in Alberta is being carried out by the Research Council of Alberta under the Alberta Hail Studies Group instead of what we said, that the Government of Alberta studies the experiments in hail suppression as carried out in Alberta by the Alberta Hail Insurance Board. That is the difference. Besides being conducted by the Alberta Research Council, the Alberta Hail and Crop Insurance Corporation has representation on the Advisory Committee to the Hail Studies Group and also that the Federal Meteorology Department and McGill University are assisting with the Alberta program. I wanted to bring this to the attention of this House. It is a slight error, it doesn't mean much but I think it is only right that the correction should be made.

Our Report carries the recommendation that we in Saskatchewan study the experiments being carried out on suppression by;

- (a) to examine the feasibility of investing funds in hail suppression.

(b) co-ordinate the research program in conjunction with Alberta.

I bring this up for correction and simply state that I think as do the other members of the Committee that this is an important feature, that in the future much more of such studies will be made to probably help in alleviating the hail loss and control other natural hazards of nature that affect the crop production.

Mr. Speaker, my closing remarks are going to be very short. I feel that the members of the Committee, most of them who have spoken here today, some the other day, have done a more than adequate job in summing up the feelings from this side of the House and from the Opposition side as well. May I say to you, Sir, that I am very pleased by some of the remarks that were made by Members on this side of the House this morning. Some of the things that I was going to comment on have been very adequately said by Members from Regina North West (Mr. Whelan) and particularly by the Attorney General in his remarks. I also want to say I am pleased by the number of members of this Committee on this side of the House who got up in support of the Report as a whole. I must say that I am, as I said the other day, pleased that the Opposition Members got up to speak as well. The difference of opinion stems from the fact, as I said the other day, in the difference of philosophy. I am not surprised a bit, Mr. Speaker. You know I am recalling the favorite saying of the former Premier of Saskatchewan, Tommy Douglas, wherein he said that the interests of the 'fat cats' are certainly different than that of the 'mice'. And this is indicative of what we heard here from the Opposition. The interest as expressed by the Opposition Members to your left, Sir, express the philosophy of the 'fat cats' and not that of the 'little mice'.

Mr. Speaker, there was at one time in this House today, I wasn't going to say this but I am going to say it anyway, there was one time this morning I would rather have been speaking at the Speaker's Corner at Wascana Park. There were just two opposition Members in that vast empty space there to your left sitting in their seats; the Member for Wilkie (Mr. McIsaac) and the Member for Regina Lakeview (Mr. McPherson). Probably had I spoken at the corner of Wascana Park I maybe would have had a couple of romancing geese to listen to me.

Mr. Speaker, this Report is of extreme importance, as I have indicated to this Assembly before, and so have other Members of the House, to the farmers of Saskatchewan and therefore I feel that the recommendations that we made were excellent, that they are going to help in making a better crop insurance program. They are going to certainly help in the thinking of the formation of legislation in giving farmers protection other than that of The Family Farm Protection Act. Protection of some kind for people who are in financial trouble.

I want to make a remark on one of the recommendations at the very end of the Report on The Family Farm Protection Act. That recommendation is that the Government of Saskatchewan request the Government of Canada to re-instate The Farmers Creditors Arrangement Act. I think this is of extreme importance. We stated this, that in numerous cases it appears unlikely that farmers will be able to repay debts regardless of time allowed for repayment. The only remedy in such cases appears to be to reduce the debt to a figure the farmer can pay. The Province lacks power to legislate in this regard. Formerly The Farmers



Creditors Arrangement Act of Canada provided for this but it applied only to debts contracted before 1935. The Committee feels that there is an immediate need to reactivate such legislation and make it immediately available.

Mr. Speaker, I urge upon this House again that there is no doubt in my mind and in the mind of many people of Saskatchewan, as I said the other day, that in spite of the financial betterment of the farmers due to extra sales, that indeed many of these people are in very serious financial trouble. If a stabilization bill is not forthcoming certainly some form of protection must be given to them under other legislation similar to The Family Farm Protection Act.

I want to reiterate what I said the other day, and as it has been expressed this morning by Members of this House, that in my opinion having committees is a very worthwhile way to probe the needs of either future legislation or assess and evaluate legislation that has been brought down in this House in the past. I want to thank the Committee, Mr. Speaker, for co-operation that I got. It was a pleasure to work with them and I think that if we continue these kinds of committees that they certainly will help in a better relationship between the public of Saskatchewan and the legislators who sit in this House.

**SOME HON. MEMBERS:** Hear, hear!

Motion agreed to on the following recorded division.

**Yeas — 51**

Messieurs

Blakeney	Thorson	Rolfes
Dyck	Whelan	Lange
Meakes	Kwasnica	Hanson
Wood	Engel	Oliver
Romanow	Tchorzewski	Kaeding
Messer	Richards	Steuart
Snyder	Owens	Coupland
Bowerman	Robbins	Loken
Thibault	Matsalla	Guy
Larson	Cowley	Grant
Kowalchuk	Taylor	McIsaac
Baker	Faris	Weatherald
Brockelbank	Cody	MacLeod
MacMurchy	Gross	McPherson
Michayluk	Feduniak	Lane
Byers	Mostoway	MacDonald (Moose Jaw North)
Pepper	Comer	Wiebe

**Nays — Nil**

Messieurs

## MOTIONS

### TO ESTABLISH A COMMITTEE TO REVIEW SALARIES PAID TO CERTAIN MEMBERS OF THE LEGISLATIVE ASSEMBLY

**HON. A.E. BLAKENEY (Premier):** — I move, seconded by Dr. D.G. Steuart (Leader of the Opposition):

That this Assembly is of the opinion that the recommendation contained in the Culliton Report of 1968 for a periodic review of allowances paid to Members of the Legislative Assembly, the Speaker, the Deputy Speaker, and the Leader of the Opposition under authority of The Legislative Assembly Act and the salaries paid to Members of the Executive Council, should be acted upon by the establishment of a similar committee by the Lieutenant-Governor-in-Council:

- a) to review the said allowances and salaries, including expense allowances and perquisites related thereto, and the manner of payment of the foregoing,
- b) to devise some methods of providing for an annual adjustment of the said allowances and salaries,
- c) to review the provisions of The Members of the Legislative Assembly Superannuation Act.

That the recommendations of the said committee be laid before this Assembly.

Mr. Speaker, in moving this motion, I think it might be useful to recall to the House the practice which has developed in this Assembly over a period of some 10 years now with respect to what is essentially a difficult problem for Members of this Legislature or any legislative body, the fixing of appropriate remuneration by way of indemnity, expenses, superannuation and otherwise. In 1962, this Assembly adopted the practice of obtaining advice from an independent committee and then as a Legislature considering the report by that independent committee. This policy was again followed in 1968. In order that I might refresh Hon. Members' memories, those who were here then, and advise newer Members of the practice, I shall read the motion which was passed in 1968 which served as the effective terms of reference of an independent committee. The motion read:

That this Assembly is of the opinion that the recommendations contained in the Culliton Report of 1962 (and that was the first time that that independent committee procedure was followed) for a periodic review of allowances paid to Members of the Legislative Assembly, the Speaker, the Deputy Speaker, and the Leader of the Opposition, under the authority of the Legislative Assembly Act and the salaries paid to the president and members of the Executive Council should be acted upon forthwith by the establishment of a similar committee to review the said allowances and salaries and in addition to review the provisions of The Members of The Legislative Assembly Superannuation Act, the recommendations of the said committee to be laid before this Assembly.

Mr. Speaker, in 1962 this device was used and this procedure was

used again in 1968. In 1968 a committee consisting of the Hon. Chief Justice Culliton, Dr. Lloyd Barber, Dr. Carlyle King and Mr. William Leonard was appointed pursuant to this resolution and made a recommendation to the House. They recommended a level of remuneration for Members of the Legislative Assembly and for Members of the Executive Council. The report came back to the House, the House did not feel itself able to accept all of the recommendations and scaled down the recommendations somewhat and based upon the committee report, the Legislature passed amendments to The Legislative Assembly Act and The Executive Council Act and otherwise. It seemed to me that was an appropriate way to deal with this problem.

Since 1968 there have been a number of happenings which suggest to me that the problem ought to be raised again. There have, of course, been fairly substantial changes in the cost of living which are daily in the newspapers – the concern for rising costs, inflation. There have been changes in the level of remuneration of other legislators across Canada and elsewhere in the world. There have been changes in the level of remuneration of business men, teachers, professional people and others, from whom we might reasonably expect to draw candidates. I think that anyone who has had the task of asking people to stand for election knows that one of the inhibiting factors in the minds of many is the fact that they in many cases will be called upon, if elected, to make a substantial financial sacrifice. The degree of the financial sacrifice will vary of course with the nature of the employment, whether or not it can be readily carried on in conjunction with service in this Legislature. But another measure of the financial sacrifice will be the level of remuneration of the person – the prospective candidate – in his ordinary endeavor. I think we know that, as I say, the general level of remuneration of professional people such as lawyers and veterinary surgeons and others has changed in the last four or five years as it will have with most segments of society. Accordingly I think it is appropriate for us to review the level of remuneration of Members of the Legislature on those grounds.

There are further reasons for a review and one is the changing duties and responsibilities of Members of the Legislature. We are seeing a trend towards longer sessions, a greater volume of work and the likelihood of second sessions. This is not surprising. The general business of this Province increases in volume each year. We know that even as short as five or six years ago the budget might have been \$300 to \$350 million, it is now \$500 to \$550 million. I am not suggesting that the measure of work of a Member of the Legislature is directly reflected by the budget, but there is an indirect parallel. In part the increase in the budget represents a simple increase in costs and that I suppose does not represent additional work for MLAs. But in part it represents an increase in the scope of governmental programs. Each time governmental programs expand there are more people who have relations with the government and more people who seek the advice and consultation of their MLA with respect to those relations.

There is, in addition, the increasing volume of paper, the ever increasing volume of paper which comes from a government carrying on complex programs with which an MLA must make himself generally familiar if he is to do his job; in respect to some areas of government with which he must make himself particularly familiar if he is to do his job. All of these suggest to me that

there may well be recognizable changes in duties and responsibilities of Members of the Legislature.

Certainly it has been the custom in this House to view this problem of remuneration as a difficult one because we are in the eyes of some in the happy position of being able to set our own level of remuneration. This is much less a blessing than some would think it to be. Accordingly we think it only appropriate that we seek the advice of an independent committee made up of persons of undoubted public stature who can in a way which we cannot – I think we should be frank about that – impartially assess the appropriate remuneration for elected Members of this Assembly. Since this has been the practice for some 10 years and since I think it is a good practice and since I think it is an appropriate time.

I had a conversation with the Leader of the Opposition. It is my understanding that he felt that it was appropriate for us at least to look at the situation. We on this side of the House and I suspect Members on the other side of the House do not bind themselves in any way to accept the recommendations of the committee without seeing them. But for the reasons that I have mentioned and because I believe that the point of view which I expressed represents a point of view which will be generally acceptable to the House that we ought to look at this matter. I propose to move this motion. Just before I formally move this, I want to advise that I undertake to discuss with the Leader of the Opposition the composition of the committee.

I know that all of us would be very glad if some method could be found of annual adjustment which would not involve us in the process of setting our own salaries as it is sometimes referred to in the Press, but it may not again be possible and perhaps we should not shirk that responsibility. Accordingly I so move.

**MR. D.G. STEUART (Leader of the Opposition):** — Mr. Speaker, I am pleased to second that motion. I think the Premier put the case for an independent committee, to at least review the situation. It has been, as he pointed out, for the past decade a custom in the House to do this. I think that it is a procedure that has a great deal of merit and should be followed.

It is important to remember that of course the Legislature has the final say about whatever recommendations this committee that is set up may make. I think that we should, at a time like this, look at the responsibility at the work done or called for by this Legislature by the Government of Saskatchewan, of which we all are a part. The Premier said we have reached the point where we spend or are responsible for spending half a billion dollars, over \$500 million. Actually if we measured our Budget by standards of most other jurisdictions and I presume one day we shall move to that, the gross spending of this Province, and this is the way most provincial governments measure their budgets, it is almost a billion dollars. The importance and the responsibility and the complexity of government grows year by year. The fact that we are sitting so long this year, obviously it is going to be a much longer Session than the average, the fact that we are talking about two sessions, I think it is wise. I think someone on this side said not long ago, I don't think he said it publicly, but the day when we can tie the consideration

of the business of the Province of Saskatchewan to forty days and leave because the crop has to be put in probably has passed. Now we may be able to adjust if we were to begin earlier in the year and I don't mean to say that agriculture isn't extremely important. But it isn't important personally to many Members of this Legislative Assembly. Those who are farmers and because of the length of the Session aren't allowed to do their spring farming, will just have to manage to do their farming as best they can within these limitations. The complexity and the size of government has reached a stage where that must be our first responsibility. If we don't have remuneration that is commensurate with the responsibility then there is no question we will limit the ability of people who will run for public office as Members of this Legislative Assembly to those people who are well off or those people who have jobs or are in professions that lend themselves to getting time off. This certainly isn't every job or every profession. For a great many people to say, if you could come down and be in a session once a year for six or seven weeks the way it used to be, that's one thing. If you now say to people, well you are going to be in two sessions that likely will take up four or five months of your time, plus the time that you must spend if you are going to be a conscientious MLA when you are not in session. This poses an entirely different situation and so this must be looked at. I would also hope and I suppose it would be our responsibility to make submissions to this commission that the amount of money that is paid to – not the Leader of the Opposition – but to the Opposition for things like research and staff would be again reviewed. And let me say that I think that, I don't know, I haven't got any figures, but I am sure that the Province of Saskatchewan measures up quite well with other jurisdictions across the country in the way and the manner in which the Opposition is treated but there is still room for improvement. You are always much more sympathetic to that when you are on this side of the House than you are when you are on that side of the House. But to quote the late Premier Thatcher as we were developing the last Budget we came to that item and he said rather facetiously but with greater accuracy than he dreamed about, 'just in case' we added a bit to it. I'll always recall him after the election and before his untimely death he looked at that one day and he said, "I had a little premonition, I wish it had been a little stronger." So I just say to the Government when you make your representation, 'just in case'. I know you're supremely confident now but 'just in case' I would hope that the review committee would look at the responsibilities of the amount of money that is allowed to the Opposition for research.

So let me say that I am pleased to second this motion and I support what the Premier said and the idea that a review committee will look at all the aspects of the situation with, of course, the understanding that we shall be consulted and in the final analysis it will be the House that decides what is done or what isn't done. We are not tying anyone's hands as either parties or individuals until we see the final recommendations.

Motion agreed to.

## **ADJOURNED DEBATES**

### **SECOND READINGS**

April 14, 1972

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Blakeney that Bill No. 68 – **An Act respecting the termination of the Athabasca Pulp Mill Project** be now read a second time.

**HON. R. ROMANOW (Attorney General):** — Mr. Speaker, the last time that I was taking part in this debate I think I was just concluding with respect to the financial aspects of the Athabasca mill that we are now seeking to cancel by passage of this Bill, the pollution aspects of this and the question of foreign management. It was my opinion and I think it is the opinion of most people in the Province of Saskatchewan that all other factors aside, certainly from the financial aspect alone, there is much justification in the cancellation of this particular deal. Members opposite, particularly the Member from Cannington (Mr. Weatherald) who took part in the debate and I think he made a good contribution, indicated that this was a matter of philosophical difference between the Members of the Liberal Opposition and the NDP Government. It may very well be, I happen to think that it is, he says that we are against the development of our industries and our natural resources by private capital. That I think can be debated more appropriately later. Forgetting about that issue, even if we were 100 per cent for the development of financial resources by the private enterprise method, if I may describe it that way, even if this Government was philosophically committed to that means as the only means of developing our natural resources, then I would submit to the Members of the House that we could still conclude that the cancellation of the Athabasca deal is necessary in the light of the financial arrangements that the former Government sought to enter into with the private promoters.

I say to the House and to the people of Saskatchewan that we ought not to be misled in this debate about any statements by the Opposition that this is a matter of philosophical difference. I think that there is an important difference of philosophy but as I say to the Members of the House the basic issue that is before this House and before the people is whether or not this arrangement was a provident one for the people of the Province of Saskatchewan. I say again to the House and to all the province that there is no way by any yardstick financial or with respect to pollution or forest management, that it could be reasonably argued by anyone, a free enterpriser or a socialist, that this arrangement was in the best interests, given all the risks, to the people of the Province of Saskatchewan. I am glad the Premier and the Government decided to terminate the deal at the first and earliest opportunity.

Mr. Speaker, I think that the day is now long gone when governments can by simple adherence to a political philosophy, decide that a project should be proceeded with and then throw planning, careful thought and research to the wind in the course of coming to the decision as to whether or not the project should be proceeded with. I don't say that the Liberal Government carried out no planning in respect to this project. From what I could see of it, and I was involved with some discussions with Mr. Landegger and the Premier after the June 23rd election, I don't think that would be a fair or correct statement to make but I do say to the House and to the people of this Province that the planning was grossly inadequate, that the degree of careful thought advanced by the Members of the Treasury Bench who held it at that time was sadly lacking. In my estimation it was not up to the calibre that one would expect when we get

into a multi-million dollar operation such as the Athabasca mill was contemplated to be. The pollution report as I said yesterday or the day before was vague and indefinite, in some areas even contradictory. On forest management, if we had to base it on the reports and the size of the trees and the timber available, a clear decision could be made there that the planning was inadequate, that much more thought had to be carried out. I don't know of any documentation and I stand to be corrected by the now Provincial Treasurer, I don't know of any documentation that solidly and in hard economic facts indicated to the Government of the day what the long-range projections were going to be of the pulp industry three, four, five years from now. All that I have heard in the course of this debate by the Leader of the Opposition, the former Treasurer and by the Liberals opposite is the feeling that three years from now things were going to be better. Some vague and imprecise feeling that the pulp industry is somehow cyclical and was in a downturn and somehow we were going to go on an upturn three years from now, but nowhere that I can discover in economic papers or documents of the Government did it indicate that this was in fact the case. Indeed, I think it could not be so documented. So here we have a \$100,000,000 operation with a large exposure on the part of the Government of Saskatchewan, with all sorts of variable factors involved in markets, technology, pollution controls, quality of the timber, all sorts of these various factors and the Government of the day determined, in fact, that they would go ahead without adequate planning.

Mr. Speaker, any government, NDP or Conservative, any new government other than the Liberal Government of the day, which attained office on June 23rd and having perused the documents before us and could not have come to any other conclusion than the conclusion come to by this Government. If they had, I say they would not have been carrying out their duty to the people of the Province of Saskatchewan.

**SOME HON. MEMBERS:** Hear, hear!

**MR. ROMANOW:** — Now, Mr. Speaker, I want to say that some Members of this House have advanced the view that the Government of Saskatchewan should have terminated the contract, if necessary with legislation in that sense with no compensation or little or no compensation to the private company, Parsons and Whittemore. The argument has been advanced that this would have provided the Legislature and the province the opportunity for a debate on the philosophical differences that exist between our Government and the Members opposite with respect to the development of those natural resources. With respect, to those who advance that argument I say that it is not necessary for the Government to have taken the step of limiting the private company to no compensation whatsoever in order to have had that type of philosophical differences over the development of natural resources, we on the one side, the Liberal free-enterprisers on the other side. In fact, Mr. Speaker, if the Government of the day had determined by legislation or otherwise that there was to be no compensation and that there was to be an absolute and outright refusal to the promoter, the result would have been inevitably, court proceedings. Mr. Speaker, in fact, it would have meant more in the long run than court proceedings. The very stated objective of that action in determining that there should be no compensation, namely the opportunity to debate publicly the philosophical differences of development of resources would have been denied to the public of Saskatchewan because the matter

would have been under consideration by the courts of Canada. The public controversy could not have continued as it is in this House as I am sure it will continue for many months and years to come. So the objective would not have been met in that area. I want to say that the law officers of the Attorney General and the outside counsel engaged by the Government considered all aspects of the Government's duties with respect to this very knotty problem left behind for us by the Liberal Government not the least of which was the legal one. I'll have a little bit more to say about the legal aspect of it, Mr. Speaker, after lunch. In view of the time may I call it 12:30?

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

### **WELCOME TO STUDENTS**

**MR. J.K. COMER (Nipawin):** — Mr. Speaker, it gives me a great deal of pleasure to introduce to you and through you to the Members of the Legislature, a group of 39 students from Carrot River High School. The visit of these students is of special significance to me since these are the students that I have been teaching for a number of years now. They are accompanied here today by their teachers, Mr. Barry Morris, Mr. Shawki Musleh and their principal, Mr. Neil Anderson. Their bus driver who is accompanying them is Grant Trites. I am sure that every Member of the House will join with me in wishing that they have an educational afternoon here today and that they have a safe journey home.

**HON. MEMBERS:** Hear, hear!

**MR. A. OLIVER (Shaunavon):** — Mr. Speaker, I should like to introduce to you and through you a group of 20 Grade Eleven students from Frontier, one of the southwestern border towns of the province. They are accompanied by Jim Amundrud and located in the east gallery. I would hope that they would have a very edifying visit here today and I wish them a safe journey home.

**HON. MEMBERS:** Hear, hear!

**MR. A. THIBAUT (Melfort-Kinistino):** — Mr. Speaker, it gives me great pleasure to introduce a fine group of students from the village of Yellow Creek High School, Grade Ten, Eleven and Twelve. They are led here by their teacher, Mr. Victor Metichyn and their bus driver, Mr. Raymond Wojcockousky. You know that Yellow Creek is very well known throughout this Province as the soccer champions. I know last year they were disqualified because they had some that were too young on that team, but they won anyway. So that is really something to be proud of and I am sure the House will join with me in wishing them a very educational tour, a happy trip to Regina and a safe journey home.

**HON. MEMBERS:** Hear, hear!

**MR. H.H.P. BAKER (Regina Wascana):** — Mr. Speaker, I am very pleased to extend a cordial welcome to a group of students from Champion High School in my constituency. There are 25 Grade Twelve students accompanied by their teacher, Mr. Banks and I believe they are seated in the east gallery of the Legislature. I want to say that Champion High has a great reputation in our community and it has turned out many students over the years that have left their mark upon



society. Again a warm welcome to them and I hope their stay will be fruitful and a marked opportunity for them.

**HON. MEMBERS:** Hear, hear!

**MR. D.H. LANGE (Assiniboia-Bengough):** — Mr. Speaker, I should like to introduce to you in the west gallery students from the Assiniboia Public School accompanied by Mrs. Kwasnek, Mr. Ellis, Mr. Smith, Mr. Richards and Mr. Hillmer. I think they are 50 good reasons why this Legislature should continue.

**HON. MEMBERS:** Hear, hear!

**MR. R. GROSS (Gravelbourg):** — Mr. Speaker, I should like to introduce to this Assembly a group of students from Vanguard, Saskatchewan. It is my understanding that they are not presently seated in the galleries but will be around 3:00 o'clock. They are under the direction of Robert Foster and have been driven here today by Wally Graham. I would hope that they have a pleasant stay and have a safe journey home.

**HON. MEMBERS:** Hear, hear!

**MR. D.L. FARIS (Arm River):** — Mr. Speaker, I should like to introduce to you and through you to the Assembly a group of 43 students from Davidson High School. They are accompanied by their teachers, Mr. Wouters, Mr. Draeger and by their bus drivers, Mr. Knox and Mr. Bessey. I hope that they will find their visit and their stay in the Legislature this day to be of interest to them and that they will have a safe journey home.

**HON. MEMBERS:** Hear, hear!

#### **DEBATING CHAMPIONSHIP WON BY WEYBURN CONSTITUENT**

**MR. J.A. PEPPER (Weyburn):** — Mr. Speaker, I should like at this time to introduce a young gentleman by the name of Jack Hanson from the Western Christian College of Weyburn who has won the award as the best debater in the Province of Saskatchewan.

**HON. MEMBERS:** Hear, hear!

**MR. PEPPER:** — This award was given to him at a provincial tournament here at Regina and he is now eligible to go to the National Debate Seminar at Fort Saskatchewan, Alberta, and I am sure I am speaking, Mr. Speaker, for all the Members in the Assembly here when I say that we wish him equal success in the National Seminar at Fort Saskatchewan, Alberta.

**HON. MEMBERS:** Hear, hear!

**MR. SPEAKER:** — I notice on the list here there are a few groups, I don't know whether they are in the galleries or not. One from Kipling School from Mr. Weatherald's constituency, one from Vanscoy in Mr. Cowley's constituency. I don't know whether they are in the galleries or not, if they are the Assembly welcomes them here at this time.

April 14, 1972

The Assembly resumed the interrupted debate on Bill No. 68 – **An Act respecting the termination of the Athabasca Pulp Mill Project.**

**MR. ROMANOW:** — Mr. Speaker, this morning at 12:30 we were debating Bill No. 68. There are several points that I want to deal with as briefly as I can before I take my seat this afternoon.

I was saying before lunch at 12:30 that one question that has been raised by some Members of this Assembly was the question of whether or not the Government missed an opportunity to debate the matter publicly and to expose the differences we hold as the Government Party as opposed to the attitude adopted by the Members opposite over the differences in the development of Saskatchewan natural resources. To that I said before lunch that in my opinion the answer was clearly No, that the Government did not miss such an opportunity. Any legislation which would have denied compensation to Parsons and Whittemore of New York I think would most surely have been challenged in the courts of law of Canada. The effect of that challenge would have made the entire matter sub judice and thereby ruling out public debate on this very vital issue. So to those who would say that the Government might have missed an opportunity to have debated publicly this important larger issue, I say to them that that would not be correct.

Secondly, the Government did not miss the opportunity because this Bill does, in fact, give the public the right to debate this very issue. I'm doing so this afternoon in speaking in second reading. This was done by the Member from Cannington (Mr. Weatherald), of the Liberal Party and my colleague the Member from University (Mr. Richards) on our side, who both in their remarks injected their own philosophical attitudes as to how the economy, and in particular natural resources, should be developed in the Province of Saskatchewan.

The termination of this Athabasca Pulp Mill operation, Mr. Speaker, outlines the position of this Government clearly for all to understand. This Bill represents a debate itself on an approach to resource development. In cancelling this deal we have shown the people of Saskatchewan that this Government believes our natural resources are best developed by the people of the province, for the people of the province, wherever and whenever possible as opposed to the private enterprise.

**SOME HON. MEMBERS:** Hear, hear!

**MR. ROMANOW:** — The Member for Cannington in the course of his remarks, said that the Government ought to outline what its attitude was to resource development. We've done so many times, over and over. Our position has been stated that we oppose a government approach which would amount to the sell-out of our natural resources, as I think the former Government did with Athabasca. With respect to new development our Party and our Government is committed as a first priority to public ownership on natural resources, where possible through Crown corporations, co-operative ownership or partnership agreements between government and co-operatives and perhaps even private developers under particular circumstances. The point of the matter is that first emphasis will be placed on the resource development on the basis of public ownership where possible, because, Mr. Speaker, that is the only consistent and logical way to adhere

to the principle that those great natural resources of our province were not placed for Parsons and Whittemore, but for all the people of the Province of Saskatchewan.

**SOME HON. MEMBERS:** Hear, hear!

**MR. ROMANOW:** — Now, Mr. Speaker, some Members will ask the question whether or not the Provincial Government made a wrong legal decision in determining legally that any other course, that is to say any other course than has been set out in this Bill would likely be successfully challenged in our courts. To that I say categorically again, that it is my opinion that the Government did not make any wrong or substantially questionable legal decision. There are many grounds upon which any other approach could have been challenged in the courts of law. It could have been challenged for constitutional reasons as being ultra vires of the province on the basis of it being a violation of the law of contracts, and the large body of precedent that is built up in that area. I assure the province and the House that our lawyers have studied this problem and the legal options open to the Government over and over again, and determined that at best any other course of action would have been very highly debatable as to whether or not the Provincial Government could legally carry it out. The hours spent on legal review justified, in my opinion, the legal decision around which this Bill is embodied, namely that any other approach could likely be successfully challenged in a court of law and would lead to substantial, costly and lengthy litigation not to the advantage of the Province, the people of the Province of Saskatchewan, or to any of the parties concerned.

This, Mr. Speaker, I say to Members of the House, legally this position is a sound position as is embodied in this Bill.

Now, Mr. Speaker, having determined that it was legally right or necessitous to take the course that we did and having outlined our general attitude on this entire overall principle of resource development, what other choice was there left to the Government but to negotiate the best arrangement out of this deal?

The Premier of our Province led the negotiations. It was my honor to be present with him on many, if not all of them. I can tell the House that the negotiations were tough. I also want to tell the people of Saskatchewan that under all of the circumstances, namely our rights having been contracted away by the Liberal Government nine days before the election — given those sets of circumstances this is probably the best deal that could have been negotiated under all the circumstances . . .

**SOME HON. MEMBERS:** Hear, hear!

**MR. ROMANOW:** — . . . and I want to say that the people of our Province are indeed fortunate that we have a man of the intellectual and other abilities of Premier Blakeney to have led them in the negotiations as he did in July of 1971.

**SOME HON. MEMBERS:** Hear, hear!

**MR. ROMANOW:** — I say again, Mr. Speaker, that no other better deal

April 14, 1972

could have been negotiated to the advantage of the Province of Saskatchewan given the framework that the Liberals left us with. The Premier did that, I am pleased to report to the House and the Members and the Province of Saskatchewan.

I say, given the circumstances, Mr. Speaker, those circumstances are well known. They are circumstances which in effect amounted to the signing away of all legal rights of any Government for cancelling this deal. Those legal rights were signed away nine short days before the vote of June 23rd.

The Member from Meadow Lake (Mr. Coupland) when he spoke the other day, said that if he had had his way he would have signed any document to have had this deal on the books. Any document whatsoever. Now with respect, I don't think too many of the people of our Province accept that point of view. We know that in the course of an election there are opposite views. During this election I don't think there was any more opposite point of view than that view contained on the Athabasca Mill. Clearly the Liberal Party opposite, which was the Government then, said that they were for it on the terms and conditions as set out. Clearly, we as the Opposition party seeking power said that we were against the mill. We said that the mill was bad and we voted against it in second reading. Everybody knew that. The last person who could say that they did not know about that was the Treasurer of the day, the now Leader of the Opposition of the Liberal Party. But yet nine days before, the contractual rights and options for the Government of Saskatchewan were signed away.

Why were they signed away, Mr. Speaker? I've been asking this question publicly since June 23rd, 1971 and I'm going to continue asking this question as to why the Treasury Benches saw fit to sign away the rights nine days before the vote, in the middle of an election that they knew was going very badly for them.

**MR. GUY:** — Oh, go on Roy.

**MR. ROMANOW:** — Oh, the Member for Athabasca (Mr. Guy) I suppose maybe didn't know what was going on all around him during the election and I suppose that that could also be a very tenable position, but it certainly wasn't what the now Leader of the Opposition was saying at the time. I recall he was in Saskatoon about the time that he signed away this deal and the rights of the province to get out. I recall then he said that they were going to lose this election unless the boys started working for the Liberal Party. He didn't say that idly. He said it, Mr. Speaker, because he knew the Party was in serious political difficulty and yet the Government signed away the rights of the Government to get out. They did so and there was no way the railway deal was near completion. Nor was anything completed with respect to the firing range. Many issues were yet to be determined. I don't think there was anything more than a letter or two exchanged on the DREE grant, Mr. Speaker, and they could have used that as an option for the Government to have gotten out. Democracy would have dictated no less than to have left this matter open until after the election of June 23rd knowing that there was a hotly contested issue on that particular point.

Well those were the circumstances that we were left with, Mr. Speaker. And we're asking why the Liberals signed away these

rights.

The Leader of the Opposition said, according to newspaper reports, that there should be a judicial enquiry. He said the Government should set up a judicial enquiry into this matter. Well, Mr. Speaker, I presume that the Leader of the Opposition when he called upon us to set up a judicial enquiry was in effect asking us to set up a judicial enquiry of the kind that was set up by the Schreyer Government in Manitoba which looked into the pulp mill arrangements financing made by the free-enterprise government, the Conservatives in Manitoba. That's what I assume the Liberals want us to do. They haven't said this inside the House but newspaper reports quite clearly say that that is in fact their position.

Mr. Speaker, I want to spend a few minutes on this matter of the judicial enquiry into this matter. Now I think you'll want to hear this, Member from Athabasca (Mr. Guy).

Liberals opposite say they want a judicial enquiry. Mr. Speaker, I want to ask two or three questions about a judicial enquiry. First of all what we have to ask ourselves when we consider the question of setting up a judicial enquiry is what we would need exactly the judicial enquiry to determine. Would it enquire into the question of who the parties were to the Athabasca Pulp Mill deal? Quite clearly everybody knows the answer to that, I don't have to repeat that. So I don't think we need a judicial enquiry to find out who the parties were. A second thing a judicial enquiry could look into was what the financial details of the financing of the mill were, to know how much money the Government of Saskatchewan had exposed, what the financial risk in commitments were. In my own view those are fairly clear for the Province of Saskatchewan. 70 per cent of the risk was put up by the people of the province with a substantially smaller possibility of return on that investment. A third aspect of the enquiry could I suppose look into the state of the pulp mill industry throughout the world, to see whether or not the deal at the time was a provident one keeping in mind world conditions. That I said already earlier, Mr. Speaker, would be an indefinite thing we already know. All you have to do is open the newspapers. We know that pulp mills are going bankrupt. They are closing their doors with alarming frequency in the Dominion of Canada. We know that the pulp mill industry with respect to certainly the national if not world wide outlook is far from being the best and so we know what that enquiry is likely to set out. Then there is the question of pollution, the question of forest management. I think the documents are very clearly there available to us. So, Mr. Speaker, what I am saying is in sum total with respect to the aspect of setting up a judicial enquiry on the Athabasca Mill that by and large all of these questions that I have raised as the possible terms of reference of any judicial enquiry are indeed set out clearly for this House and for the public to see so that for that reason in my view at any rate the Athabasca Mill and the Athabasca Mill itself would likely not be a worthy subject of a judicial enquiry.

But there is one thing that is still left unanswered after we ask all those questions. What is left unanswered, Mr. Speaker, is why did the Leader of the Opposition sign away the rights of the Government of Saskatchewan? No document shows that anywhere. Why did the Leader of the Opposition sign away the rights? The answer to that question only the Leader of the

Opposition knows, and thus far he has not seen fit to tell this House or to tell the public. That is something that is yet left unanswered. Now the question to be asked is whether or not this could be the subject of a judicial enquiry.

**MR. GUY:** — Louder, louder.

**MR. ROMANOW:** — I say to the Member from Athabasca, who is not only deaf in hearing me but deaf in hearing the voices of the people of this Province as well as was shown in the election of June 23, I say to the Member from Athabasca and to the people of Saskatchewan that I do not believe in judicial enquiries that look into motives of Cabinet Ministers or Governments, that I do not believe to be the proper role of a judge, of any judge. The motivations of a Cabinet, our Cabinet, your Cabinet can only have judgement passed on them by the electorate and the people of the day when it comes election time. Our judgement day will come and as yours came on June 23rd, I think that type of judgement will come for us some years in the future. So I don't think that a judicial enquiry should be set up. I think it is a wrong democratic principle to enquire into motivations of Cabinet Ministers. Having said that, I do want to say that it is fair game in the political arena for me to ask this question as I am sure we all will be for months to come, nevertheless, what his motivation was still remains unanswered by the Leader of the Opposition and the Liberals opposite. The people of Saskatchewan can draw their own conclusions as to this particular aspect of the arrangement.

Having also said that, Mr. Speaker, may I also say that I am concerned about public reports in newspapers that I have read about this question of development of timber resources in Saskatchewan generally. I am concerned about newspaper reports reporting activities out of Crown Corporations and certain resolutions that have been passed by members there. I am not a member of the Crown Corporations Committee and I therefore don't know what the nature of the resolutions with respect to enquiries on timber resources are in northern Saskatchewan. I am led to believe by newspaper reports, Mr. Speaker, that there are one or two specific resolutions on enquiries with respect to one or two specific deals or operations in timber resources in northern Saskatchewan and one or two resolutions of a general nature. This type of report causes me a great deal of concern. The newspaper reports are I think disquieting, Mr. Speaker, for all those who read about some of the reports that have come out of the Crown Corporations and apparently some of the findings of the members of the committee. So, I conclude by saying that although for the reasons I have set out, Athabasca Pulp Mill would not in my opinion be the subject or should not be the subject of a judicial enquiry per se, there is much that Members of the House should always be mindful of in the light of the Crown Corporations Committee with respect to the timber resources and certain operations of timber resources.

Mr. Speaker, I have tried this morning and this afternoon to outline the several issues that have been raised. The deal itself, I discussed earlier this morning. I discussed also the question of whether or not the legal opinion of the Government was a correct one and I said it was. I dealt with the question of those Members who say that we missed an opportunity to publicly debate the differences philosophically of resource development. I say that we have not missed that opportunity but

would have missed that chance if we had taken any other course. I have dealt with the Leader of the Opposition's public statement about an enquiry into this matter and said that I don't think that it is right. I have also dealt with this question of the Crown Corporations and what I have termed to be in my opinion at any rate disquieting newspaper reports of activities from the Crown Corporations. In sum, Mr. Speaker, this Government has acted as quickly and as fairly and as best it could given the set of circumstances that were before it when it assumed office on June 23rd. I conclude by saying again, the people of Saskatchewan can be proud of the job done by Premier Blakeney in getting us out of this very bad deal by the Liberal Party opposite.

**SOME HON. MEMBERS:** Hear, hear!

**MR. ROMANOW:** — Mr. Speaker, I am going to vote for this Bill in second reading and I am going to urge all Members opposite to vote for it as well so that we can get on with the business of putting an end to a very bad and improvident arrangement made by the former Government.

**MR. D.G. STEUART (Prince Albert West):** — Mr. Speaker, I suppose the NDP and the Attorney General, I don't suppose I know, they work on the theory that if you tell a lie often enough . . .

**MR. ROMANOW:** — Mr. Speaker, on a Point of Order. My notes indicate to me, Mr. Speaker, that the Leader of the Opposition has spoken on this, I stand to be corrected but I think he has spoken on this.

**MR. SPEAKER:** — The Leader of the Opposition spoke in the House and adjourned the debate but he did not pick up the debate after his adjournment so he still has the right to speak.

**MR. STEUART:** — Thank you, Mr. Speaker. As I said before I was so unnecessarily interrupted . . .

**SOME HON. MEMBERS:** Hear, hear!

**MR. STEUART:** — . . . the NDP and especially the Attorney General, believe if you tell a lie long enough, large enough, often enough and loud enough eventually people will believe it.

Well somebody in the newspaper report of this particular debate said — the tired old debate of the pulp mill was dragged out again. We had it in the last session, we had it in the election campaign and we have had it here. I presume that when I sit down we will have some more from the Premier. I have really covered every point that the Attorney General made, but I sincerely believe that every time they repeat these inaccuracies that it is my responsibility and the responsibility of the Opposition to get up and set the records straight.

They said there was no feasibility study, in fact there were very little studies done, concerning this proposed pulp mill complex and that, of course, is wrong. The same firm that

April 14, 1972

did the feasibility study of the Prince Albert pulp mill and were extremely accurate, were engaged to do an independent feasibility study for the proposed Athabasca pulp mill. And in that report they not only indicated that they had studied the detailed plans put forward by Parsons and Whittemore, the kind of mill that would be constructed, they had also studied the financial arrangements that had been put forward. They studied the future markets. Their conclusion was that this was, in fact, a viable proposition and that when the mill came on stream the markets would be there.

Again, we hear over and over again, while there are pulp mills in Canada in trouble – and there are pulp mills in Canada in trouble – and most of them are in Ontario and Quebec and they are the old pulp mills. They are outdated and outmoded. One of the reasons they are in trouble is that if they are to meet the increasingly tough standards – pollution standards – put forward by the Federal Government, they will have to invest so much money in these mills that, obviously in the opinion of the owners, it won't be worth it. So they are talking, in fact, they have started, to close some of them down and they are also talking about closing others down. These mills, by and large, are small and they are old and by today's standards they are inefficient.

Why should we in Saskatchewan be protecting them by staying out of the pulp market, if we can in fact, have a viable and feasible mill, why protect outmoded and old fashioned pulp mills in Eastern Canada. It is interesting to note that they are still going ahead with pulp mills in the Province of British Columbia have more confidence in the future of the pulp industry of Canada than the present Government of Saskatchewan.

Again, was there enough timber? Well when you consider that this pulp mill would have been a soft wood mill and a hard wood mill, would have produced up to about 1400 tons of pulp a day when it reached capacity, and would have used approximately when it was in full capacity 50 per cent spruce and pine and 50 per cent poplar, again the study by the Department of Natural Resources and backed up by studies done by other independent people, indicated that there was in fact enough pulpwood to keep this mill going, with proper reforestation practices, for perpetuity.

The Attorney General talks about disquieting rumors that came out of the Crown Corporations and disquieting newspaper reports. I find this rather interesting and ironical because the disquieting newspaper reports came from his own Members. They are the ones that got up and demanded and voted with their majority judicial enquiry into this or that. And when they did want an enquiry into the operation of things like the development of the Big River mill, we amended the resolution or the proposal or the motion, and asked that there be in fact an enquiry – and I don't say it was a judicial enquiry – into the last seven, eight, nine or ten years of the entire use made of our forest resources in northern Saskatchewan. Having regard to the best utilization of that great resource, the reforestation or the replenishment of that resource, of the wages, the total amount of wages, the employment that is now being produced by that resource and was produced say five, six or ten years ago. And also to look at the future, because we still have, since the cancellation of the Athabasca pulp mill, a tremendous



amount of timber reserves left in the northwest corner of the province. And I had rather hoped that that particular enquiry would also do a study of the best possible future use of this resource, not only in northwestern Saskatchewan but all across the province as well.

This particular amendment was voted down, but we were assured by the Minister of Natural Resources – and I welcome this assurance – that his Department was in fact carrying out such a study, not to look back and examine the total use of that forest reserve but to look ahead, to get some advice on the best way to use it in the future.

Mr. Speaker, again it was mentioned about signing documents in the month of June and I explained that over and over again. Obviously I will never convince the Government but, again, I want to put it on record. If you look at the development of the Athabasca pulp mill as a positive thing that you are going to go ahead with, then you look at it in one way. If you look at it as something you are going to cancel somewhere down the road, of course, you look at it in a totally different perspective. We actually agreed to develop the mill in January. We left ourselves, as I have pointed out, as did our partners Parsons and Whittemore, escape clauses or places where we could back out. For example, if the study had shown that the wood supply was not adequate, of course, both sides would have backed out. If the study indicated that the amount of money necessary to put into that deal, or the amount of money that we would have had to spend to protect the resources or protect the environment of northern Saskatchewan – the Churchill river system and so on was too high – then, of course, we would have been able to back out or Parsons and Whittemore would have been able to back out. We had more than one study done on pollution control. We actually had three studies done.

The indications were very clear that if we were prepared to put enough money in – I think the figure was \$9 million or \$10 million – that we could have in fact had the pulp mill and as well have protected both the Churchill river system and the environment of northern Saskatchewan generally.

I think that it should be very clear that it is possible that while pulp mills have been polluters of our rivers, our lakes, and have been guilty of this and other kinds of pollution and maybe irresponsible pollution, that we have in Canada probably the most outstanding consulting engineers on pollution control for pulp mills – especially in northern parts of the world. And we had engaged one consultant and he did give a report that you could look at it one way and say that he was saying that it was very difficult to do this. You could look at it in another way and he was in fact recommending one particular type of pollution control. I wasn't convinced nor were many others convinced that it had to be that way. And for that reason and to double check the findings we took on another consultant engineer and had him study it. Their conclusions were that while we would have to do some pretty dramatic things, for example, we would have to beef up the flow of Beaver River. We would have to dam certain areas up there, that if we were prepared to spend more money – and the figure was put in the neighbourhood of \$10 million – that we could in fact have the pulp mill and control the pollution to standards, much higher than the present Federal Government's standards, and the standards much higher than those attaining in the Province of

April 14, 1972

Saskatchewan at that time. In fact the standards as high as it is anticipated the Federal Government will go within the next few years.

Having placed that amount of money into calculations, again, the viability of the economic viability of the mill was studied and again we were informed by the people, for example, who did the study on the Prince Albert pulp mill, that while this was a tremendous sum of money the project was still viable. So, Mr. Speaker, I say that we did carry out necessary studies. We were cognizant of our responsibility in regard to protection, not only of the forest, but of the Churchill river system and the environment in general. We did sign the contract and agreed basically to go ahead with the mill after we had had these studies in early 1971.

We got to the point, as I have explained before, about early May, where the Canadian market and the American market was firm and it was good. We figured that we could get the money. Our fiscal agents, who are still I think fiscal agents of the province, I don't know but they have been the fiscal agents of the province for many years. People like Wood Gundy and Dominion Securities and so on recognized and respected people in this field advised us that this was, in fact, from their point of view a very favorable time to go to the market and if we waited any length of time the market seemed to be softening and it might be very difficult to get the money at all and, indeed, we might have to pay a higher interest rate. Certainly their predictions as to the money market as regards to supply were accurate, their prediction in regards to interest rate was not that accurate.

Anyway we made the decision to go to the market. Having made that decision – and let's face this – one per cent of interest on the amount of money we were talking about, about \$2 million over 20 years is a tremendous amount of money. We then decided that we would, in the best interest of the Province of Saskatchewan, under the consideration of the fact that we intended to go ahead with the deal, to close off three loopholes or three backout places that were left.

One was the availability of the wood on the Cold Lake Weapons Reserve range. We had been given – I had in fact personally been given – the assurance of the Deputy Minister of Defence and of the Federal Government that that timber would be available as long as we gave them our cutting plans in advance and as long as we recognized their problems and they would be prepared to recognize ours. And they would, in fact, make that resource available.

Again we talked to experts and people like Tom Ballantyne and said is it possible to give them far enough advance on cutting plans so that they can plan their programming and we can plan ours, and the answer was, Yes. So there wasn't any question of doubt in our minds that wood would be available, and it was essential to the project.

The railroad, as I have said before, if we had not succeeded in obtaining the development of the railroad in 1971, had it been held up for one year and the cost would have possibly made the deal not viable, not economic.

So we had proceeded to put the Private Bill through the Senate and passed. We had again received assurance from the

Federal Government, and from some of the Conservative Members for Saskatchewan, that they would, in fact, support the Bill. Again, I point out that the CPR was so confident that the Bill would pass that they, in fact, gambled \$25,000 or \$50,000 on clearing right-of-way so that there would be no hold up. So we had no question, again, in our minds that we would get permission to build a railroad if not in the spring session then certainly in the fall session. And again, it was essential if we intended to go ahead with that mill that we not lose a whole year of construction time.

So we decided that we could close that particular backout. The other one was the question of whether we would receive, in fact, or the project would receive, I think it was about \$12 million from the Department of Regional and Economic Expansion. Now let's be clear about this grant, this grant was available in any province in Canada for any project that qualified and we were as entitled to receive this on behalf of the project as anyone else anywhere in Canada if it qualified.

Again, we had gone over the qualifications. We had discussed them with everybody involved and we had been assured that if we met these qualifications and the specifications, we had been assured by the department that we would, in fact, receive the full grant. And this is nothing very extraordinary. If you waited until – and you never know if you are going to get a DREE grant in the final analysis, until you have completed all the specifications. Some of the specifications can't be completed or the arrangements can't be finalized until that particular project, that industry, has been in operation sometimes as much as one year.

So it is impossible to say that you would wait until you had the money in hand if you are depending on a DREE grant which is necessary as it is a very large sum of money. And so again we had satisfied ourselves on that count and sometime in May we closed the deal.

The fact that our legal advisers and their legal advisers never got around to crossing all the T's and dotting all the I's in presenting the final draft signing until sometime in June, has been made a great deal of. Why did you sign the final documents nine days before the election when you knew that you were going to be beaten? Well, I must confess I didn't know that we were going to be beaten. I didn't know, and our Government didn't know, they were going to be defeated. We weren't quite as wise obviously as the NDP. We agreed in May. The fact was, there was no ulterior motive and there was nothing odd about the signing of that in June. And as I have pointed out before in the presence of the Deputy Minister of Industry and Mr. Robert Pearce. I, in fact, would not agree to any draw-down of the money at that time, but we had agreed, as I said in May to these final signings so that we could go ahead, put the money in place and be ready to go.

Of course, I admit from the point of view of the cancellation of the whole project it would have been better if we hadn't signed that. It would have been better if we had never agreed to it in the first place. It would have been better if we had never started negotiations. We would have saved ourselves a great deal of time. The Government would have saved some money that they spent at that time. So would Parsons and Whittemore and the present Government would have saved and the people of

April 14, 1972

Saskatchewan would have saved the \$5 million or \$6 million that has been paid out to cancel this deal. No one has to be very bright to see that. But from the positive point of view, we were concerned and are still convinced, that this was a sound deal. I admit there was some element of risk. I also contend very seriously, that if you are going to get industry – and this Government is going to find out if they will ever get any industry, they have had ten months now – they have not succeeded in attracting any new industry here. They are planning and they are hoping to get a tractor factory and I wish them luck and I will do nothing or say nothing to harm them. I hope they get it. They are going to find out as the months go by in their term of office, that they have to be prepared to take some risks. If it was easy to get industry into Saskatchewan we would never be debating it. I recall Premier Bennett when they asked him the industrial development policy of British Columbia a few years ago, said, “We merely tell them to get into line and wait their turn.”

Well, British Columbia with its tremendous resources and its situation on the tide waters and the proximity to the great markets, can take that attitude. We, in the Province of Saskatchewan, and people in the Province of Manitoba cannot take that attitude if we want to see our resources developed, produce jobs and revenue for our people.

So, again, I just say in closing that I think it was a shame that this pulp mill was cancelled. I think that what we have done by this, we have said in effect, we don't have real faith in the future of northern Saskatchewan. We have said in effect to thousands of people, especially in northwestern Saskatchewan, 'stay on social welfare. We haven't got an answer for you.' Don't try to pretend that the tourist industry is going to be an answer for the thousands of people who need work, who are unemployed, are under-employed, in this part of the province. This would have given hundreds, in fact, thousands of jobs directly in the mill, the bush and in the townsite and the other small businesses and industries that would have come into that area to service this great complex.

I think it was a sad day for the Province of Saskatchewan when the Government cancelled this. But having cancelled it I do not agree with the Member for Saskatoon who said that they should have given Parsons and Whittemore nothing. I have gone over the documents and in honesty I can't say I can argue about a few dollars here and a few dollars there, but in honesty I can't say I disagree in any way with the settlement that was made by the Government in regard to the bondholders, the fiscal agents in New York or with Parsons and Whittemore themselves.

I can say, and I say it sincerely, we entered into that deal with sincerity and with a conviction that this was about the only way you could get a major industry into northwestern Saskatchewan to give some hope to those people and to utilize that great renewable resource which is sitting up there now rotting and burning. That is all it is doing. It could be used and it could be maintained and the environment could have been protected. There could have been varied uses made of that great resource, not only for tourists but for the industry as well.

However, that was the Government's decision and that was their right. But I don't think it is their right – it is their right I presume but I cannot agree with them and I must protest as vigorously as I can – to say that by making this deal our Government or the members of our political party were somehow

tainted with the suggestion that there was an under-the-counter deal. This was exactly the same deal only on a little larger scale that we made with the same people and we ended up with the Prince Albert pulp mill, of which you are now 30 per cent owners. We are all 30 per cent owners and you are in control of that 30 per cent.

That was not a bad deal, it was a good deal. That – and someone over there chuckles, well they can't add very well – that deal has brought in direct revenue to the Province of Saskatchewan at least \$5-\$6 million. What did it cost? It cost us \$1.5 million our share of the equity capital. It costs us \$3 million or \$4 million in subsidy through the woods operations of the Saskatchewan Pulpwood Limited. It cost us another subsidy in the form of roads. Those roads are there, there for the general use of the public and they will be used not just for the pulp mill and they are being used by industry up there, by the people and the tourists as well. But even if you take half of those roads or even all of them and write them all off as a form of subsidy against the Prince Albert pulp mill, you say that is another \$4 million or \$5 million. So say that you have \$9, \$10 or \$12 million invested, you have had back in E&H tax, you have had back in royalties off the woods, stumpage fees, you have had back in income tax on the money that has been earned by the workers in that mill and in the woods, workers employed in other industries that support that industry, you have had back at least \$5 million or \$6 million, and I say, probably double that. And your shares are now worth at least \$15 million. In fact I think if you offered them to your partners for \$15 million they would snap them up.

So if you don't like that deal, if the Athabasca deal was such a terrible deal for the public, then obviously the Prince Albert pulp mill was a terrible deal for the public and why don't you get out of it?

You can get out of it, I am confident, within a month or two by selling your equity shares for \$10 million or \$15 million and Parsons and Whittemore would take the Government of Saskatchewan off the \$50 million guarantee.

So if the one deal was so terrible then you have a chance, not only to cancel this deal as you have done, but also then remove any risk at all for the people of the province in the other deal. I say the Prince Albert pulp mill was a good deal. It has utilized a great forest resource, a renewable resource, and has put it to work for the people of the Province of Saskatchewan. If Parsons and Whittemore made some money on it, more power to them. If MacMillan Bloedel had come in and operated a pulp mill then nobody would have been saying anything. God knows the old CCF tried to get one mill after another, and had they succeeded in getting one and the company had made a profit, would people be running around saying, rip off, terrible thing?

The steel mill that you people were involved in, I presume is making a profit, it is paying off. Is anybody running around saying that the steel mill in north Regina that employs a lot of people now is a terrible thing? We may have criticized it at one time but after we got to be the Government we looked at the operations and it was successful and admitted that it was a good thing. It is a good thing. It is only a good thing because those people are making a profit and are able to pay off

April 14, 1972

the money that they owe. They are able to pay good wages and they are going to build up some profits to expand, grow and develop it. It is nonsense to say that the Prince Albert pulp mill wasn't a good deal, just as to say this was a bad deal. Or that we did anything wrong in developing it.

Mr. Speaker, I know that even if I say this a hundred or a thousand times the Members opposite will repeat their side of the story a thousand and one times or a thousand and two. Again, I want to say that it is very easy after the fact to say, that is a bad deal, this could have been a better deal. Nobody could make any deal in the world, I presume, that someone couldn't come along afterwards and say, I could have done better or you could have done better. You made a mistake there. We made lots of mistakes when we were the Government and you people are making lots of mistakes and you will make lots of mistakes in the future. But don't say to us that the Athabasca pulp mill development was anything on our part but a very sincere effort to develop the great resources in northwestern Saskatchewan for the benefit mainly, firstly, for the people of northwestern Saskatchewan and the people of this Province generally.

**SOME HON. MEMBERS:** Hear, hear!

**HON. A.E. BLAKENEY (Premier):** — Mr. Speaker, I do not propose to detain the House long in closing this debate.

We have heard the Athabasca pulp mill project defended. I don't have to reiterate again our concerns about the market, for example, and they are in no way stilled by being advised that pulp mills in British Columbia are prospering. We know that our forest resources and freight rates are not as favorable as those in British Columbia. We know that old and small mills in Eastern Canada are closing down. We know that each of those old and small mills, or almost every one of those old and small mills, has better forest resources and better freight rates than we have and nothing stops them from building a new mill, as cheaply as we can build a new mill, at the site of the old.

Nor are we convinced that everything was done which could have been done and should have been done to protect against pollution. And no fair reading of the Van Luven Report can yield an interpretation that the proposal did protect the Churchill river system or the Beaver River. No fair reading of the report can yield that interpretation.

But let's leave those aside and let's take the representations of the Leader of the Opposition (Mr. Steuart) at face value that when he was in the Government he entered into these agreements sincerely, believing them to be in the best interest of the province. I believe that to be true. I believe that he entered into the agreements in March and April believing that these were good for the province. I differed with him and we had our disputes last year in this House. But what I have said before and what I say now is that those judgments do not apply to the agreement of June 14.

What I say now is that nothing that took place on June 14 could not have taken place on June 24. The project was not in a position which required the closing of these loopholes. The project did not require something that could not have waited for ten days. And let's recall, again, just what ten days those

were, just recall again that on June 14 we were in the middle of an election campaign and that this was a major issue in the campaign. And that we had tried to make it a major issue. And the Liberal Party had tried to make it a major issue. And it was a major issue. It was a major part of the election advertising campaign of the Party opposite. They had television programs and we all know them. They had television programs with Mr. Karl Landegger on them which was entirely improper.

So we know that they felt it was a major issue. We felt it was a major issue and it was before the people of Saskatchewan, not obliquely, not tangentially, but as a major issue in an election campaign. "Shall this mill go on or not". Nine days before the voting, the Liberal Party decided that the people of Saskatchewan should not have an opportunity to speak on this. They decided that regardless what the people thought, Parsons and Whittemore should have their way or be paid.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — The Member for Prince Albert West (Mr. Steuart) says, "We just plugged these loopholes — it was a mere technicality." He says that the Cold Lake bombing range was sort of tied up. We haven't found as much as a letter from the Federal Government assuring us that the Cold Lake bombing range was tied up.

And this is not a two-bit deal, Mr. Speaker. We are talking about \$175 million deal in respect of which the Government would have a commitment of \$150 million. The Member for Prince Albert West is saying that we just plugged up those little loopholes by telephone conversations and everything was fine.

If it was all fine, why wouldn't they at least have a letter? I concede some of his points with respect to the DREE grant — it is difficult to get the Department of Regional Economic Expansion to commit themselves. Even there I don't have any correspondence, anything to suggest this. Perhaps that is not too unusual. But when we come to the railroad agreement, the fact that there was nothing in writing is absolutely astounding. The Government of Saskatchewan had a deal which expired on June 30th, expired on June 30th.

The Leader of the Opposition, the then Provincial Treasurer (Mr. Steuart), knew that the Government of Saskatchewan on July 1st would have no way to require that the CPR build that railroad if they didn't want to. He knew that the CPR could up their price. He knew that the CPR would have the project in the palm of their hand. He says, "Oh, the CPR were committed for clearing the right of way." Why didn't he at least get a letter from the CPR saying they would extend the date? He certainly didn't. Because when I came into office on June 30th, I received on July 2nd, a letter from the CPR dated June 30th pointing out that the agreement was terminated. They were certainly aware of the June 30th termination date.

Surely, Mr. Speaker, when we are talking about \$150 million exposure by the Government of Saskatchewan, we are not talking about a deal which can be dealt with on the basis of a telephone call. Surely, the then Government had as a minimum obligation an obligation to get firm written agreements that these would be extended before it agreed in writing with Parsons and Whittemore that the Government of Saskatchewan would act as if these

April 14, 1972

agreements were extended when, in fact, there was no assurance that there would be. Nothing can justify that conduct.

I don't accept the idea that there were all sort of agreements reached and they were just committed to writing on June 14. I don't accept that at all. It seems to me that on June 14 the then Government should have been very conscious that they were taking large risks with \$150 million. They should have insisted in writing, and because, and this is my key point, of course, this issue was right then before the electorate of Saskatchewan they should have decided that these agreements would not be signed on June 14, but would be delayed until June 24, after the people had a chance to speak.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — I am, of course, critical of the judgement of going ahead with the Athabasca project but all those arguments we had last year. What I am now saying is that the Leader of the Opposition has not explained to this House or to the people of Saskatchewan why nine days before the election, in the face of the fact that this was an election issue, he would preclude the Government that succeeded him, whether it be his party or mine — he would preclude them from acting on the voice of the voters, he would preclude the people from having an opportunity to have their voice on this issue and would decide that regardless of what the voters decided, he and Parsons and Whittemore should decide the fate of that mill and not the people of Saskatchewan.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — That's my criticism. I have said it before and I say it again. I believe that nothing that has come up in this debate has in any way blunted the force of that argument.

**SOME HON. MEMBERS:** Hear, hear!

Motion agreed to on the following recorded division:

**Yeas — 37**  
Messieurs

Blakeney	Pepper	Taylor
Meakes	Michayluk	Faris
Wood	Byers	Cody
Smishek	Thorson	Gross
Romanow	Whelan	Feduniak
Messer	Carlson	Mostoway
Snyder	Engel	Comer
Bowerman	Tchorzewski	Rolfes
Thibault	Owens	Lange
Larson	Robbins	Hanson
Kowalchuk	Matsalla	Oliver
Baker	Cowley	Feschuk
		Kaeding



**Nays – 12**  
Messieurs

Steuart	Grant	MacLeod
Coupland	McIsaac	McPherson
Loken	Gardner	MacDonald (Moose Jaw North)
Guy	Weatherald	Wiebe

**SECOND READINGS**

MR. W.A. ROBBINS (Saskatoon Nutana Centre) moved second reading of Bill No. 73 – An Act to amend the Income Tax Act:

He said: Mr. Speaker, Members of the Legislative Assembly will, I trust, realize that this Bill is being introduced because of the new Federal Income Tax law which became effective as of January 1, 1972.

Members will recall that a commission was set up to study the Canadian tax structure in the year 1962. The Commission later became known as the Carter Commission, it was named after the chairman, Mr. Kenneth Carter, who is now deceased. He was appointed by the Hon. John Diefenbaker's Conservative Government, of that time. That Commission conducted a very thorough and exhaustive study of the Canadian tax structure and issued the now famous Carter Commission Report. The Federal Government had Senate and Commons committees study the report and the Hon. Edgar Benson who was then the Minister of Finance issued a white paper on tax reform. Legislation finally came into force on January 1st of this year. While in reality I think it is more accurate to assert that the legislation is a modification rather than a basic reform of the general tax laws it is a requirement, Mr. Speaker, that the participating provinces enact legislation pursuant to the Federal law. Therefore, Mr. Speaker, in reality this legislation is drafted in Ottawa. I am reasonably certain that this legislation therefore cannot be classified as being very contentious.

Perhaps, Mr. Speaker, a few words should be said about that portion of the Act which indicates the Saskatchewan levy is 37 per cent as from this year on, rather than the 34 per cent which previously applied under that Bill. This is not a change or increase in income tax levy. In Federal-Provincial negotiations the Federal authority agreed that the province would not receive less income tax dollars than were available under the old Act. The base has been changed by reason of changing the exemptions from \$1,000 to \$1,500 for single persons and from \$2,000 to \$2,850 for a married couple. Since the tax is applicable to a smaller base the percentage rate is altered to derive the same number of income tax dollars. In summary it is not a change in the effective tax rate but a change in the nominal rate . . .

**MR. WEATHERALD:** — Mr. Speaker, on a Point of Order. I ask for a ruling on this, I must confess I don't know the precise answer but we have a Member who is not a member of the Treasury Bench moving a money Bill. It does seem to me that this is not in accordance with the rules.

**MR. SPEAKER:** — I must admit to the House I am at a loss to know exactly what this is myself. I have been wondering myself, I know a private Member cannot move a motion with respect to expenditure of money. Now this is a money Bill, it puts me at a loss, I don't have it at my finger tips to be honest to rule one

way or the other.

**MR. BLAKENEY:** — Mr. Speaker, I don't know the answer for certain either. I note that in the Legislature of Alberta they have reached the conclusion that so long as there was a recommendation of the Lieutenant-Governor signed by a member of the Executive Council, which of course there is in this case and as the journals will show, this procedure was appropriate. I don't state that with any conviction, I just say that this was the conclusion reached in Alberta and it was on that basis that we are proposing to proceed. I know that neither the Hon. Member nor myself makes any particular point of it and we would be happy to accept your ruling whichever way it is.

**MR. WEATHERALD:** — Just on the Premier's Point of Order. My understanding of the change which I had informed myself of a little, in Alberta was that I think legislation was provided in Alberta to allow for that change. That is the way I understood it but I could be incorrect. In any event, Mr. Speaker, I'm not going to object to the Member introducing it but I think that we should have a ruling for the future.

**AN HON. MEMBER:** — . . .

**MR. WEATHERALD:** — Legislative secretary, that is substantially different from being a member of the Cabinet.

**MR. SPEAKER:** — I must confess to the House that I don't have any rule at my finger tip to be able to go out for one way or the other. This, as mentioned by the Premier had the recommendation on the first reading, it has been moved by the legislative secretary to the Premier. It becomes involved and unless there is a desire to proceed with it, I would ask the House the right to leave it and let me reserve my decision until I get a chance to check it further.

**MR. McISAAC:** — Mr. Speaker, I think we can agree with that in the sense that to allow the Hon. Member to proceed with, to give you some time to check into the matter, there is another point and again I don't know how this would be involved, the Bill is standing in the name of the Hon. Mr. Blakeney. Does he in fact still have a chance to come in and close debate on this or is that the same situation as an adjourned debate that would be standing in an Hon. Member's name? I don't know but this is another point that might be considered, Mr. Speaker, when you make a ruling on this. I would certainly agree to allow the Hon. Member to proceed with it not becoming a precedent until such time as you make your ruling.

**MR. SPEAKER:** — Is that agreed that the Hon. Member may proceed and I shall check before this occurs again for a ruling on it?

**MR. ROBBINS:** — Thank you, Mr. Speaker. When the Point of Order was raised I was discussing the fact that the base has been changed by reason of changing the exemptions of single persons from \$1,000 to \$1,500 per annum and the exemption for a married

couple from \$2,000 to \$2,850 per annum. Since the tax is applicable to that smaller base, the percentage rate is altered to derive the same number of tax dollars. Therefore, in summary it can be said, that it is not a change in the effective tax rate but is a change in the nominal rate necessitated by a change in the base to which the rate is applied. Previously the rate was applied to the federal 'basic tax' which included an allowance for provincial taxes but excluded federal tax reduction if any, and surtaxes or additional taxes such as the 2 per cent social development tax and old age security tax. The new rate is applied to the federal tax payable, which does not include an allowance for provincial taxes but does incorporate previous tax reductions, surtaxes and additional taxes.

A second feature, Mr. Speaker, of the Bill is a rule applicable to members of the Armed Services. Formerly they paid tax in accordance with regulations made under The Provincial Income Tax Act by which taxes were payable on the basis of the province of residence at the end of each month. The new Act will treat personnel in the Armed Services in the same manner as other individuals are treated with tax payable to the province on the basis of province of residence at the end of a particular year.

In addition there are clauses which limit the deduction for foreign taxes to the amount of provincial tax applicable to the foreign income to the taxpayer's total income. Deductions are claimable in respect to net capital losses, dividends received from Canadian corporations and dividends from foreign affiliates. There are further clauses with respect to interest rate applicable for under-payment of tax, interest rate which will be applicable for overpayments, misrepresentation of income and penalties applicable thereto.

There are clauses relating to failure to file a return. Definition of non-capital, net-capital and 'restricted farm loss' as substitutes for defined business loss and in addition there are appeal procedures. Mr. Speaker, I feel the remaining clauses deal basically with change in phraseology related to bringing the provincial Act in line with the federal legislation and that enquiries or questions related to specific sections could be more properly or adequately dealt with when we deal with this particular Bill in Committee of the Whole.

In conclusion, I stress again, that the amendments to The Provincial Tax Act are in the main, the result of, the fact that, federal tax law has been changed effective as of January 1, 1972 and it is a requirement of the provincial jurisdiction in order for the federal authorities to continue to collect the tax and remit to the province that this Act must be in line with the federal legislation. Therefore, Mr. Speaker, I feel that we should bring up further comments in relation to this Bill when we deal with it specifically clause by clause and section by section in Committee of the Whole.

**MR. K.R. MacLEOD (Regina Albert Park):** — Mr. Speaker, this Bill is largely complementary to the federal legislation, but there are one or two cases in which I think it is not.

I am disappointed that we did not get a complete and full explanation of the federal guarantee. The federal guarantee, as I under the Member for Saskatoon Nutana to have stated it,

April 14, 1972

is that the Federal Government guaranteed the province to receive the same amount of dollars as the province would have obtained heretofore. The change from the 34 per cent rate to 37 per cent rate in fact will obtain for the province more dollars than was anticipated to have been obtained in the last fiscal year by \$1.5 million or approximately twice the amount of money given away by this Government by removal of the hot dog tax.

The general thrust of the federal legislation on taxation is a reduction in tax. This reduction has been accomplished largely by an increase in the exemption and an increase in the amounts of money which may be deducted by the taxpayers in the coming year – when I say the coming year I mean 1972 – as they file their 1972 return next year.

The result of this provincial legislation is not just to bring the provincial tax level up to its old level but, to a certain extent, to eat into the reduction which was to be granted to taxpayers in Saskatchewan by the Federal Government. The result of this is that the wage earner of today, the secretaries and the renters and the working men will not only pay just as much tax, but in fact, will pay a little more tax than they have paid heretofore. That is shown by any calculation of what has happened by the application of the 37 per cent rate to the new federal tax base. Mr. Speaker, this subject does require a little more attention and as a result I beg leave to adjourn the debate.

Debate adjourned.

The Assembly adjourned at 5:30 o'clock p.m.