

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session — Seventeenth Legislature
44th Day

Tuesday, March 27, 1973.

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

WELCOME TO STUDENTS

Mr. D. M. McPherson: — (Regina Lakeview) Mr. Speaker, I should like to introduce to you and to the Members of this House, 10 adult upgrading students from the Sacred Heart Applied Arts and Science situated on 13th Avenue. They are here to go through the House today and learn what progress we are making. They are here with Mr. Ermel and Kent Lynn. On behalf of all Members I should like to give them a big welcome here this afternoon.

Hon. Members: — Hear, hear!

Hon. G. MacMurchy: — (Last Mountain) Mr. Speaker, I say for all Members of the House and on your behalf, Mr. Speaker, we extend a very warm welcome to the senior Teens Young Peoples' Group of the Baptist church at Raymore. They are accompanied by Pastor and Mrs. Allan Crossman, Mr. and Mrs. Dale Berken and Mrs. Stan Jordon. They are in the Speaker's Gallery.

Raymore is part of the Wadena constituency which you, Mr. Speaker, represent. It is very close to Last Mountain, in fact, in the recent past very, very close. We welcome the young people and we hope they have had an enjoyable day so far and that the remainder will be very fruitful and we wish them a very safe journey home.

Hon. Members: — Hear, hear!

Hon. R. Romanow: — (Saskatoon Riversdale) Mr. Speaker, it gives me a great deal of pleasure to introduce to you, Sir, and to the Members of the Assembly, 41 people who are members of an adult class from the Friendship Inn in the city of Saskatoon.

The Friendship Inn is located on 20th Street in Saskatoon. I believe between Avenue F and Avenue G. I am not sure of the exact location. It is doing an excellent job for the community. It has a great volunteer involvement. They are accompanied by Marlene Smith, Sharon McClement and Jennifer Fulton and I welcome them to the Assembly today.

Hon. Members: — Hear, hear!

QUESTIONS

Feedlots Included in 45 Per Cent Shares of Intercontinental

Mr. Steuart: — (Leader of the Opposition) Mr. Speaker, before the

Orders of the Day I should like to direct a question to the Minister of Industry (Mr. Thorson).

In the purchase of Intercontinental, did the Government or SEDCO buy one or more feedlots included in the package that the Government bought, at least in the 45 per cent of the shares that they bought?

Hon. K. Thorson: — (Minister of Industry) Mr. Speaker, the answer to that question is no.

ANNOUNCEMENTS

Grand Championship Bull

Mr. D. W. Michayluk: — (Redberry) Mr. Speaker, before the Orders of the Day I would like to bring to your attention, and through you to the Hon. Members of the Assembly, a news item worthy of note.

Mr. John Grant of Edam, Saskatchewan from the Redberry constituency has exhibited a Grand Champion bull in the Aberdeen Angus breed at the 1973 Annual Bull Sale in the Exhibition Auditorium on Sunday.

The bull, Early Sunset Emulous 52 C took the Grand Championship. Might I at this time extend my personal congratulations to Mr. John Grant on his success in breeding championship stock on his farm near Edam for many years. This, Mr. Speaker, is but one more success and championship of the many that Mr. Grant has won in the Aberdeen Angus class.

He has exhibited the Aberdeen Angus in other parts of Canada. I want at this time to wish Mr. Grant further success in his livestock enterprise.

Mr. Speaker, in today's Leader-Post another very interesting article appeared under the title, "Price is Record". I quote:

The Grand Champion Early Sunset Emulous 52 C owned by John Grant of Edam went for \$4,500 to Don McPherson of Regina.

Some Hon. Members: — Hear, hear!

Mr. Michayluk: — The purchaser, Mr. Speaker, is Don McPherson, the Hon. Member for the constituency of Regina Lakeview. It appears, Mr. Speaker, that Regina Lakeview and Redberry have something in common and that is plenty of bull at a good price.

Some Hon. Members: — Hear, hear!

CONGRATULATIONS TO SWEEPSTAKE WINNER IN SILVER BROOM

Mr. Michayluk: — While I am on my feet, Mr. Speaker, may I congratulate Mrs. Vera Hrycyna of Glaslyn a constituent from Redberry constituency on her winning \$40,000 by splitting the \$80,000 sweepstake on the Silver Broom, World Curling Championship with Mr. Steve Beiler from Sherwood Park, Alberta.

It is understandable, Mr. Speaker, why a great number of Saskatchewan residents were somewhat saddened by the unexpected loss by the Regina Rink in the final event of the Silver Broom World Curling Championship. However, Sir, the draw on the tickets on \$80,000 will be remembered by Mrs. Vera Hrycyna.

Through you, Sir, I want to congratulate Mrs. Hrycyna on her luck and fortune. I am certain that 1973 Silver Broom World Curling Championship will be long remembered by her. I am aware of the family's financial means and might I assure you, Sir, and the Members of this Assembly that this money will be put to good use by Mrs. Hrycyna.

Hon. Members: — Hear, hear!

Mr. J. C. McIsaac: — (Wilkie) Mr. Speaker, just a word with respect to the remarks of my hon. friend from Redberry.

I certainly want to join with him in congratulating John Grant from Edam, who is a client of mine, in the continuing of his winning ways with respect to his Angus bulls. I want also to ask all Members to join in and congratulate a colleague on this side of the House, for the purchase of that bull, Mr. Don McPherson, for his contribution to Angus breeding in the province.

Hon. Members: — Hear, hear!

Saskatchewan Water Supply Board Report

Hon. E. L. Cowley: — (Minister of Finance) Mr. Speaker, I should like to table the report of Mr. Austin Hunt, chartered accountant, on the operations of the Saskatchewan Water Supply Board.

This Report fulfils in part a request of the Select Standing Committee on Crown Corporations, which recommended at the last session that the Government establish a committee or other appropriate body to enquire into the causes of the financial problems of the Water Supply Board and to recommend solutions.

This Report, is I believe, a useful first step towards the development of a sound provincial policy of the development and operation of multi-purpose water supply projects. The second step will commence immediately. The Inter-Agency Co-ordinating Committee of the Department of the Environment will undertake a detailed review of provincial and federal water development policies and programs.

This review will cover programs involving construction of Water Supply projects by provincial agencies. The Committee has been asked to recommend how these programs can be integrated and co-ordinated in order to provide a more effective approach in meeting Saskatchewan's water supply needs.

The reading of Mr. Hunt's report, which will be distributed shortly, will reveal that four of the five recommendations made are related to the need for this kind of detailed review.

Hon. Members: — Hear, hear!

QUESTIONS

Alfalfa Cubing Plant Expenditure

Mr. Gardner: — (Moosomin) Mr. Speaker, before the Orders of the Day I should like to ask a question of the Minister of Agriculture and it has to do with the financing of the Alfalfa Cubing Plant, South Saskatchewan River. I asked the question of the Minister of Government Services last Friday and he suggested that I ask the Minister of Agriculture (Mr. Messer) about the financing.

From the Cabinet Press office, you will recall there was a statement reporting on a statement made by the Minister of Government Services (Mr. Brockelbank) who said, "We are not abandoning the South Saskatchewan River Area, in fact, we are spending almost \$750,000 on establishment of an Alfalfa Cubing Plant there."

In the Leader-Post a day or two later, the headline says: "Mr. Brockelbank Contradicted" and he indicates that they are spending \$500.

I wonder if the Minister could tell us, in cash, how much money the Government is spending on the Alfalfa Cubing Plant. Is it \$500, as Mr. Davidson says, or is it \$750,000 as the Minister of Government Services says? It was mentioned in the Throne Speech and there is certainly some discrepancy in these two figures. I am wondering, in cash, what is the amount that the Government is actually spending?

Hon. J. R. Messer: — (Minister of Agriculture) Mr. Speaker, I think that the question could be better answered during Estimates. But I can assure the Member opposite as well as his colleagues that the Government is by guarantee or by loan, providing virtually all of the money for the establishment of the Alfalfa Cubing Plant in the South Saskatchewan River Irrigation Project.

All that will be put in by the members of the co-operative will be \$500 per share and the Government, I think, will be contributing by various means, the other needed money and the Member will have all the time available to him during Estimates to pursue it further.

Mr. Gardner: — Just a supplementary question, Mr. Speaker, is it correct then that the Government in cash is spending \$500?

Mr. Messer: — Mr. Speaker, as I said earlier, the question can be better answered in Estimates.

Federal Committee Dealing with Food Prices

Mr. MacLeod: — (Regina Albert Park) Mr. Speaker, I wonder if I might ask a question of the Minister of Consumer Affairs.

Some week or so ago he indicated that he had not made any representation, and the Government of Saskatchewan had not made

any representation, to the Federal committee dealing with food prices. He seemed to be a little bashful in his holding back for an invitation.

I understand that the Province of Alberta has made a presentation or has indicated that it will make a presentation, without an invitation, and I wonder if the Hon. Minister would indicate now whether or not the Saskatchewan Government is prepared to act more boldly and make a presentation to the Federal Government.

Hon. E. L. Tchorzewski: — (Minister of Consumer Affairs) Mr. Speaker, in reply to the question from the Member opposite.

The Department of Consumer Affairs has not made a presentation to the Federal commission. We, at this point in time, have not made a decision to make such a presentation.

Mr. MacLeod: — Just a supplementary, Mr. Speaker. I wonder having regard to the answer of the Minister, if they do not consider that there is any problem of any kind with respect to food prices in Saskatchewan?

Mr. Tchorzewski: — Mr. Speaker I did not indicate that. I think that as all Members will agree there is a problem with regard to food pricing all over Canada, not only in Saskatchewan.

ADJOURNED DEBATES

MOTIONS FOR RETURNS

Return No. 236

The Assembly resumed the adjourned debate on the proposed motion by Mr. A. R. Guy (Athabasca) for Return No. 236 showing:

The complete financial statements of Intercontinental Packers Limited for the company's fiscal years 1970, 1971, 1972.

Mr. D. G. Stuart: — (Leader of the Opposition) Mr. Speaker, it is obvious that the Government has no intention of giving us this information. The information that is asked for is a complete financial statement of Intercontinental Packers Limited for the company's fiscal years 1970, 1971 and 1972.

It is equally obvious that they have it — they have it on record at SEDCO. It is also, I think, equally obvious to anyone who has the slightest knowledge of how you evaluate a going business that one of the major ways in which the value of a business can be ascertained is through its net earnings. One of the other ways is through its equity position.

Now the Government has refused to give us this information. The Premier stood up the other day and in refusing some other pertinent information, made one the weakest speeches I have ever heard him make in this House, on either side. He really

March 27, 1973

gave no reason why the Government is refusing to give to us and through us, to the public, the true facts about the Intercontinental deal. The facts would explain why they paid \$10.2 million for less than half of this company. Facts would explain, for example, what they got for their \$10.2 million.

I just asked an oral question and I was informed that the Mendel family, or the company, did not include in the assets their feedlot — at least one feedlot as they may have more than one. I was aware that at one time this feedlot was held in the name of Mr. Fred Mendel or of other members of the family. This, again surprises me. I thought at least having valued his company at something in the neighborhood of \$22 million to \$23 million, that the feedlot would have been included.

As I say it is obvious that they have no intention of giving us this information. They have every intention of withholding this from the public, using as an excuse that this is a private company and that it would not be in the best interests of the company's future operations to reveal this information.

In spite of the fact that their competitors, Burns and Company, Canada Packers being public companies, are forced by law to make their statement public and they are public property. In spite of the fact as the Member for Saskatoon University (Mr. Richards) pointed out that they came into this Legislature and one of the promises that they made to the people of Saskatchewan was that they would, in fact, be an open government. They would, in fact, give the public the facts on their policies, their programs and their projects, and that they had, in fact, confidence in the public to be fair-minded and to judge their actions having been given all the facts.

It is very interesting that Mr. Gedge, who is the vice-president of Intercontinental Packers has chosen to speak up publicly.

Mr. Romanow: — To tell the truth.

Mr. Steuart: — Oh, it is the truth? I don't doubt that he told the truth as far as it goes.

I have a write-up, Mr. Speaker, from the Leader-Post of March 26th, and oddly enough it is wrong — maybe correctly enough as it maybe doesn't surprise anybody. But I had this misquote pointed out to me. But what Mr. Gedge says in effect in this press release and evidently what he said over the radio is, that my estimates of the worth of this company are wrong. Well I made no estimate of the worth of this company. I brought in a report from Dun and Bradstreet that indicated that the net worth as of a year ago was four and a half, or five or five and a half million dollars. I pointed out that time that it was so far from the price paid by the Government, the valuation placed on the company by the Government, that there must be more to it. That even the NDP couldn't be that stupid and couldn't be that naive in buying this company. So I said that there must be more to it and I asked the Government then, and I ask them again today, to change their mind and give the public the figures and the facts and the contracts and the agreements upon which they based the deal. I think they have a serious moral responsibility to do this.

Anyway Mr. Gedge says that my figures were wrong and the article says that A. Gedge, Vice-President of the Saskatoon Company said:

Intercon's insurance company estimated in 1972 that the buildings, machinery in the firm's four plants was worth \$25.1 million.

Later on in his interview, he pointed out that they had inventory, cash and accounts receivable, they were valued at between \$16 million and \$17 million. This writeup in the Leader-Post says: "total slightly less than \$1 million" and this is wrong.

Mr. Gedge actually said that the value of the accounts receivable, cash and other inventory was around \$17 million. He said, in this writeup and it is true as I checked that with him, that they have some current debts of about \$12 million.

So if you take the \$12 million off the \$17 million it leaves \$5 million and you add that on to the \$25 million you get \$30 million of assets, according to this calculation. Then he said they have about \$7 million in long-term debt, you take that off and you have a value of about \$23 million and he said, that is what the Company is worth. Mr. Speaker, I have never heard anything as ridiculous in my life to try and say that the value of what you insure, the fire insurance you put on your buildings and your facilities would indicate the true worth of a company. It's a red herring, it has nothing, absolutely nothing to do with the real worth of this company. The proper measure of the real worth of a company has to be gauged or judged by its net profit after taxes and also . . .

Mr. Romanow: — Dun and Bradstreet.

Mr. Steuart: — Not necessarily Dun and Bradstreet. Certainly if you were involved, Mr. Attorney General, in the purchase of this let me tell you very clearly that you are far better at chewing gum than you are at evaluating a company and making any estimates because I will tell you this statement made by Mr. Gedge proves more than anything else the absolute weakness of the Government's case. This is a red herring, it is sheer nonsense to say that the evaluation placed by fire insurance gives you the true total value of a company. That is ridiculous. I have never heard of anything like it. To begin with the evaluation placed on these buildings I am sure will be the replacement value. Now some of those buildings up in Saskatoon are 40 years old at least. The evaluation placed on the buildings here for replacement for insurance value would be far in excess of what the buildings are worth. But regardless of that, when we were the Government we bought that old GM building over there and we paid \$750,000 for it. I am sure if a private person had bought that they might have put insurance on it for \$3 million or \$4 million. The replacement value of that old GM building would be far, far in excess of \$750,000. So if someone had bought that and paid \$750,000 for it and started up a business in it and then said well, we are only doing \$20,000 or \$30,000 a year business but we have our assets here insured for \$3 million so the value of this company must be around \$3 million. This is exactly what they said here. It is absolute nonsense. Not only will it not fool anybody if that was the purpose of this statement, not only will it not back up the

Government's claim that they made a good deal, if that was the purpose of the statement and I think it was, but for those people who know anything about business it will point out the absolute weakness of the Government's case and the absolute necessity again of the Government making public the true figures.

Now I checked with the radio statement because these figures in this write-up were garbled and I talked to radio station CFQC in Saskatoon which had been given this statement also. I had heard that Mr. Gedge had made this statement that had I contacted him or the Company they would have given me the figures and then I wouldn't have had to stand up and quote some figures that, according to him, were wrong. So I phoned Mr. Gedge this morning and I suggested that I was quite willing to come up and look at the figures anytime he wanted to show them to me. I pointed out to Mr. Gedge that the reasons that I had not come to Intercontinental was that this was a Government deal. Mr. Romanow had stood up here in the House very proudly and announced buying a 45 per cent share for \$10.2 million while the Premier and Mr. Thorson were up in Saskatoon making a similar announcement. Since we are members of the Legislative Assembly and this was public money, the proper place to ask about the true evaluation of this Company, the proper place in which to ask the Government on what they based spending \$10.2 million of taxpayers' money was here in this Legislative Assembly and the proper people to ask the question of were the Government. But, I said, "Now that you have raised the question, Mr. Gedge I will be most pleased to come to Saskatoon and have you show me your financial statement, your profit and loss statement". I should also like to see your equity position because this has a very distinct bearing on the real worth of that Company or any other business enterprise. Mr. Gedge informed me that if the Government of Saskatchewan was agreeable that he would be pleased to show me these figures on a confidential basis. So I say to Mr. Thorson and to the Premier that I would be prepared to go with Mr. Thorson or with the Premier to take a look at those figures and I would treat them confidentially, on one condition and the condition is that we took someone, a chartered accountant, bank manager or someone who had experience in business, who was recognized in this province, whose integrity is beyond question — I'm sure we could agree on such a person — we would look at those figures . . .

Mr. Lane: — . . . the Ombudsman.

Mr. Steuart: — No, I'm afraid I wouldn't take the Ombudsman, he is a lawyer by trade.

I have a great respect for the legal profession but listening to Mr. Romanow and watching the performance of Mr. Blakeney I don't have really all that much confidence in their ability in the business world, so it will have to be a chartered accountant or someone like that. We would look at those figures, we would look at their statements for the past number of years, we would look at their equity position and I say right now, publicly, if in fact the net profit of the last year or two or three years indicated by yardsticks that are recognized and well known, eight, ten, twelve times net earnings, an equity position, that is at least 50 or 75 per cent of the true evaluation that they put on it of \$23 million. In other words if Intercontinental has an equity position, if in fact that Company is worth \$23 million, which the Government obviously said it is, then Intercontinental's equity position must be \$10 million, \$12 million, \$15 million, in that area. Their net profit must be \$2 million or \$2.5

million. If this is borne out by an examination of their books I would stand up publicly and say, yes, while I disagree with the philosophy of the Government having bought into this Company, while I disagree with the Government taking over \$10 million of the taxpayers' money and investing it in an on-going business that doesn't produce any new jobs. In fact, if there needs any shoring up of this Company and I am sure they don't, then they are shoring up another 700, 800 or 900 jobs for people in Alberta and British Columbia, and I don't know why our taxpayers' money should be used for that purpose. So, if in fact, the figures, the real audited figures bear out that the Government did not make, as I suspect, a very bad business deal then I would stand up publicly in this House and I would say exactly that. Again, I would still argue the philosophy and the propriety of the Government buying into that and the need for them buying into it, but I wouldn't question that having bought into it they got the best price possible, any more than I would question that they got the best price possible when they bought into IPSCO.

The Government I think was wrong to buy into IPSCO. I don't know why they did it, I am sure there is more to the story than we have seen yet, but I have not nor do I today question that they paid too much money. They paid market price and no one can argue about that. But since there is no established market price for Intercontinental shares because they are privately held, then I think we must use other equally well known and equally recognized yardsticks to measure the real worth of this Company, to measure in fact how the Government has used the taxpayers' money, the people of Saskatchewan's hard-earned money. We have a right to know this information, we have a right to base our judgment on that information and the people of this province have exactly the same right, in fact more right than we have.

So again I say to the Government, give us these figures or else accept my offer to go with one of them and someone else whom we can mutually agree on and look at these figures. Again, I commit myself that if, in fact, the real audited statement shows that this Company is worth what you paid for it, I will withdraw any objection I have to the price but not any objection I have to the deal itself.

Some Hon. Members: — Hear, hear!

Mr. A. R. Guy: — (Athabasca) Mr. Speaker, we have seen a rather strange performance this afternoon.

Some Hon. Members: — Hear, hear!

Mr. Guy: — I can't think of a more responsible position taken by any Member in this House on either side of this House than the Leader of the Opposition (Mr. Steuart) has taken this afternoon.

Some Hon. Members: — Hear, hear!

Mr. Guy: — I hope the people of Saskatchewan will recognize that position for what it is. The Leader of the Opposition has said that he is prepared to go and look privately at the audit

and the financial statements of this Company in which the taxpayers have invested \$10.24 million. He has offered to go with the Premier or the Attorney General or the Minister of Industry (Mr. Thorson) or anybody that you name on that side if the House or anybody else to go with him, and to take a reputable and responsible man, well known in the financial community that is involved in meat packing or other industries of that kind, and look at those figures. He has said that if those figures bear out that the people of Saskatchewan have invested in a good deal, he is prepared to stand up and publicly acknowledge that the financial aspects of it are proper and I think that he is right in suggesting that he still has the right and responsibility of not approving of the philosophy of such a deal. I don't know where you could get a more responsible attitude. You know the other day we listened to Members opposite say all the Liberal Party wants to do is use the deal for political purposes. They want to go and they want to spread rumors. If you ever had a more responsible attitude to stop the rumors as of today, that position was placed before the Premier of this province and the Minister of Industry (Mr. Thorson) a few minutes ago.

Some Hon. Members: — Hear, hear!

Mr. Guy: — Now surely to goodness, Mr. Speaker, the Government has some responsibility to the people of this province when they are spending \$10.24 million. Surely to goodness the Leader of the Opposition has some responsibility to be responsible in criticizing deals made by the Government. The Leader of the Opposition this afternoon made it absolutely clear he wanted to take it out of the political arena, he wanted to get the facts that the people of Saskatchewan are entitled to, he was prepared to do it on a confidential basis with the Government involved and with a private banker or accountant, approved by both sides of the House or by both of the individuals, and what did the Government do? The Government turned him down. It is unbelievable in the annals of this province that a government would act in such an irresponsible manner.

You know, Mr. Speaker, I could go on with this debate for an hour or two hours but I tell you it is not necessary. The position taken by the Leader of the Opposition this afternoon I think has made it categorically clear the position of this side of the House regarding the deal that has been carried out by the Premier and his colleagues opposite. I think that they will condemn the Government for trying to keep the people of this province under a cloud that could go on forever. If they won't provide the details on this particular purchase they could go out tomorrow and the day after and the day after and make purchase, after purchase, after purchase, and we would never find out the details.

Mr. Cowley: — Are you predicting we will be the Government forever?

Mr. Guy: — No, I won't predict that. All I want to say, Mr. Speaker, is to ask the Members, the back benchers, on that side of the House to just think for one moment before they vote and consider the position that the Leader of the Opposition has taken this afternoon. If it is not a responsible position then all right, vote against the motion. But I will tell you that the people of Saskatchewan will find the position taken as outlined by our

Leader on this side, the most responsible position that has ever been taken by a Leader of the Opposition in any House in this country.

Motion negatived on the following recorded division:

YEAS — 16

Messieurs

Steuart	MacDonald (Milestone)	Lane
Coupland	McIsaac	MacDonald (Moose Jaw N.)
Loken	Gardner	Guy
Weatherald	Wiebe	Grant
MacLeod	Richards	Boldt
McPherson		

NAYS — 40

Messieurs

Blakeney	Brockelbank	Taylor
Dyck	MacMurchy	Matsalla
Meakes	Pepper	Faris
Wood	Michayluk	Cody
Smishek	Byers	Gross
Romanow	Thorson	Feduniak
Messer	Whelan	Comer
Snyder	Kwasnica	Rolfes
Bowerman	Carlson	Lange
Kramer	Owens	Oliver
Thibault	Robbins	Feschuk
Larson	Tchorzewski	Kaeding
Kowalchuk	Cowley	Flasch
Baker		

ADJOURNED DEBATES

RESOLUTIONS

Resolution No. 9 — Establish Grains Income Stabilization Program

The Assembly resumed the adjourned debate on the proposed motion by Mr. Kaeding (Saltcoats):

That this Assembly urges the Federal Government to proceed immediately with legislation to establish a grains income stabilization program for prairie farmers, the program to provide for:

1. A guarantee that total grain receipts in the prairie region will not fall below 1.2 billion dollars during the 1972-73 crop year, and that this figure be adjusted in subsequent years to take into account costs of production;
2. The establishment of a Stabilization Fund for the purposes of this program with contributions from producers; consumers, through a two-price system for wheat; and the Federal Government, through an annual contribution from the Treasury;
3. A payout from the Stabilization Fund in any crop year

that gross receipts fall below the guaranteed minimum, with distribution on the basis of a minimum price for all grains, the minimum prices to apply up to a certain maximum number of bushels per producer.

Mr. A. Oliver: — (Shaunavon) Mr. Speaker, the Member for Saltcoats (Mr. Kaeding) has done a great job in giving a great outline of the problems concerning the stabilization plan and I don't intend to go over that same ground but there are a few points that I should like to bring to the attention of Members. I think we farmers of Western Canada need a Grain Stabilization Income Plan that would not hold us at a poverty level such as the one that the Liberal Government have proposed through the generous auspices of Otto Lang. We need a program that will guarantee that total grain receipts will not fall below \$1.2 billion during the coming crop year, and that it be adjustable so that in later years it would take into account the cost of production. I believe that we are going to have to have contributions to this fund from producers and consumers through a two-price system for wheat. The most important thing is that we will have to have an annual contribution from the Federal Treasury.

Mr. Speaker, Canada seems to be the only country where grain farmers are not substantially subsidized by their Federal Treasury.

In the United States at one time the subsidy ran as high as 40 per cent to the farmers. But Canada has lagged far behind and has had a high of around 5 per cent. However, this is understandable with the types of federal governments we have had in the past years. In speaking of that Federal Government, Mr. Speaker, we all remember those words of wisdom that the Prime Minister of Canada spoke, on occasions when he was in Saskatoon and Regina and his advice at that time was, sell your own wheat.

Now, Mr. Speaker, the leader of our country arrogantly rejected his responsibility and his Government did not provide the necessary leadership for the total of Canada.

That was a time when there was a surplus of grain. And what did Mr. Trudeau and his cohorts in Ottawa do? They sat on their hands when they should have been out actively selling grain to other countries. But instead of selling that grain they decided to hold back production and this of course was through the LIFT program. Mr. Speaker, this caused the Western farmers to deplete their grain stocks and now in a year when sales are higher and prices are better we find ourselves short of our main source of income.

Prairie farmers in 1970 lost \$318 million as compared to the 1969 income. Mr. Trudeau, of course, at that time dangled what Mr. Kaeding called the \$100 million carrot in front of the Western farmers and called it The Prairie Grain Stabilization Act.

I am sure that all farmers in Western Canada will remember this bit of a carrot. I have here a part of that bit of a carrot that Mr. Lang mailed out to us in the summer of 1971. I will quote from that.

The figures on this insert represent the amount you should receive as a transitional payment under The Prairie Grains Stabilization Act when legislation has been passed.

Note, Mr. Speaker, that it hadn't been passed up until that time.

The Bill has reached the report stage in the House of Commons and can be dealt with after the House of Commons reconvenes. The House is adjourned until September.

Mr. Speaker, later on in October 1971 a second letter addressed to all prairie grain producers was mailed out. In part it says:

If you deliver wheat to the Canadian Wheat Board during the crop year 1969-70, you will likely have received your supplementary final payment in recent days. You are receiving this Canadian Wheat Board cheque because the Government has been forced to withdraw its proposal for a Prairie Grains Receipt Stabilization Program because of delays in passing it through Parliament.

The delays meant that the courts would have to be placed in an awkward position of hearing a case involving The Temporary Reserves Wheat Act while Parliament was at the same time debating proposals of this Act.

Further on in the letter it states:

We believe that the prairie farmers would have benefited far more this year from the transitional payment under The Prairie Grain Stabilization Act. We also are convinced that the Stabilization Plan would be of much greater assistance to producers on a continuing basis. However, circumstances force the Government to withdraw The Stabilization Act at least temporarily. I personally regret having to take this step because this was the most advanced piece of legislation ever offered Western grain producers and would have been a real benefit in protection grain farmers' income in years when sales were low.

Mr. Speaker, we all know the circumstances which delayed that legislation and caused its postponement, that was the New Democrats whom we had in Ottawa.

Some Hon. Members: — Hear, hear!

Mr. Oliver: — the Conservatives of course threw in the towel, they didn't hold out like our people did. They were willing to sell out the Western farmers to keep them at a low income level.

Mr. Speaker, I don't believe that prairie agriculture and the grain sector in particular should be expected to function without a public commitment to provide support and assistance of a meaningful kind. This is true for a number of reasons. When you take a long view of world markets it is almost certain that prairie resources will be needed to meet future world food demands. We all know what low returns will mean to the farming sector of Saskatchewan and to the rural community. It means a

decline in the number of farm people and from the quality of farm capital. Relatively short-term reductions in output should not be brought about through forcing people off the land and through increased obsolescence of farm capital structure which leaves producers with a less effective productive system.

Prairie farmers should have the same rights as people in the non-farming sectors of our economy, as far as program which provide protection against uncontrollable economic hardships are concerned.

These programs constitute part of the accepted national responsibility. This responsibility must be extended to the farm sector. Canadian farmers and grain farmers in particular also require more equitable treatment as compared to their counterparts in other developed countries. Practically all the countries in the world are providing substantial assistance to producers to use their own income and financial reserves to compete with other national treasuries. And Otto Lang's Grain Receipts Stabilization Bill did nothing in this regard. Mr. Speaker, the withdrawal of that Grain Receipts Stabilization Plan by the Federal Government was a historic occasion in Canadian agricultural policy formulation.

It is one of the first times that farmers joined together with interested people in rejecting a short-term band-aid type program on the basis that it did not deal with the fundamental problems in relating to farm prices and returns.

Stabilization plans that ignore production costs have proved to be ineffective to date and they will continue to be ineffective. The rejection of the Federal Government's program indicates that this is now more widely recognized. It is also interesting, Mr. Speaker, to note that after October 30th, and the rediscovery of the West by the Liberal Party that they did not introduce this Grain Stabilization Bill again. They finally got the message that stabilizing the prairie farmers income at a poverty level just wasn't all that popular out here.

I would urge that all Members opposite do all they can to force the Federal Government to recognize the needs of the Western farmer. Mr. Speaker, they can do their part by supporting wholeheartedly Resolution No. 9.

Some Hon. Members: — Hear, hear!

Motion agreed to.

ADJOURNED DEBATES

MOTIONS FOR RETURNS

Return No. 105

The Assembly resumed the adjourned debate on the proposed motion by Mr. J. G. Lane (Lumsden) for Return No. 105 showing:

The number of representations that were made by the Executive Council of Saskatchewan to Her Majesty's Ministers of the Government of Canada regarding rail line abandonment in Saskatchewan in the year 1972. (a) If any, the dates of such representations and to whom they were made. (b) The manner and form of such

representation.

And the proposed amendment thereto by the Hon. Mr. Messer:

That all the words after the word “representations” in the first line be deleted and the following substituted therefor:

or contacts made by any Minister or official of the Saskatchewan Government to any Federal agency or authority regarding grain handling or rail line rationalization or abandonment in the year 1972 and (a) the dates of such representation or contracts, (b) the agency or authority of the Federal Government that was involved.

Mr. J. G. Lane: — (Lumsden) The amendment which was voted on by this House as proposed by the Hon. Minister of Agriculture (Mr. Messer) is the first admission by the Government opposite that it is playing politics with rail line abandonment and that it has refused to discuss the question of rail line abandonment with any Cabinet Minister in Ottawa.

It is unfortunate that we have had a lot of talk about what the Government opposite is going to do for the Saskatchewan farmer and rural Saskatchewan in stopping rail line abandonment. I don't intend to rehash the debate that went on on rail line abandonment that has just been voted on by this House.

But a question was asked of the Government opposite — what representations their Cabinet had made to the Cabinet in Ottawa. Then we find out — the Attorney General says lots — we find out in their amendment that they have brought in that they haven't made any representations to the Federal Cabinet in Ottawa. It is very surprising, Mr. Speaker, that the Government opposite in all its talk about rail line abandonment has never talked to a Federal Cabinet Minister about rail line abandonment.

They brought in an amendment to a motion which simply states that, Mr. Speaker. They state that they have contacted Federal agencies or authorities regarding grain-handling. Well we know that the Attorney General and the Minister of Agriculture took a weekend jaunt out to Vancouver a year ago and then they talk about the dates of representation, contacts etc. But not one contact, not one representation to a Federal Cabinet Minister dealing with rail line abandonment. It is obvious that the Government opposite is playing cheap politics with rail line abandonment. They don't want to talk to the Government in Ottawa because they want to make an issue of rail line abandonment. They have no proposals, no policies and they don't really care about the true interests of the Saskatchewan farmer because they have made no effort. And this amendment is an admission by the Government that they have made no effort to talk to a Federal Cabinet Minister. We now have on the record of this House the real stand of the Government opposite, it doesn't want to talk to Ottawa. It does not want to talk to the Federal Government because it wants to play politics with rail line abandonment, unfortunately that is the record now before this House.

Motion as amended agreed to.

Return No. 109

The Assembly resumed the adjourned debate on the proposed motion by Mr. J. Wiebe (Morse) for Return No. 109 showing:

In the Rural Municipality of Huron No. 223, as of January 25, 1973: (a) the number of applications that were received to sell land to the Land Bank Commission; (b) (i) the number of contracts or agreements to purchase by the Commission that have been approved; (ii) the number of purchases that have actually been completed; (c) under (b) (i) and (ii) above, the (a) land number of each quarter section; (b) acreage cultivated in each quarter section; (d) acreage of seeded pasture in each quarter section; (e) assessed value of each quarter section and (f) price offered for each quarter section.

And the proposed amendment thereto by the Hon. Mr. Messer:

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

In the Rural Municipality of Huron No. 223 as of January 25, 1973; (a) the number of applications to sell land which were appraised by the Land Bank Commission; (b) (i) the number of offers to purchase land by the Commission that have been accepted by vendors; (ii) the number of purchases that have actually been completed; (c) under (b) (i) and (ii) above, the (a) land number of each quarter section; (b) acreage cultivated in each quarter section; (d) acreage of seeded pasture in each quarter section; (e) assessed value of each quarter section.

Mr. J. Wiebe: — (Morse) Mr. Speaker, on closing debate on this particular Motion, I should like to make a few comments on some of the . . .

Mr. Speaker: — The Order for Return No. 109 which is moved by the Member for Morse (Mr. Wiebe) — there is an amendment by the Minister of Agriculture (Mr. Messer) so the Hon. Member can't close the debate until the amendment is put. But he can speak to the amendment at this time if he wishes to speak to the amendment. The Hon. Member has already spoken to the amendment so you will have to wait to close the debate.

I must ask the indulgence of the House. It is so long since this motion came up that it takes me a few minutes to check on who has spoken.

Amendment agreed to.

Debate continues on the motion as amended.

Mr. Wiebe: — Mr. Speaker, in rising to speak on this Motion, I should just like to make a few comments on some of the remarks that were made by Members opposite.

Initially the comment made by the Member for Melville (Mr. Kowalchuk), I am sorry that he is not in his chair today,

where he accuses us of being the manufacturers of rumors in terms of the Land Bank questions which are going throughout the province.

Some Hon. Members: — Hear, hear!

Mr. Wiebe: — And yet when one looks at the NDP organ, The Commonwealth, you see under a department called, “You can’t Win Department” in which they had supposedly quoted a statement which I had made in a Press release. They were quite sorry that you can’t win. Now, the Liberals are crying that they reduced the rate down to 5 per cent from 6½. And yet all I stated in that release was that it proved that the Land Bank was not working, that they had to reduce the rate from 6½ to 5 per cent. I also went on in that Press release to say that I was very happy that the rate had been reduced from 6½ to 5 per cent.

So here in their own official organ, The Commonwealth, they are spreading rumors like this throughout the province.

Another comment I should like to make is one made by Mr. Comer regarding the hundreds and thousands of applications which the Land Bank has received from the constituency of Morse, applications to sell, purchases which have been made and also applications to lease the land. And yet from the Orders for Returns which we have received it is quite evident that there might be approximately 20 altogether. Twenty compared to thousands as stated by the Minister of Agriculture and the Member from Nipawin.

So here again where are the rumors being spread? They are being spread by Members opposite, Mr. Speaker. It seems rather strange that the Government has not decided to answer this particular question, Return No. 109. And yet I have on my desk the answer to Return No. 110. A Return which was amended and in that amendment they omitted clause (f) of that Return which requested the price offered for each quarter section. And yet in Return No. 110 they have agreed to answer that particular question. And I notice in the Votes and Proceedings for March 9, that that is the way it is recorded. So all of a sudden they decide to answer one of the 10 question and yet refuse to answer the others. I really am quite happy that they have decided to answer this question. Because it clearly shows that on the land which they have made offers in the RM No. 194 that they do not have a formula. They have no formula whatsoever as to assessing the value of land, what crops were produced and so on. It goes strictly by the assessment of that land. And in each and every case on this Return it is four times the assessed value of that land, Mr. Speaker.

So the comments that we have had by the Minister of Agriculture and Members opposite that they do have a formula, they have refused to give us that formula which they are using. The reason why they have done it, Mr. Speaker, is because they do not have a formula. Their only formula is four times the assessed value of that property.

But then one wonders too, the Attorney General mentioned that this was an error and yet possibly, just now, it possibly isn’t recorded, Mr. Speaker.

March 27, 1973

Mr. Romanow: — This is a Point of Order, so I adjourned this debate. I wish the Member would not quote me, I did not enter it.

Mr. Speaker: — I should like to remind the Member that you can't bring up things that happened in previous debates or new matter used in closing debate. You can only answer questions that have been raised because we get astray.

Mr. Wiebe: — Well, Mr. Speaker, regardless of that, the Attorney General is quite apt in speaking from his seat instead of speaking from his feet and because of this he has not been recorded in his statement and he has a good out in this regard.

Now, going back to the formula which the Government refused to supply and the fact that they have decided to answer one of the Returns, No. 110 and still are refusing to answer the remaining 9, which have been amended, one begins to wonder whether possibly under Return No. 110 the RM of Enfield, they do not have anything to hide and because of this they decided to answer the question which we have asked. It leads one to wonder that possibly in the other nine Returns that they do have something to hide and because of the fact that they do have something to hide they don't want to answer this question.

As I was saying earlier, Mr. Speaker, I do not want to prolong the debate. It's very regrettable that this Government has taken this attitude. It is also very regrettable that they have decided to continue with the rumor throughout this province that was generated, not by us, Mr. Speaker, but by the Members opposite.

Some Hon. Members: — Hear, hear!

Motion as amended agreed to.

ADJOURNED DEBATES

RESOLUTIONS

Resolution No. 13 — Grant to Palliser Wheat Growers' Association

The Assembly resumed the adjourned debate on the proposed motion by Mr. MacDonald (Milestone):

That this Assembly urge the Government of Saskatchewan to consider a grant to the Palliser Wheat Growers' Association similar to those made to other agricultural organizations and that the Palliser Wheat Growers' Association be encouraged to expand its research and investigative activities.

Hon. J. R. Messer: — (Minister of Agriculture) Mr. Speaker the Motion that has been brought forward by the Member for Milestone in regard to the Palliser Wheat Growers' Association and provisions of money or grants to that organization is similar to those that have been received from other farm organizations. When we take a look at the kind of organization that Palliser is we compare it to other farm

organizations, not necessarily to organizations but to the specific duties in research that organizations have endeavored to carry out with some recognition, financially, from the Government of Saskatchewan.

I have had discussion with the members of the Palliser Wheat Growers' Association, also have had some correspondence from their membership, from their executive, in regard to the possibility of some money coming from the Provincial Government towards their organization.

I think in most instances that as far as requests have been concerned in the past, it has been for a blanket grant and I don't think under any circumstances has this Government, up to this point in time, simply given a blanket grant to an organization because it is a farm organization. It has always had to relate to some specific concern that that organization is concerned about and is willing to investigate it and if the Government sees fit in participating or joining with that organization in not only recognizing that concern but hoping that some solution would ultimately emanate from this particular organization's involvement, then it would, I think, make a decision as to whether the money would be well spent or not. The situation with regard to wheat and the Palliser Wheat Growers' is unique among that of many other products that are on our farms in Saskatchewan.

In the case of wheat I think it's safe to say that it is marketed and its movement to market is in fact controlled through the Canadian Wheat Board, and there may be some remarks pro and con in regard to the activity of the Canadian Wheat Board, and its ultimate benefit to the grain producer in Saskatchewan. Nevertheless, the Board has had a long experience and I think has wide expertise in grain marketing and in scheduling the movement of grain from the farm to the export terminal. Prices are pooled and I think that it enjoys support from most farmers within the Province of Saskatchewan.

Over and above that, more than half the wheat that is sold is handled through farmer-owned co-operatives, as far as the three prairie provinces are concerned. These exist in all three prairie provinces, Manitoba, Saskatchewan and Alberta. They own and operate country elevators and terminal elevators where the grain is assembled, cleaned and ultimately exported. There are few locations in the three provinces where farmer-owned facilities are not now available. I think because of that kind of organization, in regard to the movement of grain, and in particular wheat, which the Palliser organization, I think, is most concerned about or I think should be most concerned about by virtue of their name, the Palliser Wheat Growers' Association, there is a good deal of opportunity for producers to voice concern and also to bring forward change if they think it is needed.

Grants, as I have said earlier, to other organizations and as I think was pointed out by the Member from Milestone when he introduced this Motion, have been made by the Government, but generally speaking, I think in fact under all circumstances, have been made for specific purposes. To do certain specific jobs in particular areas and I think I tabled an answer to question 91 earlier in this House containing a list of money that was made available by the Government of Saskatchewan up to January 25, 1973. If we look at those we see that they went

to a good number of organizations but in all instances went for a specific purpose. The Saskatchewan Pork Promotion Council in May 25 of '72 received \$6,000 and that was for a specific task in the promotion and advertising of pork products in the province. The Saskatchewan Poultry Council on August 1st, '72 had \$850 granted to it for a specific undertaking in regard to poultry promotion in Saskatchewan. We could go on and refer to the Canadian Pork Council and the Saskatchewan Livestock Board where there was \$15,000 made available to carry out some investigative work; Canadian Western Agribition, a \$10,000 grant which was towards the development of the Agribition in Regina, which I think is proving to be most beneficial and most rewarding to our livestock producers in Saskatchewan; Saskatchewan Cattle Breeders Association; Swine Breeders Association; sheep breeders; Saskatchewan Hog Producers and Swine Producers Association; Sheep Breeders Association again in December of 1972 and so on. The Farmers Union also got a grant in regard to organization for committees in various rural areas of the province to recognize, not only the problems that they were confronted with, mainly grain handling and railway rationalization and abandonment, but to endeavor to give them some help as to how to organize as small urban or rural communities to voice their concern and to take the kind of action that has to be taken in order to bring matters to the light of senior levels of government and how it may effect if the actions are carried through the smaller areas in the province that do not have real legitimate ways of voicing the problems that they are confronted with at any particular time.

Now the Palliser has, I am told, requested a check-off on wheat sales. They made that request to the minister in charge of the Canadian Wheat Board and I am further told that he has said that he would consider such a check-off when this organization could demonstrate that they, in fact, had majority support from farmers who were producing wheat or grains and I think as far as a check-off is concerned, in regard to that area that the Palliser is not anywhere near a position of demonstrating to the minister in charge of the Canadian Wheat Board that they do have majority support of farmers and so I should, therefore, think that it would be obvious that they would not be getting a grant or a check-off by that means in the very near future.

Now I'm not saying that the Palliser Wheat Growers' Association is not to be commended for some of its direct interest that it has taken in grain marketing. Certainly the Member from Milestone pointed out a number of instances where they had undertaken, I think, something that was considered to be new, somewhat revolutionary. I am not saying that in all of those instances they have been a direct benefit to the grain producer but they certainly have, I think, instilled and brought about some considerations in regard to the movement of grains and the selling of grains which would probably not have been brought about had not this organization brought it to the attention of bureaucrats or higher levels of government. But I think because of the existence of other organizations mentioned and their functions, this organization is likely to be very different from say the Sheep Breeders or the Hog Producers or the Swine Producers or the Canadian Western Agribition Association. So, because of that, Mr. Speaker, I am not saying that the Government would not consider grants to organizations such as Palliser, but because we do not want simply to say that any organization in Saskatchewan that organizes itself and has

some representation made or brought about in regard to some particular commodity — that the Government is necessarily obligated to give them a grant. I think that they have to show that they are firstly a worthwhile organization and that the endeavors, that they plan to undertake, will in fact be beneficial to farming in Saskatchewan in general.

I, therefore, should like to amend Resolution No. 13 moved by myself, seconded by the Hon. Attorney General, that Resolution No. 13 be amended by deleting all the words after the first line and substitute the following therefor:

Give consideration to providing grants to recognized farm organizations and the commodity groups for undertaking projects and activities directed at organizing and promoting programs related to the farming needs in expanding and establishing a viable agricultural industry in Saskatchewan giving particular attention to the fortification of family farm operations.

Mr. D. Boldt: — (Rosthern) Mr. Speaker, I should like to say just a few words regarding the Motion and then the amendment.

First of all I want to commend the Minister for his low-key speech regarding this Motion. I am a member of the Palliser Wheat Growers' Association and the reason I am a member is because there is no other organization to my mind, that promoted the sale of wheat. There was no other organization that has knocked on the door of the Wheat Board more often than the members of the Palliser group and there is no organization that contacted the Hon. Minister Otto Lang more often than this group trying to sell wheat. Now the Minister has said that there are other organizations which could do this promoting of beneficial programs for the farmers. I believe he mentioned the Wheat Pool and other organizations. When we did have that great surplus about which the Palliser group was concerned, I was concerned about, when we had the surplus in wheat I don't think that it was the Wheat Pool that really took the initiative to go out and tell the Wheat Board to sell. They more or less took the attitude that you have to have \$1.95 per bushel of wheat and if you don't get it you don't sell any. I believe the Palliser group were the first group that urged . . . I see the Member from Watrous is trying to barge in. He mentioned the other day that this was just a group of Liberals and Conservatives, NDP and Social Credit (if there are some) who are trying to sell wheat, who have surplus in wheat and they are not a political organization, they are just trying to sell wheat and I believe that they have been very, very fortunate, very productive in trying to convince the Wheat Board and Otto Lang that certain things had to be done. If my memory holds correctly they were the first ones to recommend the method of unit trains. They recommended this, which has been very successful. They were the first ones that recommended the using of the government elevators. These elevators were dormant, they were standing out in the country at Moose Jaw and Saskatoon, they had been filled for years and they were never emptied, they were never used and the Palliser group were the first ones that recommended the use of the government elevators.

By reading some of their material and minutes I also came across the fact they were very much in favor and this has been experimented with, that the cleaning of grain should come first

before it was shipped either east or west. Here again, the Government or the Wheat Board has taken some of their advice and some of their grain has been cleaned, the screenings have been left in Western Canada, where it belongs and where it can be used for feed.

I think that the Palliser group has done a tremendous service to the wheat farmers in particular. They have done a tremendous service to the Wheat Board and they have been a tremendous help to the Federal Minister Otto Lang and I certainly would support the main Motion. I don't think that there is too much wrong with the amendment. But certainly I would hope that the Minister will consider if this Motion passes that he will also consider giving the Palliser group some financial assistance.

Mr. C. P. MacDonald: — (Milestone) Mr. Speaker, in closing the debate I should like to make some comments . . .

Mr. Speaker: — The Member can't close the debate yet because the amendment is before the House.

Mr. MacDonald: — You're right, Mr. Speaker.

Amendment agreed to.

Mr. MacDonald: — Mr. Speaker, my colleagues sitting to your right said, "not political." I certainly don't intend to make it that way, Mr. Minister.

First of all I want to say that I certainly voted for the amendment even though I am disappointed. I am disappointed because the original intention of the motion was to clearly pinpoint one organization in Saskatchewan which took a real interest in a single commodity and the results and achievement of that organization merit some very worthwhile consideration by any government.

I want to make a comment and I should like to say to the Member from Watrous (Mr. Cody) that I would hope that any Member in this House because an organization sees fit to criticize him at one individual time . . .

Mr. Speaker: — He did not speak in this debate. I should like to remind the Member that he can't bring in new material.

Mr. MacDonald: — Mr. Speaker, I will certainly eliminate the Member from Watrous.

Mr. Speaker, what I am saying is that I hope that at no time that any individual organization in the Province of Saskatchewan or in Canada would be looked down upon because they had the courage to speak out against the Government about an individual policy. Certainly this does not stamp them as political, because this is the strength of the Palliser organization or the strength of any commodity organization. The fact that they do have the courage and certainly they have spoken out against the Federal Government as all of us are

aware on many, many occasions. But they have also been the first to commend the Federal Government on a good policy. I would hope that they would do so on a provincial basis as well. Certainly they are very, very widely recognized as a non-political organization. In fact some of them have run as candidates for various political parties as an indication.

I do want to point out to the Minister, he did indicate that because Palliser was dealing with a commodity that had some strong commercial support among the Wheat Pools in the three prairie provinces and of course the fact that the majority of the wheat, the delivery system, the export marketing and so forth was a federal responsibility that this didn't really put the same importance on them as other agricultural organizations in Saskatchewan. I should like to point out to him that on more than one occasion in this House we have suspended the normal business of the day to have an emergency debate on wheat and the problems of wheat. Last year we even suspended the House after an emergency debate and sent two Members of the Government to the Port of Vancouver to check into grain difficulties. Wheat is still the bread and butter of the Province of Saskatchewan and therefore it deserves all that interest.

Mr. Speaker, I am not going to say anything more, I do want to say to the Minister, I hope this amendment is not an opportunity to shelve this request. I think that the Palliser Wheat Growers' Association with some financial support particularly in the research area make a very worthwhile contribution not only to the wheat growers but to the general economy of Saskatchewan. I would hope that this particular resolution will be an encouragement to other commodity groups, that they too will be able to make a greater contribution in their area and the commodity of their own interest. I hope that this Resolution will not be taken by the Palliser Wheat Growers' Association as a rejection. In fact I do understand that perhaps this Resolution has had a little impact because I understand that the Department of Agriculture has now communicated with the Palliser. I am very pleased to hear that.

Mr. Speaker, I will support this and I do urge all Members of the House to support it as well.

Motion as amended agreed to.

Resolution No. 14 — Urges Government of Canada to Reduce Unemployment

The Assembly resumed the adjourned debate on the proposed Resolution by Mr. Whelan (Regina North West):

That this Assembly urges the Government of Canada to develop adequate employment schemes to reduce unemployment in Canada to more acceptable proportions; to disclose details of works plans for the winter season at an early enough date to permit maximum participation at the provincial level, and to fulfill its responsibility, through its control of Canada's fiscal, monetary and general economic policies, to take action designed to provide long-term solutions to the problem of chronic unemployment in Canada.

And the proposed amendment thereto by Mr. Lane:

That wherever the word "Canada" appears, it be deleted and the word "Saskatchewan" be substituted therefor, and that the word "municipal" be substituted for the

word "provincial" in the fifth line thereof (Votes and Proceedings).

Mr. A. Matsalla: — (Canora) Mr. Speaker, a great deal has been said about unemployment during the last number of years. Various views have been expressed in an attempt to pinpoint reasons for unemployment and to put forward solutions to the problem.

Canadians today are more concerned than ever about the present high level of unemployment. There is an existing feeling of insecurity and despair amongst our many young people. The situation, Mr. Speaker, is not a good one. It is up to politicians like ourselves seriously and sincerely to grapple with the problem. I realize that as a province we can only do so much to alleviate unemployment. Our resource base is limited. Much of the solutions to the problem falls in the lap of the Federal Government. Nevertheless I do feel that part of this solution can be accomplished through Provincial-Federal co-operation in instituting adequate employment programs.

Unemployment, Mr. Speaker is one of the most pressing problems facing Canadians today. Even though there was improved economic growth in Canada last year it had very little effect on unemployment. Some 220,000 new jobs were added during 1972, yet the year ended with a 6.8 per cent unemployment rate, a rate slightly higher than a year earlier.

Recognition must be given to the very fast growth of Canada's labor force. The high post-war birth rate is gradually becoming a thing of the past and of less significance to the unemployment problem. There must be other reasons for this unemployment crisis.

As I see it, Mr. Speaker, if we are going to get to the bottom of the problem, one of the basic and primary requirements for growth in the economy of the nation is increased investment by Canadians in Canada. In meeting this requirement, Canadian investors would have to gear their investment to keep our economy moving and in a healthy condition. The control of the economy would then be in Canada and not in the United States where controls are manipulative in the interest of the American economy. Besides this, it would be necessary to change the structure of our economy.

Our problem today, Mr. Speaker, is that a greater percentage of our raw material is exported for manufacture rather than being processed here into either finished or semi-finished products. It must be remembered that in a long run it is the manufacturing end of the production which creates jobs. By exporting raw materials, we are exporting jobs.

Mr. Speaker, one of the other obvious reasons why Western Canadian provinces are continually being faced with high seasonal unemployment is due to lack of geographical distribution of industrial wealth. Industrial production continues to be concentrated in Eastern and Central Canada leaving the rest of the country comparatively underdeveloped.

Mr. Speaker, the Federal Government continues to cater to the provinces of Ontario and Quebec, through generous industrial incentives grants. But to the Western Provinces it provides all sorts of excuses for delays and denials in grants. The present

DREE grant program and regulations needs to be re-designed and directed towards industrial development in the entire nation. If Canada is to develop industrial potential in its rich primary resources and if this development is to be meaningful in terms of spreading population and industry and creating new jobs across the entire nation, steps must be taken by the Federal Government to institute a massive program of distributing the wealth of the nation. I realize that this is something that cannot be done overnight, and of course not by a government that lacks courage and initiative. It is something that can only be done by a bold and progressive government; it can only be done by a government that has convictions about how to solve the unemployment crisis and one that is prepared to talk "turkey" to the huge financial institutions. Might I suggest it isn't a Liberal Government. We know from past records, Mr. Speaker, that neither of the free enterprise governments have had the courage to confront the sacred financial cow. They are, in fact, politically scared of it.

The Resolution before us, Mr. Speaker, opens for discussion the development of adequate employment schemes, including the disclosure of details on plans for reemployment programs during the winter season. I believe that the best way to discuss this is to make some reference to what was experienced with the administration of last year's program.

Members of the House will recall that I introduced a resolution at the last session one year ago to discuss this very point. Members of the Opposition I recall rather than discussing the problem of experienced delays and mal-administration, preferred to go off on a tangent and discuss unemployment. All in all, it was a good debate and may I say that it brought some results, although not the kind that I should have liked to see. This is the reason why we have this Resolution before us and that is the reason why we again want to debate the subject and that is why I have entered this debate.

To elaborate on some of the results, Mr. Speaker, our of last year's debate I want to start by commending this New Democratic Government for taking the lead in extending the deadline date of May 31st to July 31st and then to August 31st on its Provincial Winter Employment programs. To many municipal authorities the date extension was a blessing and proved very beneficial. It placed them in a position to proceed with the completion of their projects as well as to take advantage of the benefits of warm weather. Work on these projects continued and they provided employment and economic activity in the communities concerned. The effect went further than that. The projects provided communities with new and better facilities, and for this you can be assured the people of the community are very grateful. For instance, I want to point out, the community of Buchanan in my constituency received the approval for their new rink project by this Provincial Government after the Federal Government rejected their application. Last summer the district board of trade and the village council demonstrated their gratefulness by declaring the day of the Premier's visit to the community as 'Special Appreciation Day'.

Some Hon. Members: — Hear, hear!

Mr. Matsalla: — I mention this, Mr. Speaker, simply to illustrate how much the small community appreciates the much needed financial

help it can get from senior governments. If it wasn't for the help, no way could the community have found sufficient resources to undertake the project.

Mr. Speaker, I want to suggest that the leadership we have taken to extend the deadline date had induced the Federal Government to follow suit, but only extending the deadline to June 30th. They still fell short. Obviously the actions of this Provincial Government triggered the Federal Government to move in the same direction. This is what I would call effective Provincial Government. It would seem that the Liberals need guidance, it has shown up here and it is showing up in Ottawa.

Mr. Speaker, after setting out guidelines and regulations for the 1972-73 Winter Works Program this New Democratic Government lived up to its commitment of starting work on projects earlier. The work commencement was set at November 1. Approvals for projects were provided as early as October 18, 1972. There was virtually no hold-up in the processing. Municipalities and organizations were encouraged to start work as early as possible following November 1. In other words this Government did everything possible to maintain and continue the summer employment level into the winter season.

But what has been happening under the Federal Local Initiatives Program? Well to start with, Mr. Speaker, the starting date of December 1 remained the same. No action was taken to advance it. Surely if the Federal Liberal Government was concerned and sensitive to the serious unemployment problem it could have moved the starting date to at least November 1st when unemployment starts to take an upswing rather than keep it at December 1st. Apparently the starting date doesn't mean too much to the Federal Government anyway. In many cases approval for projects didn't come through until late December and January.

Let me relate to this House, Mr. Speaker, the experience I personally had with the eventual approval of a local initiative project in the RM of Buchanan No. 304, of which I am the secretary-treasurer. Our application was submitted on November 13, 1972, with the hope that we could get the approval through by December 1. We waited and waited. No approval was received until the third week in January, to be exact, January 18th, nearly two months later, right smack in the middle of winter. I ask the Members on this side of the House and the Members opposite in view of the delay in approving the municipality's application would you say that the Federal Government has made an honest effort to curb unemployment? No, must be the answer. There is lots of talk by the Liberals but very little action.

Some Hon. Members: — Hear, hear!

Mr. Matsalla: — Let us take a look at the action of this Government and that of the Federal Liberals. In reviewing the municipal files I find the following information,. Since the Provincial Government announced this program early, the municipality made application for the project on October 12, 1972. Approval for the project was granted about a week later on October 20th, ready for November 1st starting date. Following the announcement of the federal program the council decided to make application under the program with the view that it would be more advantageous to the municipality. So the application was

submitted on November 13, 1972. As I mentioned earlier, no approval was received until January 18th about two months later. So there you have it, Mr. Speaker, approval within a week with this Provincial Government and about two months with the Federal Government. I again ask you, Mr. Speaker, where's the action? Very obviously it is with this Government!

Mr. Speaker, I know of one reason why the Federal Liberals delayed approvals on some of the project. The reason is a political one. Now let me outline the reason to you. It might be interesting for Members of this House to know that Canada Manpower through its Minister has set up some kind of a clearing agency under the hand of defeated Liberal candidates in the last Federal election. In the case of at least two projects in my constituency, one being the RM of Buchanan project, the defeated Federal Liberal candidate for Yorkton-Melville had been in contact with key local Liberals advising them that approval to projects is forthcoming, but certain things would have to be met. One of the points was, the cutting down of projects to reduce costs and the other point which was more important and significant to the candidate was the publicity of the project. The defeated candidate, Mr. Speaker, stressed that the requirement for approval was assurance from the contact person that the announcement will be made and associated with her name, and publicized by word of mouth as well as by an article in the local paper. It is very apparent, Mr. Speaker, that the Federal Liberal applications are contained in a political pork-barrel. Whether or not the applications receive approval would depend on the results of the political test, and obviously on the reception given to the defeated candidate, the political agent of Manpower.

Mr. Speaker, I believe that this kind of processing of LIP applications by the Federal Government and Manpower is wrong and cannot be tolerated by municipal authorities and local community organizations. I am inclined to think that one of the reasons for the delay in approving applications was and is the involvement of partisan politics.

I feel certain that if this was removed the delays that we had would be reduced. If the objectives of the Local Initiative Program are to be met, number one, is creating jobs. Number two, developing community municipal projects; the program must be removed from politics and the projects decided upon their merits taking into account the established criteria.

At this point in passing, I want to make brief mention of the training-on-the-job program. This program, I believe, can serve a very useful purpose to a much fuller degree if its eligibility requirements were more meaningful. The program, I agree, is designed with good intentions, but I must say that some of the criteria used in determining eligibility is not compatible with the objectives of the program.

This New Democratic Government, ever since the planning of Winter Works Program of a year ago, has been making every effort to co-operate with the Federal Government in developing a single program, in which the federal, provincial and municipal governments would participate on a cost-sharing basis. Our proposal fell on deaf ears of the Federal Government.

This Government urged the Federal Government to announce its 1972-73 intentions by the middle of last summer. But there

March 27, 1973

was no action in this direction out of the Ottawa Government. No early action out of Ottawa demonstrates one thing, and one thing only, and that is its insincerity and unconcern over the serious unemployment problem.

I would be wrong to say that Ottawa hasn't done anything towards Winter Works employment. It has, but always too late and too little.

With the early high seasonal unemployment in Western Canada, due to severe winter climatic conditions, I shall like to suggest to his House, to the Federal Government, that an effort be made to design a national Winter Works Program, giving the provinces of Western Canada special consideration.

I would urge that the starting date for projects in Western Canada be at least November 1st and that every consideration be given to develop a single program involving all levels of government — federal, provincial and local authorities.

Mr. Speaker, the amendment proposed by the Hon. Member for Moose Jaw North (Mr. MacDonald) is what I would describe as irresponsible and shows lack of understanding on the problem of unemployment. I cannot support the amendment but I will give my full support to the main Motion.

Some Hon. Members: — Hear, hear!

Mr. T. M. Weatherald: — (Cannington) Mr. Speaker, I have some extremely short remarks on this Motion. The one thing that has always impressed me as we receive the sheets on the Winter Works Program put out by the Provincial Government is the very great lack of planning that they always talk about and certainly a lack of any coherent type of program to tackle unemployment.

Let's take a look at some of the things that they put into their great program that they so vividly and happily talk about. One of them was employing a hockey coach in a community in Saskatchewan. That was one of their job-creating programs and they got a grant in that particular town for it.

Another one was the city of Saskatoon, and Saskatoon seems to appear frequently here. I don't know whether it is what the Member for Canora would call political patronage or not, but I think I would. That was to provide and maintain ice surfaces for recreational use.

Mr. Speaker, I think that they have been cleaning the snow off the ice in Saskatoon for many, many years before the Government came along with the Winter Works Program. But apparently the Government opposite in their wisdom decided that this year they would pay half the cost and try and start creating jobs by paying for clearing the snow off the ice in the city of Saskatoon, on their outdoor rinks.

Mr. Speaker, I hardly think that this was a job-creating program because I think that people were already doing this for many years in the past. I think that appears at least six or seven times on the sheet that was presented to me.

We keep going through the list of programs, Mr. Speaker, that the Government opposite has so glowingly talked of, of

how they will bring about job creation in the Province of Saskatchewan. One of them — another one — help produce a municipal map for a community here in Saskatchewan. I hardly think that that qualifies as an employment generating program for this province in the Winter Works project.

Now, Mr. Speaker, we can go ahead and look through many, many of the plans and programs of the NDP to create work this winter. The one thing that comes to my mind is that the Government — if you happen to be the right friend of the Government at that time — your chances of qualifying are very good. I think probably the city of Saskatoon did rather well in this regard, but I would suggest to them that in the future if they are going to create permanent jobs that are somewhat more meaningful in the Province of Saskatchewan, that they dwell on jobs other than just the cleaning of open air rinks and removing the snow from them.

I would suggest also, Mr. Speaker, that such programs as these are totally unfair to the people of the province. I notice in here also as I go through the Winter Works Incentive Program for the Government in the past year, I notice frequently assistance to caretakers of rinks.

Well, my colleague, the Member for Moosomin (Mr. Gardner) and I am sure my own constituency, indeed all the constituencies of Saskatchewan, would be very pleased to have this type of Winter Works assistance in employing caretakers. I find that in checking the small towns and all of the towns around that they were not aware that there was any type of assistance available to them this winter for the employing of caretakers.

Once again, Mr. Speaker, I think it was handed out in a very, very extremely haphazard manner, and in a manner which if maybe you knew the right people you got the grant.

I would very seriously suggest, Mr. Speaker, to the Government that if this year . . .

An Hon. Member: — . . . accusation . . .

Mr. Weatherald: — Well, it is an accurate accusation and you can go through these sheets and it can be proved quite easily. In most cases, Mr. Speaker, there was no notice given whatsoever to rinks employing caretakers that the program was available in order to qualify for assistance. If you check the small communities that are employing caretakers you will find this to be true. The Government had a program that they handed out to whoever they felt like, but they made no effort to tell small communities that there was a program available in which they would be able to collect part of the cost of the caretaker for the rink. There isn't a community in Saskatchewan that couldn't have qualified for this program this winter, and they should have qualified for it on an equal basis as the same ones that got it. You can go through these sheets and you can find 15 or 20 rinks that got half of the cost of the caretaker for the last winter paid for.

What legitimate reason is there that every community in Saskatchewan should not get half the cost of their caretaker paid for? I know of no legitimate reason, and when I contact these rinks they know of no legitimate reason, except that

nobody told them that the program existed, because the Government didn't tell anybody. They didn't intend to tell anybody. They just had a little bit of money that they handed out wherever they thought it would do a little good for their own purposes.

This, Mr. Speaker, I think is an indication of the type of Winter Works Program that we got from the Government and I think that it is an indication that it isn't good enough. Next winter if you have a program for giving assistance, make it available to everyone, publish it and let's let everybody qualify for it and not just hand out a few dollars here and there and wherever you feel like.

Some Hon. Members: — Hear, hear!

Hon. G. Snyder: — (Minister of Labour) Mr. Speaker, I want to add a few words to the Resolution that was introduced by the Hon. Member for Regina North West (Mr. Whelan).

I want to say first of all that I have the very distinct impression that we are hearing the strains of a song that has been played before. As a matter of fact 12 months ago, in this Legislature, this Assembly considered a resolution which was very similar to the one which is presently before us.

Both resolutions have the effect of urging the Government — the Federal Government — to create conditions of full employment in this country. I think one is entitled to ask a rather logical question: Why the duplication, Mr. Speaker: Let's examine the whole matter just a little more closely.

The 1972 resolution was adopted and its main thrust was made known to the senior government. Now, a year after, we are in a position to pass judgment on the effectiveness of the resolution in terms of the translation into action of the central recommendations of that resolution passed in 1972. We might start, I believe, by comparing the national unemployment rate last year with the current unemployment rate.

The rate as of February 19, 1972 was 7.3 per cent and the corresponding rate, Mr. Speaker, for 1973 is exactly the same — 7.3 per cent. What is worse, the absolute number of unemployed persons has actually risen from 627,000 to 655,000 in 1973. The Trudeau administration has not only completely failed to reduce the substantial pool of unemployed persons in the past year, but it has actually added to it in substantial numbers.

Well then, at least we are entitled to believe that the 1972 resolution has exerted some influence with regard to the solution of Canada's employment difficulties this winter, through the 1972-73 Winter Works Program. Here again, we are doomed to disappointment. Amid much ballyhoo, the Federal Government announced a \$350 million capital projects fund to provide loans and grants for provinces and municipalities to undertake job-creating projects over this past winter and over the next two years.

This program, Mr. Speaker, is totally inadequate and if forecasts are anywhere near accurate, it will provide only 140,000 jobs during the current winter, which will barely

scratch the surface and leave something in excess of another half a million Canadians still looking for work.

Although it is small consolation, if nothing else, we should be able to report that the 1972 resolution led to the announcement of the 1972-73 Winter Works Program earlier than in the previous year, in order to allow provinces and municipalities to make appropriate plans for the proper utilization of these federal funds. But not so, Mr. Speaker. The many pleas for the release of details concerning the Federal plans sooner than in October as in the previous year, fell on deaf ears. The current winter employment scheme was not announced by the Hon. John Turner until December of 1972.

Mr. Speaker, winter comes pretty early in the West and even the most sophisticated seasonal adjustment techniques which are used in Ottawa cannot alter that particular fact.

Why the delay in formulating the plan? Well, Mr. Speaker, Mr. Turner indicated that the figures only became available late in the year to reveal an economic downturn during the third quarter of 1972. The credibility of this excuse is stretched beyond normal limits. The unemployment total was never below 459,000 in 1972, even in the peak employment period of last summer. If the Federal Cabinet were unable to acquire accurate information from their own sources, then, Mr. Speaker, at least they should have listened to the provinces under those circumstances.

In desperation, then, Mr. Speaker, we turn our attention to long-term solutions to unemployment, to ascertain whether last year's resolution has been heeded in this respect. Several made known his long-awaited budget and how many jobs will that new budget of Mr. Turner's provide?

Well we are proudly informed, Mr. Speaker, that this time next year 300,000 more Canadians will be on the work force than previously. Well, what a letdown, Mr. Speaker! This number will hardly permit us to keep our heads above water in terms of absorbing the increases in the labor force in the coming year. Moreover, there is room for genuine doubt that the budget of Mr. Turner, the one just brought down a few weeks ago, is as expansionary as last year's budget was. It will actually result in a budgetary deficit on a national accounts basis, which is \$400 million smaller than that of last year. In addition, the big levers applied by the Federal Government to jack up the economy, in the form of tax cuts and government spending, tend to generate employment in the large industrialized areas, where it is needed the least. This kind of strategy, Mr. Speaker, discriminates against the less developed regions and fails to deal with the serious problems of Western Canada.

The only logical explanation for the failure of the Federal Government to take into account the urgent and essential points raised in last year's resolution is that the Trudeau administration has continued its policy of deliberately creating conditions of underemployment and unemployment in order to combat inflation. However, even in this endeavor, they have been unsuccessful. Prices in Canada have increased by almost six per cent in 1972. Although it undoubtedly boggles the minds of even the most ardent Federal Government supporters, the simple fact is that they have failed to come to grips in any meaningful way with two of the highest priority items with which any government

can be confronted.

Mr. Speaker, one is forced to conclude that Federal Government mandarins have been playing a game of ping pong, with inflation on one side of the net and unemployment on the other. The subject in question is not a game, however, when the ping pong ball represents flesh and blood, Canadian citizens with bills to pay, with families to support and with career goals to achieve, and with the legitimate desire to share in the good life which the politicians in Ottawa say we all enjoy.

Accordingly, Mr. Speaker, the Members of this Assembly are forced to debate a resolution on unemployment again this year, standing in the same spot we occupied last year, with no noticeable progress to report in the intervening 12 months with the exception of the expression of a few high-sounding ideals during the Federal election campaign a few months ago. This time around, we are going to have to make our position a lot more forceful if we are to penetrate that dense fog with which Ottawa appears to be surrounded.

Putting aside economic considerations, let us consider for a moment the social ramifications of unemployment. A person's employment must be regarded, Mr. Speaker, as something more than merely an economic activity. In many respects the job shapes a worker's personal attitude and his relationship to the world around him. His home, his role in the community, his friends, his financial, cultural and political associations, all relate indirectly to his occupation. Studies have shown that a good deal of an employee's life centres on his work and gives him his major source of identity. From this point of view, the absence of employment makes an individual feel that he is outside the mainstream of productive society.

The economic impact of unemployment is quite apparent and has been discussed in this Assembly by other speakers. It will suffice to say that unemployment exerts a chain reaction effect, in terms of losses of output, a reduction in personal incomes, declining purchasing power, lower business sales, and curtailed government revenues. As a measure of its significance, Mr. Speaker, it has been estimated that the wage loss occasioned by unemployment in Canada last year was approximately \$4 billion.

The Resolution stresses the need to discover long-term solutions to Canada's employment difficulties. This is particularly urgent in the light of the current labor force trends. Canada has one of the fastest-growing work forces in the world, and the problem is and will be in the future to create enough new jobs to accommodate new entrants into the labor force, notably young people, our young men and women.

Another important point to take into account is that, as a result of technological change, the occupational structure of existing employment is changing in such a way that unskilled and semi-skilled jobs are continuously disappearing and are being replaced by more sophisticated ones. Three-quarters of the jobs now available are skilled, technical and professional ones and only one-quarter are unskilled or semi-skilled. It is essential that we develop appropriate manpower training programs and policies which will avoid the situation in which the majority of job applicants have inadequate training background and must compete for one job in four for which their qualifications are sufficient, while the minority of applicants

with the necessary qualifications have their pick of three jobs in four which require a higher level of education and training. Already, Mr. Speaker, there is a suggestion of a manpower shortage in certain specialized occupations, even while many persons are still without work.

Members opposite have been quick to point their finger at the Government of Saskatchewan when discussing the need for job creation. We don't pretend that unemployment is not a problem in this province. But we do think that we are taking reasonable action to alleviate it. The Saskatchewan jobless total in February was 20,000 for an unemployment rate of 5.9 per cent, compared with 7.3 per cent nationally. Of all the provinces in Canada, only Ontario, Manitoba and Alberta reported lower rates. While unemployment rose nationally between January and February, the number of unemployed in Saskatchewan actually declined by 4,000. It should be pointed out, Mr. Speaker, that there were 24,000 persons in Saskatchewan unemployed in February 1970. This despite the fact that the Government had been in power for a number of years and had a number of years to anticipate and prepare for the problem, whereas the present administration had had a lesser period of time.

But what is particularly significant, Mr. Speaker, is the fact that the Saskatchewan labor force has been growing, with the addition of more women, young people and more persons moving from the rural areas to the cities. The more rigid Unemployment Insurance Commission regulations are largely responsible for bringing additional numbers of persons into the labor market. At the same time, the Department of Social Services regions have tightened up on their regulations to ensure that welfare claimants are registered for employment. Moreover, more people may be looking for work in response to the upswing in the economy over the last number of months.

Mr. Speaker, as a consequence of these developments, the Saskatchewan labor force in 1972 averaged 4,000 higher than in the previous year. The labor force in February, 1973 was 339,000, an increase of 9,000 over that in February of the previous year. Yet, at the same time, unemployment remained unchanged. It is apparent then, Mr. Speaker, that the Government of Saskatchewan has been largely successful in meeting the employment requirements of an expanding labor force. All 9,000 . . .

Some Hon. Members: — Hear, hear!

Mr. Snyder: — . . . Just listen for a minute. All 9,000 new entrants in the past 12 months have been absorbed into the labor force.

Some Hon. Members: — Hear, hear!

Mr. Snyder: — These are facts, Mr. Speaker, they are not a fantasy. They can't be disputed by Members opposite.

Action taken by the Provincial Government to stimulate employment in this province, Mr. Speaker, has included the following measures:

1. Participation in and financial enrichment of the Federal Winter Works Program.

2. Provincial employment loans program.
3. The provincial initiatives program under which grants were paid towards local government winter employment projects.
4. The \$5 million 1972-73 provincial municipal Winter Works Program, announced last September, Mr. Speaker, long before the Federal Government came forward with any job creating proposals and on the basis of the realities of the Saskatchewan winter, applicable from November 1 to May 31.
5. The 1972 House Building Assistance Program, under which grants of some \$800 were made available to individuals undertaking new housing construction or renovations.
6. The acceleration of public works and Crown corporations' capital projects, valued at a figure in excess of \$7 million.
7. The provincial housing program for senior citizens.
8. The business loans programs, and the on-going program under the Provincial Government employment program during the summer months.

And we are not finished, Mr. Speaker, we don't suggest that the job has been done by any stretch of the imagination.

The Saskatchewan Housing Corporation will be established to carry on programs aimed at the improvement of living accommodations for the aged and for those in low and middle income brackets. The new Budget includes funds for programs to create jobs for young people during the coming summer. We are introducing longer range programs to stabilize the structure of employment. Plans will be implemented to facilitate the diversification of the agricultural industry, the development and processing of our primary resources and the establishment of secondary industry.

However, Mr. Speaker, as suggested in the Resolution prior to the amendment, the Government of Canada must assume the major responsibility for the initiation of lasting solutions to unemployment. To achieve full employment on a permanent basis and on a national basis, the Ottawa administration must take a close look at the number of economic and social measures including a much more expansionary monetary and fiscal policy, recognizing regional difference; more positive steps to encourage the development of secondary industries to allow for our natural resources to be processed in Canada; they must consider action to boost purchasing power; the operation of more appropriate occupational training programs; and a greater emphasis on the restructuring of labor demands to match labor supply.

In short, Mr. Speaker, this country needs a rational and imaginative manpower strategy, the major goals of which are the efficient utilization of our human resources, the equitable distribution of income, and the provisions of opportunities for all of our citizens in a productive and fulfilling way.

I will be very pleased to support the Motion, Mr. Speaker.

Some Hon. Members: — Hear, hear!

Mr. K. R. MacLeod: (Albert Park) Mr. Speaker, this Resolution is nothing more nor less than an attempt by the Provincial Government to avoid its own responsibilities and to avoid the necessity of carrying out some of its own campaign promises.

Now, it is bad enough, Mr. Speaker, for a man — a sidewalk

superintendent to stand around doing nothing while he watches somebody else doing a worthwhile activity. But the conduct of this Government is far worse than that. They condemn the activities of someone else while they themselves stand around, not in anyway fulfilling the obligations for which they were elected.

The Federal Government has come to the aid of the unemployed people in Canada, to a large extent softening the blow of provincial mismanagement, notably provinces such as the Province of Saskatchewan.

I should like to examine just briefly one or two of these job producing programs of this present NDP Government. To begin with there is the well known cancellation of the Choiceland Iron Mine project — another program which the former Government designed to increase employment in Saskatchewan. This is only one of a number; the Athabasca Pulp Mill is well known to us, another project to create jobs which this Government cancelled. It is obvious that the Department of Government Services has failed to carry out more than in a moderate way its obligations of last year according to the capital spending budget which it promised and which it asked approval for in this House. The \$1 million highway program — the highway building up in Prince Albert — was not carried out. The only item in the Budget for Agriculture, the only capital item in the Government Services building estimates for agriculture, was not carried forward at all.

Now there are some people who believe that some of the cutbacks last summer were due to the fact that a Federal election was anticipated in the fall. And it is pretty hard to point to a huge unemployment rate if, in fact, a huge unemployment rate is not in existence.

The Government of course, this year in the face of rising unemployment, a serious unemployment rate, has cut back the PEP program. The generous industrial incentives that the Hon. Member for Canora (Mr. Matsalla) worries about, are due entirely to the fact that this Government has, in fact, no real projects which would qualify for the kind of incentive grants which the Federal Government would love to pay into Saskatchewan.

The Federal Government would like nothing better than to increase substantially the money it pays to projects in Saskatchewan, if only the Provincial Government would do something to arrange the kind of program which would qualify.

The activities of the Government and particularly of the Premier, indicate that the government wishes to ride off in all directions at once. I have in front of me a Leader-Post clipping of November 2, 1972. And the Premier is quoted by the Press as stating that:

Concern for unemployment in the winter is certainly exaggerated or inaccurate.

Now Mr. Blakeney says this and I quote:

I realize that figures are very tricky and unreliable. But it does look like we are coping with unemployment as well as anyone else in Canada. We are launching what we consider a massive winter works program.

March 27, 1973

The same thing occurred in the Budget Speech of the spring. The Hon. Minister of Finance (Mr. Cowley) was terribly upset over a 6.4 per cent rate. This despite the fact that the Premier said in the Leader-Post the rate in the decline of the province's population is continuing. High unemployment rates such as in British Columbia may be a factor in keeping more people at home in Saskatchewan, but he was prepared to consider that it wasn't anything worth worrying about.

This was followed in the Budget and by the Estimates sometime later in a reduction of the STEP and PEP programs. If they carry on one more step I am sure that the entire Student Employment Program will be non-existent. It will become NOPE.

We were then treated on the 13th day of March with a long list of irrelevancies from the Hon. Member of Regina North West (Mr. Whelan). He listed some 23 items, some of which had some relation to the Resolution before us, but most of which had no relation at all to the Resolution. And I am led to believe that the Hon. Member may well have prepared his remarks without having read the Resolution in support of which the speech was given.

Now I should like to deal with a few of these items and point out to the House that the items in actual fact are a chronicle of the failure of the Provincial Government.

To begin with, his first suggestion is that money be made available at low rates of interest for people desiring to build their own houses, particularly if the homes are built during the winter months. The province has done nothing. He has suggested that huge sums of money at low rates of interest should be made available to provincial housing corporations to develop housing for senior citizens, students, native people, farmers, co-operative housing. The Provincial Government has offered little or nothing. He suggests that a program of loans on a long-term basis with a low rate of interest should be provided to build tourist facilities in areas approved by the Provincial Government to guarantee proper facilities for the travelling public during the winter and summer. We looked at the Estimates and found a total lack of anything adequate in this area. He said there should be a program to develop parks within city limits and on a regional basis throughout the province, along the highway for travellers in the North and adjacent to historic sites. I might ask the Government what are they doing about this? He has suggested that the Federal Government should complete the Yellow Head Highway. And this in the face of an announced program by the Provincial Government to reduce the quality and cut back on its own highway construction. As a safety feature he thinks that overpasses should be built on the main highways across the country at every location where a railway crosses the main highway, whether it is No. 1 highway or any other east, west highway. I wonder, what is the Provincial Government doing about that. It is doing nothing. He then suggests that north-south roads into tourist areas and potential mineral producing districts in the northern parts of the province should be developed by the Provincial Government, although the necessity for some of these northern roads may well have been eliminated having regard to the general reduction in the activity in the North generated by this Government.

He suggested that full senior citizen retirement pensions should be provided to anyone who has worked 35 years. This

despite the fact that in the years since the Trudeau Government has come to power, the old age pensions have virtually doubled in Canada and the Provincial Government despite offers of assistance from the Federal Government has done absolutely nothing for old age pensioners.

Mr. Mostoway: — Gibberish!

Mr. MacLeod: — The Hon. Member says gibberish. The fact is that the Province of British Columbia is making provision for the senior citizens which is not in any way being matched by the Province of Saskatchewan and in fact, the Government is throwing money away which could well have been spent for senior citizens in Saskatchewan with the assistance of the Federal Government. This province is losing \$9 million a year from the Federal Government, because the Provincial Government is not prepared to do its duty by our senior citizens.

Item No. 10 by the Hon. Member for Regina North West. He says shorter work weeks should be introduced in Federal Industries and particularly starting in the Federal Civil Service in an effort to provide more jobs.

I can tell you that this is a very sorry thing for the Hon. Member to have raised, particularly when the Provincial Government is presently working its own out of scope employees longer than anybody else. In fact, it makes resolutions, regulations, passes laws requiring business and industry, the ordinary working people of the province, the people trying make a living in ordinary business to reduce the work week to 40 hours. What has happened? The Provincial Government doesn't apply the law to itself. The fact is that the shorter work weeks are demanded of the Federal Government but what about the Provincial Government? You have done nothing, except demand that somebody else do something. That is all.

The New Democratic Party is very good at standing around like a bunch of sidewalk superintendents complaining of the failures of someone else. Doing nothing constructive itself.

Item No. 11. He suggests that people have a chance to take over part of their pension plans for the construction of houses. Now what he doesn't recognize is the damage that these things could do to pension plans. I certainly oppose any action which would reduce pension plans for the future.

What he does suggest is that there should be exemptions for those of the lower income tax bracket. And he asks for complete tax exemptions. That is very interesting; the Hon. Member wants to have reduction in taxes. This one of the few Governments in Canada in the past two years that has actually increased income taxes. While the Federal Government is reducing taxes, the Provincial Government is increasing taxes and then complaining because taxes are not being reduced. That is the kind of nonsense we have been getting from the Government.

From item 13 on, the suggestions of the Hon. Member wander farther and farther from the subject. He suggests that grants or subsidies should be provided at special interest rates for municipalities desiring to combat pollution by building of proper sewage treatment facilities. I shall be very interested to find out what the Hon. Member has to say when it comes to

our resolution which says practically that with respect to the sewage facilities of Regina and Moose Jaw. I shall anticipate having the Hon. Member for Regina North West support the Resolution which I put on the Order Paper. But the fact is that the Provincial Government, while calling upon somebody else to do something is in fact, to date, doing virtually nothing at all.

Item 14 — The Federal Government should attach a cost of living clause to the payment of unemployment insurance, so says the Hon. Member from Regina North West. I do not understand how you can encourage employment by increasing the benefits of unemployment. That is what the Hon. Member has suggested. I don't understand how this can help employment at all. From then on, of course, the subject is barely touched upon; the next half dozen suggestions of the Hon. Member have absolutely nothing to do, or very little to do, with the Resolution before us or the proposed amendment. Now I would suggest to the Hon. Members that the contradictions of this Government in fact do boggle the mind, as suggested by the Hon. Minister of Labour. What I do suggest is that this Government has deliberately set about on a policy of cancellation of industries, reduction of employment and refusal to carry out its own program of capital works. It may well be an excusable item, if the Government says that the capital works program planned in the 1971 budget by the Liberals was not a program which they could carry out, that's quite understandable. But one does find it hard to accept the fact that they are unable to carry out their own public works program, a shortfall of more than \$3.5 million and that is \$3.5 million of unemployment created by the Provincial Government. As I say, the fact that there was a Federal election on October 30, 1972, may well have had something to do with the deliberate holding back by this Government of its own capital works program.

An Hon. Member: — What has that . . .

Mr. MacLeod: — I am not entirely sure what it was to do with the Resolution at hand but the Hon. Minister of Labour (Mr. Snyder) spent a little of his time talking about the high cost of living and the increasing costs which are borne by Canadian citizens. In a question earlier today the Hon. Minister of Consumer Affairs (Mr. Tchorzewski) seemed to have made up his mind whether he should bother making any representations at all as far as the Federal Committee on food costs is concerned. He doesn't seem to think it is a problem. The Government of Alberta seems to be concerned enough to have made a presentation to the Federal Government; but not the Saskatchewan Government. Either they have no suggestions to make and no ideas on the subject (which I accept), or else they don't consider it a problem. But if they don't consider it a problem I suggest that the Hon. Minister of Labour should get together with the Hon. Minister of Consumer Affairs because they are not as one on this issue.

I only want to comment briefly on the remarks of the Hon. Member for Canora (Mr. Matsalla). He suggests that there is some difficulty or there was some difficulty in passing programs through for approval to the Federal Government. I would remind the Hon. Member that the Federal Government in announcing its program had requested each province to have a co-ordinator. These programs were intended to be co-ordinated by a person in

each province appointed by the Provincial Government. The Provincial Government in Saskatchewan did appoint a co-ordinator and the mismanagement of this Government was more at fault for delays than was any problem at the other end. Ottawa had no end of difficulty with the Provincial Government when it came to the programs which were submitted to the Provincial Government for onward transmission to Ottawa.

I want to tell the Hon. Member for Canora that if he wants to know why there were delays in having approval to his program, he should look to two areas. First of all there is the very real possibility that the Hon. Member didn't know how to complete the request for the requisition for the grant. Let's assume, Mr. Speaker, that the program was in fact, or that he had properly framed his request, to fit the program, that his request was in order. When he submitted it to the Provincial Government I can assure him that if he looks carefully he may well discover that the delays were with the Provincial Government, the Provincial co-ordinator, for political purposes was more than willing to delay the onward transmission of programs submitted by municipalities in Saskatchewan. They did it time and time again and I am told on more than one occasion that when municipal bodies and municipal committees arrived in Regina to discuss their winter works program with the Co-ordinator they got a political lecture. It was political games by the Provincial Government as much as anything else that caused delays in Saskatchewan having its programs approved on time to do worthwhile activity in the local communities. That is, more than anything else the reason why Saskatchewan, more than any other province, had difficulty with its winter works program.

Mr. Wood: — I am wondering, could the Hon. Member advise as to what those municipalities were that got the political lecture.

Mr. MacLeod: — I ask him to put it on the Order Paper, Mr. Speaker. I am prepared to give consideration to the request of the Hon. Minister. If I can be assured by the Hon. Minister that they will not use this on any political vendetta, a matter on which I am gravely in doubt, if I can be assured that these municipalities will not suffer thereby, I would be quite prepared to give him one or two names as a test. I won't do that immediately but I undertake to the Hon. Minister that I will give it serious consideration and if I am satisfied that no retribution or retaliation is likely, I will be pleased to give him at least one name.

Mr. Speaker, I therefore support the essential argument in this Resolution which is that the Province of Saskatchewan has failed the unemployed in this province. It has failed to do anything worthwhile or constructive to resolve the unemployment problem except one thing. It has talked big, it has used tremendous language about the tremendous problem but it has, in fact, done nothing. More than any other group in Canada the New Democratic Party is responsible for unemployment in Saskatchewan. I, therefore, support the amendment but not the Resolution.

Some Hon. Members: — Hear, hear!

Mr. J. G. Richards: — (Saskatoon University) Mr. Speaker, the comments in this debate I think are a good indication of the sweeping generalities that have so characterized debates in the political arena of Canada about unemployment and one more nail, if you like, in the coffin of the incredibility of political institutions. I hope that I shall not be guilty of this kind of sweeping generalization, much as in the past I have been guilty of going to the high plateau and talking in certain generalities about some subjects as nationalizing the oil industry. I shall try, Mr. Speaker, to limit my remarks to what I hope are some concrete discussion about what can be done on various levels of government with respect to the problem. I find not only the Members opposite guilty of sweeping generalizations, they are also guilty of buck passing. The intent of their amendment, of course, is to divert attention to the unemployment situation away from Federal responsibility and place it totally in the field of provincial politics in Regina. On the other hand, our motion as the Member opposite was quick to point up — a very intelligent Member there, sharp on his toes — I might say that our own option was designed to elude blame and to put all of it on the Federal Government. I think as I said in the introduction here, we have a serious, serious problem about the credibility and about this process of buck passing. We have produced the situation in which we have a kind of fatalism, an insensitivity among the country's leaders on the whole question of unemployment. Unemployment has become part of the political rhetoric, nothing gets done.

I should like to quote from the annual report in Canada Trust, a distinguished financial institution of our country, a document which was circulated to all Members in the last couple of weeks. There is a fine, upstanding photograph of a distinguished looking gentleman staring out from a bull's-eye on the second page and Mr. Taylor quotes and I quote him:

The facts tell us we are going to have to learn to live with substantially higher unemployment than in the past. We have arrived at this situation which the leaders of our country accept, and it's a mark of their insensitivity. Current high levels of unemployment are a thing that is with us forevermore.

The fact that we have unemployment in Canada of over seven per cent whereas many industrial countries consider two per cent to be atrociously high is sloughed over. What are some of the structural aspects, Mr. Speaker, of unemployment in the labor market in Canada?

I should like to quote some statistics coming from Statistics Canada — Employment Earnings and Hours. The most recent catalogue number in the Legislative Library. They point out some very interesting facts. I quote from the years May, 1969 to May, 1972, a three-year period and there are the index numbers of employment in various sectors of the economy. If you take the index of employment in manufacturing, that declined from 125.8 in 1969 to 123.9, for an actual 1.5 per cent decline in manufacturing employment in Canada over that three-year period. We consider ourselves to be a manufacturing country, a developed country, but we have to face this kind of reality that our actual manufacturing employment is going down. Obviously we are a country which is increasingly involved in

service industry. In the same period employment in service industries increased by 14.3 per cent. We cannot have beauticians and teachers, and garage mechanics in service industries unless we have more primary job creating activity. In our reputed forest industry which is of course of great importance to the country as a whole, we had a 18.5 per cent decline in that sector over that three-year period. In fact the only primary or secondary industry in aggregate which was increasing employment in this period was mining. Mining increased by four per cent during that period. Again it drives home the argument that ever since Canada's beginning we have been dependent upon the export of certain essential staples to various parts of the world, whether it be furs, fish, timber, wheat, now it is oil, pulp, nickel. We are the hewers of wood and the drawers of water for empires through the ages. In some sense Canada is the richest underdeveloped country in the world. We do not have a firm independent and strong manufacturing sector. Our manufacturing as all Members are doubtless fully aware is two-thirds controlled by the Americans. I submit that these are the severe structural problems of our country that are not going to be solved, we are not going to solve unemployment problems unless we are prepared to inject a great deal more socialism in Canadian politics.

Now, to return to the provincial arena, what are some of the aspects structurally of unemployment in the labor market in Saskatchewan. We have 2,000 farmers on the average leaving the land every year. We have stagnant manufacturing employment. We have a situation in which the labor force in Saskatchewan, 1969 — 350,000, 1970 — 350,000, 1971 — 348,000, 1972 — 352,000. Our total labor force is obviously static. That 4,000 increase from 1971 to 1972 although encouraging, half of that increase was taken up by an increase in the number of unemployed from 13,000 to 15,000.

Once could argue, and many have argued, why bother? Why bother about the population of Saskatchewan and its job-creating potential if we manage to maintain per capita incomes at a decent level. That certainly is the attitude of Federal politicians in Ottawa who have various kinds of farm-support programs designed to get farmers off the land and who are quite content to have purely capital intensive industry going on in Western Canada. I think we have to ask that question seriously if we are prepared to put some effort into trying to arrive at a reasonable answer. I think the answer is there. I think the answer revolves around the necessity to maintain some minimum threshold from which to operate as a Provincial Government with a degree of real autonomy. If we allow the provincial population to decline, then we are going to arrive at a situation where, like the Maritimes, we are constantly dependent upon Ottawa's approval for new initiatives.

Mr. Speaker, let's talk about provincial strategy. I have some sympathy with the amendment made by the Members opposite to the extent that I think a great deal more could be done by the Provincial Government in micro-economic policy determination to relieve unemployment and especially given the inadequacies of Federal policies. Mr. Speaker, there are two areas, and I shall try and be concrete. I think one is the absolute need to stem farm depopulation. I think there are certain good programs which are now being conceived even if they are in an embryonic state. FarmStart for example. The basic philosophy here is to

subsidize people not land and capital. Previous agricultural programs which concentrate solely on the subsidization of land and capital are obviously self-defeating in the sense that they are encouraging the very processes of capitalization of larger farms and of driving people off the land. We must be prepared to reverse these situations. Further, the conclusion stares out at us. In organized industry which has a degree of monopoly power to administer prices that control entries into the business and to undertake a great deal of economic decision making independent of market forces, one can have industrial peace, one can have industrial stability. Obviously we are in the process of trying to give that analogous power to farming.

The second whole area which I think is going to be absolutely essential if we are going to have a reasonable provincial strategy of job creation, is in the area of new policies for resource industry. Mr. Speaker, let me quote from a document of some substance which I trust Members on both sides of the House will feel is supportive. It is the report on Natural Resources Policy in Manitoba, written by an ex-Liberal Federal Cabinet Minister, Mr. Kierans and commissioned by a provincial NDP Government, Mr. Schreyer's in Manitoba. I quote from Mr. Kierans:

A new resource policy must recommend an effective method of provincial appropriation of the returns from its own wealth.

It bluntly calls for:

There is an absolute need for Provincial Governments to end the neo-colonialism that sends trade missions to the financial centres of the world offering all the privileges that older colonialism once imposed on subject peoples.

That might be a critic's left wing rhetoric but it comes from a distinguished ex-Cabinet Minister and I am sure, therefore, that Members opposite will feel fully supported. Now the essence of what Mr. Kierans is stating with respect to resource policy is that provincial governments have been competing against one another in trying to attract resource industries and they thereby bid away the bulk of the advantages to be gained from these actual investment projects. Until in the final analysis little remains except the actual jobs created and the actual income spent of those wage earners. All the profits and the rents which could be accruing to the provinces inasmuch as the provinces are rightful owners of the natural resources within their provincial boundaries are being lost.

The same point was made rather succinctly at a local level with an editorial in the third issue of Next Year Country. I quote again.

The resource industries of potash, oil and forests would have to be brought under public ownership on terms sufficiently favorable to the province to provide it with major new sources of revenue.

That is trying to make more concrete what Mr. Kierans has said in abstract. If we are going to proceed down the roads which Mr. Kierans indicates, he lays out four options which I

shall come to. We have got to be prepared to take control of the basic resource industries within our provincial boundaries at a price which allows us to achieve thereby a substantial increase in provincial revenues, and with these provincial revenues to be prepared to subsidize public works projects, the creation of public goods, such as schools, hospitals, etc. Also we must subsidize certain secondary industrial activity within our provincial boundaries. Let me hasten to add that subsidization should be in the form of subsidies to locally controlled and public industry. My faith in the potential of small private businessmen substantially to add to the major entrepreneurial force in creating jobs is definitely limited. I think that we are going primarily to have to rely upon the public entrepreneur and not the private entrepreneur. The small Saskatchewan businessman is fine to fill up the gaps and provide service industries, and far be it from me to suggest the Provincial Government should be running restaurants and small implement dealers etc. Nonetheless the basic thrust will have to be to use these funds generated from control of resource industries for public enterprise in secondary manufacture.

Mr. Speaker, in conclusion, I should like to sum up the fact that it is not merely a question of provincial strategies. I have outlined two areas, one where I think the Government is proceeding along the right track with increased emphasis on subsidizing people and not capital in farm programs. In the second area is the need for a total new resource policy of which I am much less optimistic as to whether the Government is making much progress. Obviously unemployment and manpower policies depend crucially on the Federal Government.

I have here one small item to refer to, which came to me from the city of Saskatoon. It indicates the kinds of problems which provincial governments are going to be faced with in dealing with this cruel international world of protectionism. It is a letter which was addressed to a Saskatoon business from the State of Montana encouraging it to close up its operations in Saskatoon and return to the United States, under the infamous Nixon's DISC (Domestic International Sales Company) procedures. The letter was encouraging this company to close up its Saskatoon operations and return to the United States and if it did, "You can organize as a domestic international sales company for exporting and defer perhaps indefinitely payment of half of your US corporate income tax liability." This is the kind of competition we are faced with in a world of international protectionism. In order to counter this kind of protectionism we need the federal clout which can only be provided by a tough policy coming from Ottawa. But will that policy come, Mr. Speaker?

When you return back to the statements at the beginning of my speech, of Mr. Taylor, chairman of Canada Trust, who is quite prepared to proceed indefinitely with our current levels of high unemployment you see the kind of pressure that exists from our business community on the Federal Government. "Chronic inflation is still the greatest threat we face." That is the kind of thinking which is characteristic of the board rooms of Canada, 7.3 per cent unemployment remains a good deal less important in their minds than the inflation figures with which we live. In that kind of situation, Mr. Speaker, I think it is obvious we need to have a better micro-economic planning policy at the provincial level plus strong recommendations from the Provincial Legislature for new policies in Ottawa. With that

March 27, 1973

Mr. Speaker, I beg leave to adjourn the debate.

Debate adjourned.

The Assembly adjourned at 5:13 o'clock p.m.