

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fourth Session — Seventeenth Legislature
35th Day

Friday, March 22, 1974

The Assembly met at 2:30 o'clock p.m.

On the Orders of the Day.

WELCOME TO STUDENTS

Mr. M. Kwasnica (Cut Knife): — Mr. Speaker, it is indeed a pleasure for me, it's almost a historical occasion because we have from my constituency for the first time in the history that I have been the Member, that a group of Grade Eleven and Twelve students from the Cut Knife High School are visiting the Chamber this afternoon. They are in the west gallery.

Their teachers are Martin Kleiman and Roy Erickson. I have met with them already and I want to welcome them to the Chamber on behalf of all Members. I want to congratulate them on their 290 mile journey this morning starting at 6:00 o'clock and we wish them a safe journey home.

Hon. Members: — Hear, hear!

Mr. A. Thibault (Melfort-Kinistino): — Mr. Speaker, I want to congratulate the people from Cut Knife as well. But today I have got a fine group of students from Birch Hill High School brought here by their school teachers, Mr. Ralph Galambos and Mr. Wayne VanZanbergen. They started off this morning in the storm but it is a habit for Birch Hills High School to come into Regina every session. I am sure that their trip here will be educational. They have toured different parts of the city this morning. As the Member for Cut Knife said, I wish them a safe journey home. I hope Cut Knife will take the example of coming in every winter as well.

Hon. Members: — Hear, hear!

Mr. T. Weatherald (Cannington): — Mr. Speaker, I should like to introduce to the Assembly a group of 53 students in the east gallery from Arcola High School, Grade Eleven and Twelve, led by their teacher, Mr. Medwid. I hope they enjoy their stay. The Legislature is really the centre, the focal point of political activity. I hope they find the day most interesting.

Hon. Members: — Hear, hear!

Mr. J. A. Pepper (Weyburn): — Mr. Speaker, I should like to add my expression of welcome through you and to the Members of the House to that of the Member for Cannington, Mr. Weatherald, in welcoming this group of students from Arcola and their teachers, I believe, Mr. Medwid and Mr. Rapetski. Mr. Medwid was principal of the school at my home town of Goodwater during the education of my daughters. During that period of time for several consecutive years he paid a visit to this Legislature with his students. I take much pleasure in welcoming these students from Arcola High

School and their teachers and hope that their visit here will be both fruitful and pleasant.

Hon. Members: — Hear, hear!

Mr. C. P. MacDonald (Milestone): — Mr. Speaker, I should like to introduce through you and to Members of the House a group of 24 Grade Twelve students from the community of Avonlea. They have been brought here by their teacher, Mr. Dunc McKellar. They are located in the east gallery. I would like to point out that Avonlea is the home of the famous curling Campbells. It is one of the outstanding agricultural communities, well known for its athletic achievements and I certainly hope that the students from Avonlea enjoy their visit and find it educational here this afternoon.

Hon. Members: — Hear, hear!

WELCOME TO SPECIAL VISITOR

Wilf Gardiner

Mr. A. Thibault (Melfort-Kinistino): — Mr. Speaker, I want to draw to the attention of the House that we have the former Minister of Public Works sitting behind the rail behind the Opposition and I especially want to thank him for putting the windows in the front doors of the Legislature which makes it so nice to stand inside when it is stormy like today, so that we can wait for taxis without freezing. He is responsible for that and I want to thank him for it.

Hon. Members: — Hear, hear!

RESOLUTIONS

Resolution No. 4 — Request for Mortgage Interest to be Deductible from Income Tax

Mr. C. P. MacDonald (Milestone) moved, seconded by Mr. Steuart (Prince Albert West):

That this Assembly urges the Government of Canada to consider advisability of introducing a measure to amend the Income Tax Act to provide that a taxpayer be entitled to deduct in computing his income for a taxation year, interest paid on money borrowed to finance the cost to build or purchase a home to be used by such taxpayer as his principle residence.

He said: Mr. Speaker, in moving Resolution No. 4 to ask that The Income Tax Act be amended to provide that a taxpayer be entitled to deduct in computing his income tax interest paid on borrowed money to finance the cost to build or purchase a home that will be his principal place of residence, I do so for two specific reasons.

First, to emphasize the terrible impact of inflation on a Canadian who wishes to own his own home and provide a vehicle for this Assembly to discuss this crisis situation.

Second, to put forth for discussion an idea that I believe will provide genuine relief to the homeowner and encourage

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Canadians to continue to build and own their own residence.

I want to say at the outset that this is not a new idea, Mr. Speaker. It is presently in operation in the United States and has been presented in the Canadian House of Commons on several occasions. However, I believe that in 1974 the idea has more merit than at any other time.

Housing in Canada has certainly reached a crisis situation — a crisis generated by inflation that has hit housing more than any other Canadian commodity other than the rising cost of food.

Let me briefly review the impact of housing in Canada of galloping inflation. The consumer price index points out that housing costs have reached 152.4 in 1973 since the beginning of 1960. The average cost of housing construction has jumped from \$14,639 in 1960 to \$25,731 in 1973. Land costs have risen from an average of \$2,400 in 1960 to almost \$5,000 in 1973. Construction costs per square foot have jumped from 10.60 in 1960 to \$18.33 per square foot in 1973.

The Government of Ontario commissioned a task force a few months ago to report on housing in that province. It reports many interesting facts for the observation of Canadians. Their report has now been made public. It reports the following:

The average cost of housing in Toronto in 1973 was \$39,092, a jump of 19 per cent in one year. The average cost in Kitchener was \$33,782, a gain of 16 per cent over the previous year.

These increases are reflected in every city in Canada. In the city of Regina real estate firms indicate that a whopping 20 per cent increase has taken place in 1973 from 1972 costs.

To the average working Canadian his increase in wages has been much more modest. The problem, Mr. Speaker, is that Canadians are continuing to build and purchase homes regardless of cost or price — but according to the Ontario task force one out of every six families in Ontario are being forced to accept poor housing or more important, are spending too much of their income on housing to fit their needs.

The fact is that Canadians are spending income to pay rent or mortgage payments that should be used for the other necessities of life. The people who are suffering most are those with the average or the middle income group. The very poor or low income families have long ago been priced out of the market or are receiving assistance from the Government's public housing programs.

However, a family with a \$13,000 income are finding it extremely difficult to purchase a home and they find that home ownership is now beyond their means. Unless something is done and done quickly, Canadians will no longer be able to afford to own their own home despite the fact that 80 per cent of them have the desire to do so.

If we are going to find a solution, a means must be found to reduce the final price or the final cost of the home. The best solution is to attack that portion of the cost that is highest and at the same time that portion that is easiest to

control. I suggest that it is the interest payments that are the disproportionate share of the final cost of a home built in 1974.

Let me review very briefly the cost of housing. One of the causes of high cost of housing is the high cost of serviced land. This cost has risen by as much as 200 per cent in many cities in Canada over the last ten years. This has been partly due to the cost of providing services. This problem is of course being attacked by land assembly, by provincial assistance in sewage and water and other government programs at all levels. However, I do believe this cost will not reduce substantially over the next few years.

The cost of materials is the second cost of housing. This has risen at the rate of inflation and the prospects of cheaper building materials is questionable in the very near future. Material costs in house construction have jumped by as much as 70 per cent over the last ten years.

The cost of labor is a third cost. And of course it is a substantial portion of construction costs. The prospect of holding the line on wages paid to the working man is impractical, particularly in this period of a very fast rising cost of living.

Therefore, Mr. Speaker, I do not believe that we can solve the house construction problem effectively by attempting to control these three items of the cost.

However, let me now point to the costs of interest charges and their impact upon the cost of houses in Canada today. I would like to point out to the Members of this House and to Canadians as a whole, that the real culprit in house costs is not wages, but interest charges. Here is an area that is threatening the very possibility of home ownership in Canada. Let me give you a few practical examples.

1. On a mortgage of \$20,000 amortized over a period of 25 years at the current ten per cent cost of money the total cost of the home will not be \$20,000 but the astounding total of \$53,670 with monthly payments of \$178.90. The interest cost will be \$33,679 on a mortgage or a loan of \$20,000.

2. A change in interest rates of from six per cent to nine per cent will add far more than a dramatic increase in construction costs. On a mortgage of \$16,500 payable over 25 years with the difference of three per cent in the interest rate will add a whopping \$9,300 to the cost of a home. Almost two-thirds of the total cost by just changing the interest rate three per cent.

The most astounding fact about the increased interest charges amortized over a 25 year mortgage is the fact that in the first years of the repayment practically the entire cost of the monthly payment is interest charges. For example, on a \$25,000 mortgage at nine per cent with payment of \$207 per month for 25 years on the first payment — \$184.08 is interest and \$22.92 is principal. When we get down to the final year of the mortgage — \$199 is principal and something over \$1.47 is interest charges.

3. This increase in interest charges will also be reflected in rental costs to even the lowest income families. An increase of three per cent in interest rates could mean anywhere

from \$20 to \$40 a month increase in monthly rents.

These facts indicate very clearly, Mr. Speaker, that if housing costs continue to rise that soon no family of modest income will be able to own their own home in Canada.

It is interesting to note that in the Federal Task Force on Housing 80 per cent of Canadians expressed a desire to own their own home.

Even in Regina our own capital city, of the 1,643 units constructed last year only 285 units were apartments. This demonstrates again the importance that Canadians place on home ownership. This idea — this goal — of home ownership may well become a thing of the past in Canada unless we take some immediate action.

To provide sufficient funds through Central Mortgage and Housing or through private lenders will not ensure a continual increase in home ownership. The high rate of interest charged is quickly eroding this investment and increasing the difficulty of Canadians of average income of purchasing or building their own home.

It is also very obvious, Mr. Speaker, to all of us that with inflation the cost of money is not likely to fall in the years to come.

The best possible solution to reducing this cost is to change The Canadian Income Tax Act to permit a portion of interest charges to be considered a legitimate deduction when computing your taxable income.

The benefits to this proposal are very obvious.

1. It would pump several hundreds of millions of dollars back into the Canadian economy. It has been estimated that on a mortgage of a maximum of \$25,000, \$1,500 or \$2,000 a legitimate deductible interest portion of over a billion dollars would be pumped back into the Canadian economy, as compared to something like \$300 million if you took off the 11 cents sales tax on construction material. It would stimulate the economy at every level and provide jobs and employment throughout the nation.

2. By placing a maximum on the amount of the mortgage and the amount of the interest that would be eligible for a tax benefit would benefit the Canadian of average income. I would suggest that \$1,500 per year of interest charges could be considered a legitimate expense on a maximum of a \$25,000 mortgage. This would prevent the purchase of an expensive home as a tax dodge.

3. Because the majority of interest charges are in the first years of the payment schedule the major benefits would be available to the young family at the time of their lowest earning power.

In conclusion, Mr. Speaker, I just want to say that it has been said that Canadians are the only people in the world other than natives in primitive cultures who still want to own their own homes. In practically every other civilized country in the world people are moving into a concrete jungle of apartment houses and mass concentrations of population.

To protect this heritage we must promote policies to ensure that Canadians can continue to build and own their own homes.

This Resolution, Mr. Speaker, will contribute to that goal. I urge all Members of the House to participate in its discussion and to support it.

Hon. W. A. Robbins (Minister of Finance): — I should like to make a few brief comments with respect to the motion put forth by the Hon. Member for Milestone. I do not dispute a lot of the facts he presented in relation to costs, interest costs rising very rapidly and the very difficult situation we have not only in Saskatchewan, but throughout Canada in relation to housing costs. I believe he cited examples in the city of Toronto where costs have gotten to the stage where they can only be classified as being horrendous. However, I do not agree with the Member's approach to use interest payments and take that off income tax as a form of an exemption that will benefit the people who most need that help. And I hope in my remarks to convince the Members of the Assembly that that is indeed a wrong approach in relation to trying to solve this problem and I will at the end of my remarks move an amendment to the motion at that particular time.

I might say, Mr. Speaker, that the Resolution moved by the Member for Milestone is another good example of Liberal policies designed to give large benefits to people who have, while providing little or minor benefit to those who are earning lower incomes. Now I think basically this is because they simply do not understand the impact of exemption levels in relation to income tax. The Liberal Government at Ottawa insists on using a system of exemptions and deductions in collecting income taxes. This system is grossly unfair in its impact on citizens of this country in that it provides the greatest benefit to those with the largest levels of income. Any exemption scheme must be regressive by the very nature of the method by which it operates. For example, the basic allowance for personal expenditures allowed during the 1973 taxation year was \$1,600. And I am sure that Members like everyone else are now filing their returns for 1973. This is the amount to be subtracted from total income in determining the amount of income on which the individual must pay his taxes. If an individual's gross income level is, say, \$25,000, then a \$1,600 exemption provides for reduction in taxes of approximately \$700. If, however, that individual is working for the minimum wage or slightly above, say in the level of \$5,000 per year, his tax saving from a \$1,600 exemption will be under \$300, exactly \$294. Clearly any system which uses exemptions is regressive in its effect on the taxpayers in the province.

However, the Liberal Opposition is not satisfied with forwarding policies which are simply regressive in effect. They insist on moving resolutions, such as this one, which are regressive in not one way in fact, but in three ways.

First of all, we have the regressive effect I have just mentioned, in that the Resolution calls for another deduction from gross income before taxes are calculated, thus giving more benefits to those who are better off than to those who are on modest income.

Secondly, less than half of the families in Canada with incomes under \$6,000 own their own homes, while almost 80 per cent of families with incomes of \$15,000 or more do own their own dwellings or are in the process of purchasing them. Therefore, this Resolution would call for large benefits to most of the people earning \$15,000 or more and much smaller benefits for less than half of the people earning \$6,000 or less who really need some real assistance from governments.

The third way this proposal is regressive is because people earning moderate rates of income in this province cannot afford to buy a house worth more than \$18,000 to \$20,000 and that is a pretty tough proposition for many of them in any event, while those who have better incomes can purchase homes in much higher cost brackets. You are all familiar with the fact that we are getting to the stage where you will see homes in the cities of Saskatoon and Regina in the range of \$40,000, \$50,000 and \$60,000. Most houses are primarily financed through mortgages which means that lower income people have smaller mortgages than those on higher incomes. When the mortgage is smaller, of course, the interest payments are smaller. The Opposition wants this Assembly to endorse the policy of giving more money to those people on higher income because they can afford to buy more expensive homes. It is as simple as that.

Mr. Speaker, let me illustrate some . . .

Mr. Steuart: — . . . is that right?

Mr. Robbins — If the Leader of the Opposition would just remain quiet and listen for a little while he might learn something about the income tax laws in this province and in this country.

Let me illustrate some of these effects with actual figures. Let us take three representative families having a single income earner who is married with two children, both of them under the age of 16. Let us first take a look at the regressive effect of a system such as that proposed in this Resolution to provide an exemption for interest paid on money borrowed to finance the cost of building or purchasing a home. Let us assume that our families all live in comparable types of houses and make an average annual interest payment of a similar amount. Now that is merely an assumption to illustrate the point. If you said that figure was \$750, if \$750 is allowed as a deduction from gross income before taxes are calculated, a taxpayer working for the minimum wage — and I realize that is a very small number of people perhaps and obviously there are many people in this category who do not get to buy homes — but he would save \$20. That's what he would save.

Mr. Steuart: — Not in Saskatchewan.

Mr. Robbins: — Yes, he would, it would be a savings to him of \$20 per year. Our representative family with \$8,000 income, which is still pretty modest, would have his taxes reduced from \$1,054 to \$832 which would provide a saving of \$222. Ten or eleven times as much and yet we must admit I think that the first family has more difficulty in getting a home than the second family. However, if that individual has a \$25,000 a year income his taxes would be reduced by \$355 a year. In other words the greatest measure of benefit goes to those on the higher incomes.

This is the plan that is proposed by the Liberal Party. The family earning \$5,000 or so in annual income, gets \$20 annual benefit. The family with the \$25,000 income gets \$355 benefit. Surely it must be admitted that this is a regressive type of an amendment but, of course, it is the kind favored by the Liberal Party.

Now let us further look at what would happen if this Resolution were brought into effect. It is totally unrealistic to assume that a family earning \$25,000 a year would condescend to live in a house of the same quality as a family earning \$5,000. It is reasonably safe to assume that the market value of housing for families will be in the approximate ratio recommended by Central Mortgage and Housing Corporation which suggests that the value of housing would be about 2 ½ times annual income. This would put our minimum wage earner in a house worth \$10,000 to \$12,000 — impossible to find today in our cities. Our middle income earner in a house worth \$20,000 — and that is about the minimum at the moment. And I would suggest that the individual earning \$25,000 would live in a house worth about \$60,000.

Let us also assume that 90 per cent of the value of each house is financed through a mortgage. With the current level of interest rates that we find now on housing in Saskatchewan and in Canada, the Opposition proposal to provide an exemption for interest payments would provide for a deduction of approximately \$500 for the low income earner; about \$1,000 for the middle income earner and in excess of \$3,000 for the well-to-do family. When we convert these increases in deductions to changes in the amount of income tax that will be paid by the three representative families, we find that the low income earner still receives his \$20 benefit; our middle income earner receives an after-tax benefit of approximately \$300; and the well-to-do family receives an after-tax benefit of \$1,275. This clearly does not provide any reasonable benefit for the lower and more moderate income earners in this province, while it provides substantial benefits for those sufficiently well off to be able to afford a more expensive home.

On top of the two above effects, we have the third element of regressivity embodied in the Resolution moved by the Member for Milestone. The \$20 after-tax saving for the minimum wage earner or the low income earner will be received by less than one-half of those earning the minimum wage or in that category because the remaining people cannot afford to own their own homes anyway and simply do not. The same thing is true for middle income earners because only 54.2 per cent of those earning less than \$8,000 annually can afford to own their own homes. Therefore, the \$300 after-tax benefit for this type of individual will only be available to slightly more than one half of the people in that income class. However, for those individuals fortunate enough to earn \$25,000, this Resolution would provide almost \$1,300 in after-tax benefits, and these benefits would be available to about 80 per cent of the individuals in that income tax class.

Mr. Speaker, I think my remarks clearly outline the type of effects that could be expected to occur if the Liberal Party in Saskatchewan were in power as their Federal counterparts are in Ottawa. This is the type of action we expect from the Liberal Party giving large benefits to those who are well-to-do while providing little assistance to those of average or modest income in our society.

Now, the Member for Milestone (Mr. MacDonald) has proposed a Resolution suggesting that another regressive exemption be added to the income tax system. I should like to amend his Resolution so that the Liberal Government in Ottawa will see that the Members of this Assembly support progressive tax measures, measures which will bring greater benefits to the average family in our province. The Liberal Government in Ottawa missed a glorious opportunity when it introduced its so-called 'tax reform' without changing the regressive system of exemptions to a progressive system of tax credits. I would, therefore, move that Resolution No. 4 be amended to call upon the Federal Government to bring in a meaningful tax reform unlike the exhibition we went through two years ago and which they persist in calling reform.

Mr. Speaker, I move, seconded by the Hon. Mr. Cody (Minister of Co-operatives):

That this Assembly urges the Government of Canada to amend The Income Tax Act to provide for the replacement of the standard current exemptions and deductions with a system of tax credits of a refundable nature in order to provide for a more progressive tax system.

Some Hon. Members: — Hear, hear!

The debate continued on the motion and the amendment concurrently.

Mr. K. R. MacLeod (Regina Albert Park): — Mr. Speaker, I now rise to deal with this thing very briefly. I am disappointed in the remarks of the Hon. Minister because his remarks suddenly became blatantly political and partisan. Apparently it is impossible for the Members opposite to keep politics out of this debate.

Some Hon. Members: — Hear, hear!

Mr. MacLeod: — I want the Hon. Minister to check the remarks of the Hon. Member for Milestone and I can assure him that not once did the Member for Milestone offer one bit of criticism of the Government of anybody. More than that, the Hon. Member for Milestone made it absolutely clear that he was bringing this Resolution to try to solve a problem, which he outlined, and he was laying it on the table for fair-minded and reasonable discussion. Now, obviously, the Hon. Member was somewhat confused, he obviously had written his speech before he had the opportunity of hearing the remarks of the Hon. Member for Milestone. He would have been far better advised to have adjourned the debate, studied the remarks of the Hon. Member for Milestone, and then have returned to this House with a little more fair minded attention to the Resolution.

Some Hon. Members: — Hear, hear!

Mr. MacLeod: — It is rather strange that that particular Member should have spoken on the debate. It takes a good deal of nerve to be the Minister in that department to talk about taxation, for that particular Member to talk about taxation, because he is the Minister of the department which is taxing our people,

the income tax is taxing our people in Saskatchewan at the highest rate on the persons who make the lowest income.

Some Hon. Members: — Hear, hear!

Mr. MacLeod: — The Minister well knows, Mr. Speaker, that in the low income bracket there are many people who will pay not one cent of income tax to the Federal Government because of income tax reform but will pay tax at a very high rate to the Province of Saskatchewan. It takes a good deal of courage to bring this kind of partisan debate to this House on this Resolution. This is the very Minister who did not mention, however, that this Government puts a very high priority on a beer subsidy and a very low priority to putting tax relief and opposing tax relief on the poor people.

I would remind the Minister in discussing the words 'progressive' and 'regressive' which is now being perverted by this Government, these terms are apparently, 'progressive' is something that the Members across the way support and 'regressive' is everything else. That is totally a paranoid perversion of the terms and I suggest that the Members on occasion might be advised to listen to what the Opposition is saying and they might well be advised on occasion to accept some of our suggestions because our purpose in the House is to bring the very best legislation for the benefit of the people of Saskatchewan. That has always been our approach and it will continue to be our approach.

Some Hon. Members: — Hear, hear!

Mr. MacLeod: — Now I would remind the Member, the Hon. Minister, that the majority of taxes are in fact paid by the middle income tax group, those who are earning middle income amounts of money. Occasionally very rich people may benefit but one should not be so frightened of giving a small tax benefit to some rich person that they thereby deprive the ordinary citizen of tax relief that he so richly deserves.

I might also mention, Mr. Speaker, in dealing with the remarks of the Hon. Minister that our purpose in Government which we intend to be after 1975, is to give people jobs. It is not sufficient to be crying about people on the minimum wage who cannot afford houses. Of course they can't afford to buy houses. What is going to happen is that they are going to continue to be on the minimum wage and many, many more people in Saskatchewan are going to continue to be either on minimum wage or on welfare because this Government has not made adequate provision for jobs.

Some Hon. Members: — Hear, hear!

Mr. MacLeod: — That Government is the one government which cancelled a pulp mill which would have provided a town the size of Melfort or Biggar and would have provided at least 4,000 or 5,000 jobs directly and indirectly in the pulp mill at a time when we badly need that kind of a product. Now the fact of the matter is this that the Government is very critical, and I would suggest that the Hon. Minister would have been far better off to have taken the high plane, show the students watching here today that

high-minded debate can occur on these things — that we can discuss these things like intelligent people and try to come to a reasonable solution.

I think it is very fair and reasonable, Mr. Speaker, that the Federal Liberal Government has decided that with inflation each year the exemption should be raised. This Minister has on two occasions in this House attacked that very progressive tax reform. The fact of the matter is that that has saved thousands and thousands of people on the very lowest incomes of paying any tax whatsoever and I think it is a shame that this kind of progressive legislation in Ottawa by the Liberal Government should be attacked for partisan purposes by the Government.

Now, Mr. Speaker, I have been very intrigued by the remarks that have come here today. It was not my intention to give a long speech on this matter but I do think, Mr. Speaker, that the remarks are worthy of some study and then I hope to bring back a contribution to the debate, hopefully better than the Minister. I, therefore, beg leave to adjourn the debate.

Debate adjourned.

Resolution No. 10 — Upgrading of Beef Industry

Mr. J. C. McIsaac (Wilkie) moved, seconded by Mr. Gardner (Moosomin):

That this Assembly urges the Government of Saskatchewan to consider immediately the improvement and expansion of the Guaranteed Livestock Loan Act and the implementation of a program of assistance to expand the use of artificial insemination as a means of upgrading the beef industry and ensuring the continued growth and expansion of this very important sector of provincial agriculture.

He said: Mr. Speaker, this particular Resolution provides ways and means to enhance the development of the beef cattle industry in Saskatchewan. And while we will be referring to some extent to the present economic squeeze faced by many of the cattlemen in the province, the purpose of the Resolution is not to discuss the economic aspects of it at this time.

I think, Mr. Speaker, all Members will be aware that a lot of statements and many comments have been made by people on both sides of this House, people outside of this House and of all political faiths of the so-called 'natural advantage' we have in western Canada for feeding and finishing cattle. We've heard these comments from stockmen's associations, breed associations and other farm groups, and basically that statement is correct. But it is one of those blanket statements that I think should be examined a bit more closely and I propose to do that in discussing this Resolution.

The cattle industry isn't as simple as, for example, by way of comparison, is the hog industry. In hog production there are three fairly obvious divisions in that industry, the operator who farrows sows and sells weanlings and secondly the operator who feeds those weanlings to market weight, which is about six months and thirdly, of course, the purebred breeder. There are very few in between operators, if you like, in the hog industry.

On the other hand, in cattle production the divisions in the industry are somewhat similar, basically similar but less clearly defined. You start at one end with the cow-calf man who is the one who still keeps the industry going by producing calves. The other end of the scale is the feedlot operator, whether he is large or small, who is responsible for putting the finished beef on the butcher counters and on the kitchen tables. And you have the purebred breeder group again who has given us the quality of commercial cattle really, that we have in Saskatchewan today. Then, Mr. Speaker, there are other people who will buy calves or yearlings, grow them out in summer pasture, a practice generally known as backgrounding. There are others perhaps who will feed their calves through the winter and sell them as heavy feeders in early spring or early summer. And there are some cattlemen who find themselves, at various times, involved in all of these different segments. A man may have some purebred cattle, some commercials, be feeding some cattle and so on.

Mr. Speaker, there are two basic points in the Motion that I will be moving. The first aspect of it deals with The Guaranteed Livestock Loan Act, namely that that Act be expanded and improved. The aim of that program a few years ago was to encourage the raising of calves, more calves, by a government guaranteed loan at a stabilized interest rate. Now, it's well recognized that no single government program or single policy will solve all of the problems of any industry. There is no doubt about that. I think that this program did attract some good people into the beef business. Many of them are still with us and it did allow others to expand the size of their herds.

I think, Mr. Speaker, if there was a basic fault in that program it lay in the fact that there was nothing in it to ensure that the quality of cattle being purchased were indeed going to improve the quality or the level of quality of our cattle in the province. In this respect, Mr. Speaker, that program can be improved on.

Also, there was a \$6,000 ceiling to the loan that was guaranteed, and I suggest at this point in time that that ceiling is not high enough, may not have been high enough originally. But that the ceiling should be raised to a figure something like the \$15,000 figure that the Alberta Government has for a somewhat similar policy.

Now the second basic objective of the Motion, Mr. Speaker, seeks to have the Provincial Government through the Department of Agriculture and some of their staff from various agencies, take a more active role in extending the use of artificial insemination as a means of upgrading the beef industry in Saskatchewan. And I want to assure you, Sir, and the Members opposite, the purpose of this Resolution isn't to criticize the Government for what they've been doing in the past in this regard. It's put forward to help the continued development of a very basic industry in Saskatchewan and I hope to help in a way that does not infringe on the basic desire of a vast majority of cattlemen to run their own operation, basically as they see fit.

It is true, of course, that economics in the cattle business today are perhaps poorer, if I may use that term, or in more difficult straits than they've been for many years, but that I suggest is another debate.

Let us go back for just a moment to the statement that I made in the beginning and the one that we hear so often, that Saskatchewan has a natural advantage in the beef industry. Now let us look for a minute at the history of the cattle feeding industry here in Saskatchewan. It has really grown up, hand in hand with a plentiful supply of and cheap source of protein and energy. And I refer here, of course, to the millions of bushels of barley that we grow in this province and have for many years. And I suggest, Mr. Speaker, that nowhere else in Canada and perhaps nowhere else in the world, for that matter, are cattle finished on a full barley ration as we do in Saskatchewan and have been doing for many, many years. Doing it in the face of some real odds, when we think of the severe kind of prairie winters that we have to contend with here. However, the fact remains, if enough barley was poured into a yearling steer he could keep warm in spite of the fact that he was outside, with very little shelter, very little bedding and so on and eventually put on a pound or two of gain and make beef.

Now, as long as barley was available, plentiful and cheap, relatively speaking, nobody gave very much thought, very much effort, to any other techniques of feeding and finishing cattle. And at the same time, I think very few people really, in the industry or associated with it, ever stopped to realize that we probably have the most inefficient system in the world of putting beef on the table. When one considers the amount of feed for human consumption or human use, that is in a bushel of barley and realize that that bushel of barley when you put it through steer or other cattle results in maybe one or maybe two t-bone steaks they get on the grill in the backyard. So as I say it is by and large a fairly inefficient system.

There have been people for years who have said that this kind of utilization of our feed grain should come to an end and eventually it would come to an end and that it should. Particularly when better means of distribution of cereal grains were found to get them to the many areas in the world where human consumption demands that they go there instead of to cattle. And I suggest that regardless of today's barley prices and the depressed situation with beef prices it may well be many years before we'll continue to dump in 25 pounds of barley per day into a steer to produce one and a half, two to two and half pounds of beef. We're going to have to make some changes, Mr. Speaker, in our approaches to the feeding industry in this province and I think as I say, the high price presently of feed grains and the somewhat depressed price of cattle certainly point this out in a manner that might not otherwise have come to the fore.

The point I wish to make is that, before turning to the cow-calf operator again, with the kind of winter we have requiring more feed for maintenance of weight and our almost pure dependence on that source of grain barley as the main source, to the exclusion of any kind of forage development or any other sources of protein, the idea that we have a great natural advantage in Saskatchewan for fattening cattle is to say the least, very definitely open to question. I just don't think we have.

The irrigation country in Alberta, corn country of the States and the cash crop and the forage country of Ontario have certainly some natural advantages that we out here will be a long time overcoming, in so far again as feeding cattle is concerned.

All right, Mr. Speaker, you may say what about the other end of the beef business — the cow-calf producer. Do we have any natural advantage in Saskatchewan in so far as producing calves are concerned? Where does our cow-calf man here in Saskatchewan fit, in comparison to producers in other parts of Canada and other parts of the States? I think we certainly do have some advantages here. The number one requirement is range land and lots of space or lots of land suited to grazing, suited to raising of forage and in this respect, as I say, I believe we have a real natural advantage. With better land use, improved forage varieties and more emphasis on these two basic directions, we can definitely expand the total cow numbers in Saskatchewan. And I realize again that right now with the difficulties being faced by the industry, this is a subject that a lot of people feel we have enough cows as it is and shouldn't be looking to expansion. But I think we should. There is no doubt that in future years, if there is going to be an expansion in the beef business in Canada, much of it has to take place in western Canada. Almost all of it or much of that has to take place in the Province of Saskatchewan.

And this, Mr. Speaker, leads me to the second principle in the Motion, the use of artificial insemination as a means of developing even better commercial cattle than we now have in the province.

The use of artificial insemination as a means of upgrading the cattle industry, beef and dairy, has been with us for probably thirty years. And since the beginning of the utilization of this technique a great many refinements have been made, both in the techniques involved in the distribution and availability of the service to cattlemen across this country. I think some Members certainly will recall the name of one pioneer who particularly needs mention here, in any discussion of AI in the Province of Saskatchewan and indeed the prairie beef industry and that's the name of John Minor.

Now, Mr. Speaker, I would like to look for a moment to a review of the statistics published in the annual report of the Department of Agriculture which we just received earlier this month. If you look at page 175 in the Department of Agriculture annual report, table 14, you will see the total numbers of cows serviced in the province by the use of AI. For 1969, the figure was 44,000 and some, in 1970 it was 47,100 odd, in 1971 it was 51,000 and in 1972 the figure jumped a larger increase than we'd seen in the previous years, to 69,400. And I was informed earlier this week by officials in the Department of Agriculture that the current figures to date for the year 1973 which has just concluded, they haven't got complete figures, but 78,000 is the figure at the moment and that is a tentative figure, it's not a final figure for the past year. And this is showing a rather steady utilization for '69-'70-'71, and then an increase in '72 and a further increase again in '73.

Now, if I could also look briefly to cattle population figures, you will see that in 1971 there were 1.3 million adult female cattle in the Province of Saskatchewan. That's a rounded off figure including 100,000 dairy cattle, but almost 1.2 million of it is beef cattle and heifers. The estimate for December, 1973 I was unable to get from the Department, but presumably it won't be up or down by very much.

In 1969 and '70 and '71, Mr. Speaker, when you compare the number of cows bred by artificial insemination to the cattle population it was running around four per cent, four per cent of the total cattle population. In 1972 the figure was up about five and a quarter or 5.3 and in 1973 while final figure are not available, it would appear that the percentage figure would approach six per cent or a little better. In this regard I might say that in the Province of Manitoba, the figures there for total cattle population that are handled by artificial insemination is about ten per cent. So we have a fair distance to go in that regard.

The growth of the use of artificial insemination in the last two years is the next thing I should like to point out to the Members, Mr. Speaker. When you look at the table again on page 175 in the Department's annual report you would see again a fairly steady number for beef cattle, for purebred beef cattle, total for beef cattle, 23,000, 28,000, 31,000, 27,000. You will see a fairly steady number of AI services for the four years, '69 to '72 for the dairy cattle, 16,000, 16,000, 17,000 and 15,000. When you look at a category they call other cattle, presumably this does include commercial beef cattle that are not registered and so on, in 1969, 4,600; in 1970, 2,300; in 1971, 2,600; in 1972, 25,600. So a very marked increase in the numbers of commercial cattle that were bred artificially in that year and presumably, and I don't have the figures again to substantiate it, but I understand that that particular segment again will show an increase in 1973. It is an increase of almost one thousand per cent from about 3,400 to 4,000 to in the neighborhood of 30,000.

And, I'm sure, Mr. Speaker, that it can be said that the large part of that increase has to be due to the increased interest on the part of a lot of cattlemen in the so-called exotic breeds of cattle. As most Members know, that term refers to a good number of breeds, largely European, that are new to this continent. A limited importation of these cattle is now permitted to Canada by Canadian law and such limitations of course, are essential with respect to the preservation and protection of the health of Canadian cattle. But the net result, Mr. Speaker, is this, that Canadian cattle producers wishing to make use of these exotic breeds must do so by way of artificial insemination. And it would appear, Mr. Speaker, again this is an assumption on my part, it can be backed up and many other people do support the idea that the demand for these new breeds is very definitely here to stay. How many of these breeds we now have in the province and in western Canada will be with us twenty years from now, is difficult to say, but I suggest to you that very definitely the use of exotic breeds will certainly be with the cattle industry in this country for a long time to come.

Now, Mr. Speaker, I noted also in the annual report and from previous press clippings the Minister of Agriculture (Mr. Messer) has established in the province an advisory committee on artificial insemination. I would hope that he doesn't follow the direction taken when he gets the report of that committee and develops any new policies and programs, I hope he doesn't follow the direction taken in the Province of Manitoba, where the government there basically and putting it very simply, took over almost all of the AI services and semen distribution in that province. I would hope instead, Mr. Speaker, that the Minister of Agriculture and the Government opposite will instead

foster and encourage the good work now being done by the various semen distribution agencies, such as Western Breeders at White City, Prairie Breeders, ABS and the many others that are in the business in Saskatchewan today.

These organizations are doing a good job, not only in making available top quality beef sires to Saskatchewan cattlemen but in some progeny testing of the bulls that they are offering and ensuring by that progeny testing that they are indeed only offering superior sires.

Mr. Speaker, I would hope that future government policy on extending AI services to cattlemen in Saskatchewan will include a program of cash grants to any semen distribution service or breed organization who wish to improve on their present progeny testing programs or initiate such a program. Now these programs, of course, should be of a nature acceptable to and approved by, of course, the Department of Agriculture and officials in that Department. And such programs and projects should be designed for the benefit of all cattle producers in the province. The details of those grants could certainly be worked out. They wouldn't have to be that large, Mr. Speaker. I am not talking about all kinds of money, I am talking about some support to allow them to continue and expand in the work that they are doing in this regard. I don't believe it needs to be duplicated by government.

Mr. Speaker, we have thousands of real top quality commercial cows in the Province of Saskatchewan. We have hundreds of smaller herds — 25, 30, 50 and more — that have been built up through the years and undergone a lot of natural culling and with the result that they have the qualities we need, qualities of hardiness, fertility and growth, better selection demanded by cattlemen in other provinces, in the United States and Europe and many other countries.

I think that the offspring of these cattle could certainly be used to further develop and further expand the business of supplying beef stock to many of these countries. I think, also, Mr. Speaker, that the Government through the Department of Agriculture, should take a look at a program of mileage assistance to the AI technicians in operation throughout Saskatchewan. Why do I make that suggestion, Mr. Speaker? Because, first of all, it is not going to benefit the larger producer particularly, it is not him that I am thinking of. The great majority of the larger herds, 100 or 200 or more cows, generally speaking will have one of their own men trained and they will be doing their own work, so will many of the breeders of pure bred stock be looking after their own work in this regard.

I suggest that the use of technicians must be expanded if we are to make AI services available to many of the smaller herd owners. One of the hurdles in greater service is certainly the cost factor and one of the greatest cost factors in any service in rural Saskatchewan has to be the mileage. It has to be the high cost of travelling.

For many years we have had a kind of similar policy in operation for the assistance of farmers in obtaining veterinary services on the farm. I believe that policy is obsolete and should be replaced with different approaches such as the assistance on clinics and perhaps assistance on services rendered in clinics, but again, that is another debate.

I think a mileage grant to AI technicians would certainly reduce costs to the user and the details of this could be worked out as to repeats and so on. But, again, I hope any policy on extending the availability of AI services in Saskatchewan will include some mileage assistance in this regard to the farmer.

May I suggest, Mr. Speaker, that such claims and such a policy could well be handled through the rural municipal office or through the RM Agricultural Society. I am sure the Minister, the Members opposite and Members on our side of the House are well aware of the new efforts on the part of the Saskatchewan Association of Rural Municipalities to involve the municipality even further in such things as various agricultural services to the ratepayers. And it would seem to me this is an appropriate place to begin.

One further suggestion, Mr. Speaker, and one further problem in this regard — and I put this forward as a suggestion to the government for their consideration in formulating any policy with respect to AI — and that is in the area of some form of financial support to the technicians operating in Saskatchewan to date and those who may come, of course, to enable them to hire some temporary help. The reason here, Mr. Speaker, is not to help the technician but rather, instead, to help the farmer that he is serving. One of the problems faced by technicians across this province particularly is the very short period of time in which most of the work is done. I have had estimates from some of the semen supply firms who tell me that about 75 to 80 per cent of the AI work is done within a three month period in the summer. And if the conception rate is going to be satisfactory at all and if the farmer and the new clients are going to be satisfied with this service, then timing is a very key factor. In other words the job has to be done today and not tomorrow and sheer pressures of numbers can and does result in lower rates which will jeopardize the success of the program.

So I suggest some form of assistance to enable that technician to hire some temporary help in order to provide service to the area that he is looking after.

Mr. Speaker, in summary, I have covered some ground perhaps that isn't involved in the resolution, but it is put forward for two main purposes; to seek the continuation of The Livestock Loan Guarantee Act. I suggest that the ceiling on the loans should be raised to at least \$15,000. I suggest that stricter control should be implemented to ensure that only, indeed, high quality cattle qualify, cattle that are going to do a job in improvement. I might say here, Mr. Speaker, if the Minister were to remove the present limits on the FarmStart Program perhaps this policy and everything that I am talking about could well be incorporated into that organization.

At the moment, however, large numbers, perhaps not a large percentage, but I believe last year it was about one third or more, of Saskatchewan farmers and cattlemen were denied the opportunity of benefits under FarmStart.

The second purpose of the Resolution is to seek the Government's consideration on policies and programs to expand the use of AI in the province as a means of developing an even better beef industry than we now have. I believe Saskatchewan cattle producers have great potential in the future for marketing commercial as well as purebred, replacement seed stock to other

provinces and, indeed, other countries, Europe, South American countries and so on. In short, that we have a great future in this regard, perhaps, at this moment certainly economically much better than continued emphasis on feeding cattle and the feeding industry as such.

In my opinion we can well afford a considerable expansion of the present percentage of beef cattle that are bred through AI, without any jeopardy whatsoever to the purebred men in the province who are in the business, of course, of producing bulls for commercial use. I would hope, also, Mr. Speaker, that any future government policies in the field of AI will not result in any greater government involvement in the activity itself but rather greater government support of the existing direction that the work is going and the work being done by semen organizations and other technicians, breed associations and others who are involved in the industry now.

Mr. Speaker, I move, seconded by Mr. Gardner (Moosomin) Resolution No. 10.

Some Hon. Members: — Hear, hear!

Mr. I. W. Carlson (Yorkton): — Mr. Speaker, in rising to enter this debate I should like first of all, to comment on some of the suggestions and recommendations made by the Member for Wilkie (Mr. McIsaac).

I think, basically, we agree on what the objectives of these two programs that he refers to should be, however, I believe there is some disagreement as to the means of reaching those objectives.

He suggested that one of the problems of the present Livestock Loans Guarantee Act is that they do not have any control on the quality of the livestock the farmers are buying. I agree with that but I would remind him that we do have the FarmStart Program which does provide funds for people wanting to establish livestock operations and that under this program an applicant must come with a plan of his intentions in the livestock operation. There is supervision and consultation involved with professional people in the Department and I believe that this will help ensure that the quality of the livestock is maintained.

He also suggested that a large number of people cannot qualify under FarmStart and I believe that is true and that was the way that it was intended to be. I would suggest that those who cannot qualify under Livestock Loans Act can simply go to the bank and get a loan. If their net worth is such that they do not qualify I am sure that any local bank or credit union would be only too willing to oblige and provide them the finances to go into a cow-calf operation or a feedlot.

The Member also made some comments about hoping the AI policy that the Government will be developing does not follow the route taken by the Manitoba Government. I am not totally familiar with what has happened in Manitoba in the last few weeks. I did talk to some of the people from the Manitoba Department last summer. I think they have a realistic program in mind. Although I would suggest that if he doesn't like the way it is done in Manitoba maybe it would be better to do like they do it in Liberal Quebec, where the Government owns and operates the entire operation.

Some Hon. Members: — Hear, hear!

Mr. Carlson: — That is a good program, Mr. Speaker, a well established one and it has been working out very successfully.

If the Member opposite doesn't like that program maybe he would prefer the method used in Ontario. Good old Conservative Ontario where the province of Ontario is split into three geographical areas, where three co-operatives have monopolies in those areas.

We toured both Ontario and Quebec last summer and I think that both of these are very acceptable and very good programs. I think that AI is the kind of a business you cannot have competition in. I don't say that because I am totally against competition but it just seems to me that when you have competition the strongest unit is going to squeeze out the weaker ones, but in the meantime the weak one is providing a service and in the transfer there are always people who are left without service and this makes it very difficult. Sometimes you may have two technicians competing for a certain area and maybe neither one may have enough business and they both go broke at the same time and you are left without service. My position would be that either AI organizations have to be co-operatively owned or owned by the Government or at least tightly regulated by the Government.

I will cover most of these in my prepared speech, but I did want to refer to some of the comments made by the Member for Wilkie.

I would say that, basically, we agree on, as I said before, the general objectives of these programs. I would say that the Member for Wilkie has some pretty good ideas although, as most Liberal ideas, they were somewhat unimaginative, narrow and also out of date.

The first suggestion to expand The Livestock Loans Guarantee Act is outdated by about one year. All Members of this Assembly know that at the last session, a year ago now, we passed The Agricultural Incentives Act, which authorized the establishment of the FarmStart Program.

FarmStart, to my way of thinking, is much more valuable than The Livestock Loans Guarantee Act, in that it provides credit for equipment and operating capital, over and above the cost of the livestock. Another advantage is that the repayment is more flexible as it accounts for the type of enterprise involved. For example, a dairy farmer may be required to make monthly payments beginning soon after the loan is made, whereas the cow-calf operation may not be required to make payments for one or two years when his first offspring reaches the market.

Another important aspect of the FarmStart Program is that the payments can be adjusted to correspond with fluctuating market prices. For example, in times of depressed prices such as we see now in the beef industry, a payment may be reduced or postponed without penalizing the farmer. I believe this is a very important aspect of this program. Until the time comes when we have a realistic stabilization program this is a necessary aspect of farm financing.

We are all aware of the present situation in the beef industry when most farmers are not able to meet operating expenses let alone larger capital costs.

Another major aspect of the FarmStart Program is that the applicant will be provided with some supervision. Many farmers can do an excellent job of running the farm operation but do need some assistance in budgeting or forward planning. FarmStart will encourage farmers to put more time and effort into the management of the operation and will assist in this way.

The second recommendation in the Resolution, recommending a program of assistance to expand the use of artificial insemination as a means of upgrading the beef industry in Saskatchewan, is also extremely narrow and outdated. I say that it is narrow because it refers to only the beef industry. The Member did refer in his speech to the dairy industry and I am sure that he realizes that AI has played a much greater role in the dairy industry throughout Canada than it has in the beef and there are some very good reasons for this.

Historically, the dairymen have used AI much more effectively than beef producers and one of the reasons, I believe, is that the production of a dairy cow can be measured. You can see the increase in the productivity of a dairy cow by measuring the pounds of milk and testing the butterfat content, whereas with beef cattle, your qualities are much more vague. One purebred breeder wants a large animal, the next one wants an efficient one, one wants an animal that marbles well and there is no one clear-cut criterion, therefore, improvement in a herd is more difficult to determine than with the dairy people.

The other problem that has faced advocates of AI in the beef business has been the strong opposition from the purebred beef breeders in the past, who discouraged it for their own selfish reasons. They were afraid that AI might replace the use of herd sires and thus ruin the bull business. In their campaign against AI, many purebred breeders would spread all kinds of misleading and often false stories.

I might cite examples of a farmer who bred one cow artificially and she didn't conceive, then bred her to a bull and she became pregnant and they used that as an example that AI was not a good method of breeding cows. I have even heard opponents of AI claim that if a cow was bred artificially for two or three consecutive years, she would quit coming in heat because there was no pleasure associated with the experience. I cite these examples only to illustrate the kind of opposition that has faced AI amongst the beef people.

This opposition is now a thing of the past. The British Breed Associations have been forced into accepting AI by the competition of the exotic breeds that the Member for Wilkie referred to in his statistics. The exotics have been introduced largely through the use of AI. The exotic breed associations have promoted their respective breeds, using AI, and have thus forced traditional British breeds to accept the use of AI officially by their organizations.

Mr. Speaker, a second reason why I say the Resolution is narrow is because it makes no reference to artificial insemination of swine. I would think the Member for Wilkie with his experience in veterinary medicine realizes that there is a

tremendous potential in the swine industry. I will admit that it is still in the experimental stages but I think the prospects are very good that artificial insemination will be perfected for swine in the near future and I think that it could be of benefit to that industry.

Mr. Speaker, because of the opposition that we have witnessed in the past to artificial insemination, I would not be overly critical of former governments for not introducing progressive artificial insemination programs. If the farmers were not ready to accept it, it would be foolhardy, I would say, to impose it upon them. That has now changed. I believe the farmers are now ready to accept artificial insemination as they realize the benefits that can result.

For the benefit of some of the Members who may not be familiar with the cattle business, maybe I should relate some of the advantages of artificial insemination.

First, and probably most important is that a farmer can breed his cows to superior sires at reasonable costs. For most semen, excluding the very exceptional sires, the cost of semen plus the insemination is \$10 to \$15. The value of most artificial insemination sires would be, I would estimate between \$2,000 and \$10,000. It is obvious that most farmers cannot afford these kinds of expensive sires in their commercial herds.

Secondly, a sire that has proven his ability to transmit his superior qualities can be used very extensively. For example one sire can produce thousands of vials of semen in one year. Thus he could theoretically leave thousands of offspring calves. On the other hand some bulls may be drawn, semen may be drawn and kept in cold storage for a series of years and he could literally have ten thousand calves from any one sire in any given year.

Thirdly, artificial insemination can prove to be much cheaper for small breeders who cannot fully utilize the services of one bull. I know of farmers with 10 or 15 cows that keep a bull and this just is not economical.

Fourthly, artificial insemination can, in fact, be simpler for use under some circumstances. Many dairymen would much rather breed artificially with some extra involvement in terms of keeping the cows in rather than maintain a hazardous Holstein bull on the farm. Another real advantage is cross breeding programs can be established without the necessity of keeping more than one sire or keeping your cows in separate pastures or hand breeding.

Having reviewed some of the historical reasons why we do not have a policy to encourage artificial insemination and some of the obvious merits of artificial insemination, I would now like to make a few recommendations.

At the beginning of my remarks I indicated that the Resolution is out of date. From the wording of the Resolution one might think that the Government has not been acting, however, that is not the case. One year ago, in December of 1972, the Minister appointed an artificial insemination advisory council to make recommendations for a new policy. The Member for Wilkie referred to that briefly.

I should like at this time to make some suggestions as to what I think that policy should include. There are three general areas of concern to me that need to be dealt with separately.

1. The local technicians who actually provide the service.
2. The distribution of semen throughout the province.
3. The supply of semen.

Let me deal with each of these separately.

In dealing with the service provided in the province by the local technicians there are several reasons why we need a new program. At the present time the only words describing the artificial insemination program is conflict and confusion. Some technicians work for local co-operative organizations, some of which are active and some are inactive and are virtually operated by the technician as a private business. Other technicians work on a private practice basis. Regardless of which method is used they tend to serve the high cattle density areas, and neglect the low density areas. The boundaries of the units do not always coincide with each other. In some places there is competition between units or technicians and in other places there are areas without service at all.

Some semen suppliers are promoting the do-it-yourself method to the large herd owners. They are therefore skimming the cream of the crop. This will eventually force the private or co-op technicians out of business and leave the small herds without service.

Technicians are forced to keep their areas as small as possible to keep their travel expenses down. To date as far as I know technicians tend to charge a flat rate to their patrons within their area, thereby, equalizing the cost. However, there is a variation from one area to another and from one technician to another.

Many farmers are still not convinced that it pays to use top quality sires. A few years ago the legislation requiring that sires be purebred was revoked. This was done to provide for the use of exotic cross-bred bulls. The reasoning may have been legitimate but farmers have used this and are again keeping scrub bulls. Also another problem was that the legislation never was very tightly enforced as the onus was on the rural municipalities and some would enforce it and others would not.

Many small herd owners keep their own sire for as few as ten cows. I mentioned this before and anyone can realize that that is not an economical proposition. They could keep an extra two cows for the feed and labor that is involved in keeping one bull. The gains of using artificial insemination for this size of a herd would be significant.

The objectives of the technician program should include:

1. To promote the use of artificial insemination and thus improve the quality of livestock. There are definite gains to be made by using proven sires.

For example, an extra 20 pounds at weaning of a calf would return an extra \$10 which would pay the artificial insemination cost. Subtract the cost of maintaining a bull which could be \$10 or more depending on the size of the herd and thus arrive at a \$10 profit.

2. To promote top quality dairy semen in order to raise better cows to met the demand for milk to supply the manufacturing and fluid milk demands of Saskatchewan and to retain our share of the national milk quota. I believe dairying is coming into its own in Saskatchewan and will be a very important industry in the years to come.

Another important aspect is to equalize opportunities of artificial insemination service regardless of the size of the operation or the location of an operation.

3. To promote management or husbandry through increased enthusiasm and records. A farmer will soon know what his conception rate is. And if it is poor he may take some steps to improve it.

4. To guarantee artificial insemination service to all parts of the province at all times.

With the increasing number of farmers with large herds that are breeding their own cows at some time in the not too distant future it would no longer be possible for a technician to make a living. Once he quits there would be no service available for the many small operators who cannot breed their own cows.

I believe also that a travel subsidy should be provided as the Member for Wilkie has indicated.

I got some statistics and just used a couple of examples and I would recommend, to equalize the travel costs, that the subsidy should pay for all the distance travelled over 20 miles for first service. Using two examples, one at Balgonie where their average miles per first service is 28.4 miles, if the government subsidized the 8.4 at 12 cents it would be \$1.08 per first service. In 1972, 4,807 Balgonie bred cows times \$1.08 would give them just over \$5,000 or about nine per cent of their budget which would be a small subsidy but I believe significant. We must realize that the Balgonie unit is in the Regina milk shed area, a heavily populated area in terms of dairy cows. Another unit that I looked at was Canwood. The distance between farmers is greater, less dairy cattle and obviously the mileage is much higher. They gave 40 miles per first service as their average mileage. If the government subsidized over 20 that would be a subsidy on 20 miles or \$2.40 per first service. I believe that would be a significant help to a unit such as Canwood.

The Department of Agriculture estimates that possibly 35 miles would be an average throughout the province per first service. Which would make a subsidy of about \$1.80 per first service. Another estimate they have made that doesn't correspond with the statistics given by the Member in the Opposition, he listed statistics that were recorded by the Department, of cows bred artificially but the people in the Department fully admit that they don't have all the records and there must be thousands and thousands more that are bred by do-it-yourself people around the country. They have estimated that probably 100,000 head

Will be bred in the coming year by artificial insemination. I just use this figure to show that the subsidy I am talking about is only a matter of \$180,000 at this stage of use. I would hope that with a program like this it would increase and it may get up to \$400,000 or \$500,000 in a few years by the increased use of artificial insemination. I think this is what the intention of the program is and that would indeed indicate success.

The subsidy would be available to any unit and this is where I differ with the Member for Wilkie, I say it should be made available to the unit which hires the technician rather than the technician himself. The payments would be made to the local club or co-operative and these clubs or co-operatives in order to qualify would have to meet certain criteria. First of all they must guarantee service on a year round basis with a possible exception of the ranching country. They may be permitted to operate on a breeding season only in the southwest part of the province, I think this would be logical. Units must provide relief technicians for peak periods, annual vacation, illness of the regular technician. The unit should probably own their own tank and equipment to facilitate changing technicians. I don't think this is an impossible task to have a standby technician, he may be a school teacher who could work during the summer holidays and let the regular technician off. He could even work Saturdays, Sundays, evenings and would be available in times of need.

The unit must also be prepared to offer service to an entire geographical area as determined by a boundaries commission I say, or some group of people who would determine what the boundaries should be. The units would not be permitted to compete against each other. Once the areas are drawn I believe they would have to work within those boundaries although, I think there would be room for changing those boundaries if circumstances required it.

The second general area of concern in the industry is the distribution of semen within the province. At present there are an undetermined number of organizations and individuals selling semen around the province. Some have their own trucks for distribution. Prices are determined by whatever the market will bear. Some companies put on schools to train farmers to breed their own cows for the sole purpose of selling semen. Semen is not promoted for the genetic qualities of the particular bull, but rather on the popularity of the bull. I have seen various ads some saying, "This bull was a top selling bull at a certain bull sale," or his semen has already reached \$500,000 in sales. That doesn't tell us very much about how efficiently he can produce beef or his growth rate or the size of the calves or anything else.

There is also the potential problem of a salesman high pressuring a sale on a technician or a farmer and placing the semen in the tank immediately taking the cheque and leaving the purchaser with no recourse if he decides he has over bought or doesn't need that much semen or maybe realizes he has paid too much for it.

Another problem is Saskatchewan breeders who have good bulls drawn but no mechanism for selling or distributing their semen. If they contract with a private company their semen invariably receives very low priority.

Distribution systems are now duplicated with up to five trucks serving in some areas.

Another problem that has arisen just recently that was first made public at the Holstein-Frisian convention in Toronto this winter, is the fact that some fast buck operators are selling semen and using false information. They have sold semen up to \$1,000 per vial and it was later discovered that the semen was not from the sire that it was supposed to be from. And in fact, some of it had been illegally obtained. To date there have been two people charged and the RCMP are doing an investigation. Some of the resulting off-spring from these semen sales have been of different breeds and this is sort of what made the public tumble to the fact that there was something going on. In order to thoroughly check out these kinds of problems, blood tests of all the off-spring will have to be made.

I believe a central distribution agency would help prevent this kind of illegal business from becoming established. If a problem did arise a quick check could be made and any suspicious semen could be recalled.

The objectives of a policy regarding distribution should include several items.

1. To reduce the cost of distribution by eliminating the duplication of services.
2. To keep track of semen sales so any specific semen can be located at any time. This is a requirement of the Health Animals, the Federal Department of Agriculture for disease control. Technicians could not resell semen. The final user must purchase from the central distribution agency. I think this is important because at the present time a distribution company can sell semen to one individual who can turn around and sell it to a second and a third and there is no record of where this semen is and I believe anybody who has worked with the artificial insemination business realizes how important it is to be able to put your finger on any vial of semen you want within 24 hours in case of problems with diseases and so on.
3. Another objective would be to eliminate the high pressure sales that cannot be cancelled that I referred to earlier. Salesmen can continue to promote their semen but it would be delivered by the central agency at a later date.
4. To eliminate middle men or agents who make a profit on reselling as well as reducing semen costs and will standardize prices.
5. To provide equal opportunities for selling semen to all people. I referred to this earlier. A Saskatchewan farmer has a bull drawn, he has semen available but he does not have a mechanism for selling or advertising. If he is trying to distribute it through a private company his semen will not certainly receive the priority that the semen owned by that particular company would.
6. To provide an adequate service to all of Saskatchewan at all times of the year. I believe this is another important aspect.

7. To provide all supplies as cheaply as possible. For example, in Quebec, they buy nitrogen in bulk at 10 cents per litre, compared to \$1.75 if they are buying it in small quantities. In fact in Quebec they don't even charge the technicians for the nitrogen, they supply it free.

To meet this objective I would suggest that the Government establish a central semen distribution agency in conjunction with a sire stud. The two could be operated as one operation by a board organized as a crown corporation or commission reporting directly to the Minister of Agriculture. The agency would be obliged to provide any semen that is available within reason upon an order being placed by a farmer or technician. What I mean by that is if a farmer wants to buy semen from a bull in France that it would be the obligation of the central agency to order that semen and bring it in and provide it for the local farmer.

Secondly, semen would be distributed throughout the province at a regular schedule. Orders should be placed in advance but a sufficient supply should be maintained on the truck to meet all normal requirements.

Thirdly, all supplies necessary would be handled by the agency and available at the distribution truck at all times. I referred before to nitrogen, there are also plastic gloves, pipettes, disinfectant, and so on.

Fourth, semen produced at Saskatchewan's Central Stud would be sold at cost, or as cheaply as possible. Prices could be averaged, so that semen that would normally be expensive could be reduced in price somewhat and regular semen could be held at a price somewhat above cost to get an average price that would make semen available to everyone in the province at a reasonable price. Special order semen could be resold at cost plus handling charges. For instance in Quebec they sell their semen at 50 cents per vial right across the board. This is all the semen that they produce in their own stud.

Fifthly, the agency would probably acquire most of the dairy semen required from eastern Canada, but in return, we could export beef semen to eastern Canada, or other places around the world.

The third area that I referred to earlier, is the supply of semen. At present a large portion of our semen is imported from Ontario, British Columbia and the United States. However, some of our beef bulls are being sold to eastern Canada, and we in turn buy back the semen. The profit made by the Ontario Co-op Studs by exporting semen is sufficient to subsidize their membership by approximately \$2 per first service. So what is happening is that the breeders of western Canada are producing these excellent herd sires, the eastern AI Studs are coming out and buying them, taking them back East, producing the semen and selling it back to western Canada.

We must also realize that we do not have dairy bulls in Saskatchewan at the present time that can compete with eastern Canadian bulls in terms of quality. Also, we may not have sufficient numbers of dairy cows on test to prove our own sires at the present time. Many farmers in Saskatchewan have bulls that they would like to collect semen from for resale, insurance, speculation or just for their own use. At the present time this can be done at Western Breeders at White City or S.M.

Breeders in Yorkton. However, if they want to re-sell the semen they have the problem of distribution.

Most semen that is now available comes from bulls owned by individuals or corporations whose sole purpose is profit. They are not concerned with improving quality, although that certainly is happening but only at a price. I would suggest that the Government should establish a Crown corporation as I mentioned earlier, to not only handle the distribution but also operate the Stud. The Stud would be used for the housing of bulls, collection, processing and storing of semen. Saskatchewan does produce some of Canada's best beef bulls, and we should be purchasing some of these, progeny testing them, and then promoting those that prove out. This would improve the quality of our own beef herds and surplus semen could be exported at a profit to help offset expenses.

We must launch an extensive beef sire proving program or join the National Sire Testing Program. Semen must be promoted on the basis of progeny tests and not only performance testing. We could possibly do some dairy bull testing. However, I believe that is of lesser importance in the very near future, but I do think we should aim towards eventually testing and proving our own dairy bulls also.

The Stud should be purchasing and importing exotic bulls as well to provide the semen that is in such high demand. I certainly agree with the comments of the Member for Wilkie that exotic cattle are here to stay. I am not saying which individual breed but no doubt they are going to continue to play a more and more important role in the beef production of western Canada. I believe it is an obligation to try to produce semen for the farmers at as cheap a cost as possible rather than having it produced now by corporations and individuals who get permits to import these exotic bulls and then sell the semen at whatever price the market will bear.

Semen could be made available to our community pastures. With some changes in management of the pastures, breeding cows could be brought in early and kept in confinement in order to breed them artificially. After three weeks, and they had all been bred once, they could be turned out to pasture with clean up bulls and I am sure the gains would be significant.

The Provincial Government is now buying bulls at bull sales for community pastures. There is no reason why the Government could not buy some from the bull testing station at Saskatoon that are based on performance tests. These bulls could be collected at the Stud and then put into the pasture program. In two or three years time when the progeny tests are complete, any bull that proves out, could be returned to the Stud. There would be some risk involved in using the bulls in a pasture but there would be a reduction in cost to the Stud that may warrant the risk. There is a risk at any rate as only a small percentage of the bulls will prove out.

In summary, Mr. Speaker, it is obvious that this Government is acting, in fact has acted, in the direction that the Resolution requests. However, we have seen fit to go much further. The FarmStart Program is well under way and providing a major impact on the livestock industry. The Minister of Agriculture (Mr. Messer) is at least two years ahead of the Opposition and has initiated the development of a new program to encourage the

use of artificial insemination. For those reasons, Mr. Speaker, I would move, seconded by the Member for Prince Albert East (Mr. Feschuk) the following amendment:

That all the words after the word 'Assembly' in the first line be deleted and the following substituted therefor:

commends the Government of Saskatchewan for introducing the FarmStart Program to expand the livestock industry and further commends the Government for having appointed an artificial insemination advisory council in December, 1972 which is to make recommendations for a program that will encourage the use of artificial insemination and thus upgrade the quality of livestock in the province and ensure the continued growth and expansion of this very important sector of the provincial economy.

The debate continued on the motion and the amendment.

Mr. D. F. MacDonald (Moose Jaw North): — Mr. Speaker, this debate should not come as too big a surprise to most of the people in Saskatchewan. We have heard and seen lots of the New Democratic Party as they nationalized the oil industry, the insurance business, the potash companies but today we have seen their ideas, they want to nationalize the breeding programs and the breeding methods of Saskatchewan. This should come as no surprise to many of us.

The main thrust of the Member who just took his seat, the main thrust in his speech was that we have to eliminate the middle man, we have to eliminate anyone who might be making a profit and this should not surprise any one of us. It does not matter what contributions the different agencies have made in the Province of Saskatchewan, artificial insemination has now become acceptable and has shown its value and its worth in the prairie provinces and now it is time to nationalize the industry. It certainly doesn't surprise me at all.

Mr. Speaker, I would like to ask leave to adjourn the debate.

Debate adjourned.

Resolution No. 14 — Equal Partnership in Marriage

Mr. E. C. Malone (Regina Lakeview) moved, seconded by Mr. MacDonald (Moose Jaw North):

That this Assembly urge the Government of Saskatchewan to forthwith introduce legislation to recognize the concept of equal partnership in marriage so that the contribution of each spouse to the marriage partnership may be acknowledged and that, upon the dissolution of the marriage, each will have a right to an equal share in the assets accumulated during marriage otherwise than by gift or inheritance received by either spouse from outside sources.

He said: Mr. Speaker, the purpose of bringing this Resolution to the Legislature is to draw the attention of all Members, the few that are here, and the public to what I feel is the current,

unfair and inequitable state of the law so far as it relates to married women's property rights.

Many Canadians were shocked when the judicial decisions in the Rathwell and Murdoch cases were made public. I do not intend, Mr. Speaker, to spend any time on discussing the facts of those cases. I believe that the facts are well known to the Members. Suffice it to say, Mr. Speaker, that the result of these decisions was to deny two women any share in the property that had been accumulated during their marriages, even though they had made substantial contributions to the gathering of those assets and through their performing the wifely obligations that are implicit in any marital relationship.

Mr. Justice Laskin, as he then was, said in the Murdoch case:

It is relatively meaningless for a wife to acquire legal capacity to own property if she does not have any, or to become entitled to keep her own wages if she is forced to stay at home and raise children.

What the law should recognize, and what I hope is implicit in the Resolution, is that the wife has the right to a just and equitable share of the property which has been accumulated by the parties, as a result of their joint efforts during the years of the marriage to serve their mutual needs.

Many American states recognize this principle. However, as far as I know, no Canadian province has enacted legislation to establish this as a matter of right, although I understand there is currently a Bill before the Ontario Legislature to do this. I had hoped to have a copy of that Bill to table, Mr. Speaker, but I have been unable to obtain one. Perhaps the Attorney General has one and he could bring it to the attention of the Legislature.

Mr. Speaker, I should say at this stage that the judges who heard and decided the Rathwell and Murdoch cases have been subjected to much unfair criticism because of their rulings. It should be made clear that judges can only apply the law as it is and, as far as I am concerned, they had little choice but to come to the decisions that they did. The responsibility to rectify this injustice rests with us as legislators and law makers and not with members of the judiciary, who can only supply the laws we enact.

We must ask ourselves, therefore, if we as duly elected representatives of all the people, including women, are prepared to allow the law to remain as it is with the resulting inequities, or whether we should not meet our responsibilities and enact the necessary changes in the law, as difficult as they may be, to ensure that married women receive their just and proper share of property acquired during a marriage, if that marriage should be dissolved.

I should make it clear, Mr. Speaker, that the Resolution before us is taken directly from one of the recommendations of the Royal Commission on the Status of Women and, as well, refers only to property acquired during marriage other than by gift or inheritance acquired by either spouse from outside sources. It doesn't mean that assets accumulated by either spouse prior to the marriage should be shared equally, or, if one of

the spouses inherits an estate, or receives a gift from someone other than the other spouse that it should be shared on this basis. Only the assets acquired and accumulated during the term of the marriage either by increasing the assets that each party brought to the union or acquired new assets are to be considered.

I should point out as well that the Resolution works both ways, so that if the female partner acquired assets or increased the property she had at the time of the marriage, the male partner would share in this as well as vice versa.

Again I wish to emphasize as well, that the Resolution refers to the contribution of each spouse, so that if one spouse or the other does not choose to meet his or her responsibility under the marriage, that person is entitled to nothing. By this provision, a spouse who deserts his or her partner, or who marries only for the purpose of financial gain, would be excluded from getting anything if the marriage is ended.

This, of course, would be a matter of proof and a matter for the courts to determine, and I acknowledge in many cases would be most difficult. However, if one party to the marriage is not prepared to meet his or her responsibility and contribute or attempt to contribute to the success of the union, both financially and otherwise, that person is, in my view, not entitled to anything.

The courts must also be given discretion as to how the marital assets are to be divided and the time within which the division is to take place, so that the husband or wife, as the case may be, would not be forced to make an improvident sale of those assets in order to give the other party his or her proper share. This, again, would place heavy onus on the courts as in many situations it will be most difficult to give the other spouse his or her fair share, except over a long period of time. But I suggest that this difficulty is far overshadowed by the injustice done if one party is denied his or her fair share merely because of the problem of making the division.

Furthermore, Mr. Speaker, I wish to emphasize as well the concept of equality of both spouses, and by this I mean that the female party cannot have it both ways. She must be prepared to give up certain protections she enjoys under the existing law if there is to be true equality. That is if the female partner is to receive half the assets accumulated, she is not entitled to any other means of support. She is not entitled to receive alimony if she has already received her fair share.

In the case of children, she must recognize that she is obliged to contribute her fair share for their maintenance and support, and that this is not the sole responsibility of the husband whether or not custody of the children is with her or the husband, and whether or not the woman marries a second time. She must be prepared to change her homestead rights so that if the homestead property is to be sold during the marriage, both parties must consent thereto, even if the property is registered solely in the name of the wife, instead of the present situation in this province where the husband has no legal right to prevent the sale of the homestead if it is registered in his wife's name.

So what I am really saying, Mr. Speaker, is that if women do want equality before the law, and I think the vast majority

do, they must be aware that equality works both ways, and, in order to achieve this, they must give up the protection that the existing law affords them, to take, and benefit, from their new status.

I have mentioned only a few of the laws that give women a protected status and I am sure that there are many more, and I acknowledge that for this resolution to be made effective that many existing statutes will have to be amended or repealed altogether. As well, Mr. Speaker, there is always the danger when trying to correct one evil, that a greater evil is created by over-reaction and we must guard carefully against this.

I want it to be clearly understood as well, Mr. Speaker, that by presenting this Resolution I am not advocating any further weakening of marriage ties. Nor am I suggesting that the grounds for divorce as set out in The Divorce Act be altered in any way. It is only when proper grounds for divorce are proven in the appropriate court, that I suggest that the principles that are in the Resolution be brought into effect, and that if the marriage breakdown is not established or the marital offence then the question of property rights does not have to be decided.

Mr. Speaker, in these brief remarks I am sure that I have not dealt adequately with the problem. It may very well be that the Resolution as it presently stands will not bring about the objectives of fairness and justice that I think all of us here try to attain.

If some Members have amendments that will better achieve this, I invite them to present those amendments so that the action of this Legislature will result in the present features of injustice being removed and the great institution of marriage be given a new dignity and a new strength, through wise and beneficent amendments of the law.

Accordingly, Mr. Speaker, I move, seconded by Mr. MacDonald (Moose Jaw North) Resolution No. 14.

Hon. R. Romanow (Attorney General): — Mr. Speaker, I should like to say a few words on this Resolution, today, and advise the Members of the House that I would like to adjourn the debate at the conclusion of my remarks in order to make more elaborate remarks at a later date.

I wanted to hear the arguments advanced in favor of this Resolution by the Member for Lakeview (Mr. Malone) before responding to it.

Let me say, Mr. Speaker, that I think it is clear that the area of matrimonial law, matrimonial property law more specifically, is perhaps outdated and the need for reform is long overdue. The cases of Murdoch in the Supreme Court of Canada, the Rathwell case in our own Saskatchewan Court of Queen's Bench, and I understand now to the Court of Appeal, demonstrate that the law, as interpreted, does carry with it the potential for serious injustice to be done to many women in the case of a breakup of a marriage.

This is a particularly serious thing, I think, in a province such as ours where the majority of women, rural women in any event, spend much of their lifetime working side by side

with their husbands for the success of the farming enterprise and where they view their endeavors as one that will be of joint benefit. When they enter into the marriage, no one anticipates that it will end up in a divorce court and that one has legalistically to prove the contributions made.

I want to make that position about the need for reform as a broad general statement absolutely clear. Mr. Speaker, I want to draw to the attention of the Members of the House that the Hon. Member in his Resolution urges this Assembly to urge the Government of Saskatchewan to forthwith, forthwith is the word used, to introduce legislation recognizing the concept of equal partnership and so forth.

Mr. Speaker, the Resolution urges immediate action on the part of the Government in this very complicated and difficult situation. The experience in other jurisdictions, other provinces, has shown that a thorough review of the problems and the options for reform is absolutely necessary.

Take, for example, the Ontario research project on Family Law to which the Hon. Member referred in his remarks, just a few minutes ago. This research project on the Family Law was initiated in the spring of 1965 and it was only two weeks ago that the Ontario Law Reform Commission brought forth its recommendations that marriage should be regarded as a form of economic partnership and that the husbands and wives should be entitled to an equal share in the assets on the breakup of the marriage.

I am advised, by my officials, that legislation will not be introduced in Ontario at least for a period of one year until all of the ramifications of this recommendation have been studied. In Alberta the Law Reform Commission has been working on this very problem for at least two years.

I am not saying by all of this that this is reason for the Province of Saskatchewan to delay in its reform. But when we stop to consider these questions that are related, Mr. Speaker, if we are to adopt forthwith the principle of economic partnership as the basis of dividing marital assets in the case of a marital dispute, what is the role of alimony? Is the wife entitled to 50 per cent of the assets plus alimony? This is something very difficult for Members to answer and I noticed that the Member for Lakeview made very limited, if any, comment in this regard.

What effect will this principle of the Resolution have on the dependents' relief or succession legislation? If a wife is entitled to half the assets at the time of the breakup of the marriage, should she be entitled to as good a deal at the time of the death of the husband? I raise the question of alimony and maintenance. What about Homestead legislation? If we are going to be enacting the Resolution that is suggested by the Member of Lakeview then do we need to amend the Homestead Act's provisions, to bring them into line with the proposition set out in The English Matrimonial Homes Act, which would be a departure from our Homestead law as we know it.

What about give and succession tax legislation? What about the common law presumption of a gift and resulting trust? What about the problem of joint bank accounts? Just in this area, Mr. Speaker, consideration will have to be given to introducing the presumption if we adopt this Resolution, that money in joint

accounts is jointly beneficially owned and that property purchased is jointly beneficially owned as well. I am not saying that this is not a socially desirable objective. I am only saying that the ramifications on holdings of property, on joint accounts, on homestead legislation, on alimony, on maintenance, on dependent's relief, on gifts, and so forth, are varied and very complex.

I agree with the need for reform, but we as legislators, must not rush into reform, the effect of which will be, to result in a greater injustice either to the women or to the men, who in this debate also have some interests and rights.

Mr. Speaker, I want to say that I have much more to say about this at a later date. In the interim, let me say to the Members of the House, what my Department has done.

It has only been about a month or so since the Rathwell case has been tendered and a little bit before that since the Murdoch case. The subject has been referred to our Law Reform Commission and it is the top priority of the chairman and the Law Reform Commission, to examine the reports of Ontario and the reports of the Federal Law Reform just recently tabled two or three days ago and any other study, so that we don't duplicate them, but at least to examine them and to understand them and the impact of them on the Saskatchewan scene.

I am hopeful that the Law Reform Commission will engage in public hearings. I think this is an area where not only do we have to listen to the women's voices, but we have to listen to the men's interests and voices as well. I believe that this is a worthwhile field of community involvement so that we know the impact and the objectives that we seek to meet.

I don't know when the Law Reform Commission can report. I have spoken to the chairman, Professor Brian Grossman of the University of Saskatchewan, and he advises that, with luck, there might be something by the end of this year. However long it takes, I would urge on the people of Saskatchewan and on the Members of this House, to agree with my point that this is something that we cannot rush into without first having carefully analyzed all of the ramifications thereto.

A second step that has been taken is that since the decisions in Murdoch and Rathwell the lawyers in the Department of the Attorney General have been working to see if there is some temporary immediate relief that can be given by way of an amendment to The Married Women's Property Act. This was one piece of provincial legislation which was under consideration in the Rathwell case. And while I mention The Married Women's Property Act, a provincial law, I need not stress the obvious that divorce legislation is a federal responsibility. So not only do we have these joint accounts and all these other problems that I have elaborated, but we have the question of divided responsibility, federal with respect to divorce and provincial with respect to property and civil rights.

We are working on an amendment. I hope to be able to advise the House, when this matter comes up next, in the next several weeks or several days or so, as to the progress of the preparation of that amendment which might temporarily relieve the adverse affects, which have been discussed by Members and the public at large.

Mr. Speaker, I close by saying, again, we need reform in the matrimonial property law. This province has been no worse — certainly not any better — but no worse than the other provinces in Canada in this area. We have taken immediate action to study it. I urge all Members and all the public of Saskatchewan to consider the ramifications and implications throughout the whole piece before adopting holus bolus a Resolution such as has been advocated by the Member for Lakeview (Mr. Malone) and I should like to say more about this at a later date at which time I perhaps might be able to elaborate on the remarks that I have made here and give a further progress report to the Members of legislation.

I therefore beg leave to adjourn the debate.

Mr. J. G. Richards (Saskatoon University): — Mr. Speaker, may I ask a question of the Minister?

Mr. Minister what kind of insurance or probability about the introduction of an amendment later in this Session and what is the nature of the thinking within the lower form of commission and your Department about what would be the nature of the amendment?

Mr. Romanow: — I cannot give you any statement as to the timetable of the introduction of such an amendment. I can only tell you that it is my hope that if we can get a legally responsible amendment at this time of the Session, this Session that is sitting, that we would introduce it and debate it. If it is going to be an amendment which is just whipped up for political purposes, then my position is simply that we are not going to be introducing it. I think that would do more harm to the cause of women and the problems that we seek to deal with here, than good.

As to the thinking about the Law Reform Commission, I believe that certainly the chairman, who is the only person whom I talked to in this regard, can discuss it for himself, feels that there is a need for reform of the property laws for married women in case of marriage breakup, along the lines of the economic partnership approach the Ontario Law Reform Commission has advocated. But that is a very general statement and I predict there may be a backlash which will be arising as a result of this, a backlash which we may reject as legislators, but I think we have a duty at least to listen and to consider.

Debate adjourned.

Resolution No. 17 — Problems of Northern Saskatchewan

Mr. M. Feschuk (Prince Albert East) moved, seconded by Mr. Comer (Nipawin):

That this Assembly commends the Provincial Government for its determined efforts to positively direct the energies of Saskatchewan in resolving the deeply rooted social and economic problems of Northern Saskatchewan by having taken the following steps: (a) the establishment of five year northern housing program; (b) the completion of plans for sewer and water in four northern communities; (c) the successful election of Northern Saskatchewan's first civic Northern Municipal Council;

(d) the provision of economic opportunity for northern people, resulting in increased employment; and (e) the establishment of a single Department of Northern Saskatchewan to implement and monitor the continued transfer to northern people of programs, opportunities and decision making powers not previously offered to them by any former government.

He said: Mr. Speaker, it is indeed a pleasure for me to have the opportunity to rise in this Assembly today and move Resolution No. 17.

Resolution No. 17, Mr. Speaker, is unlike the negative Resolution moved by the Member for Athabasca (Mr. Guy) which typifies the attitude of the Liberal Party. I know that Members on this side of the Assembly will lend their full support to the very positive economic and social progress which has been recorded in northern Saskatchewan.

Mr. Speaker, I cannot think of another issue which has so sharply divided this House as is reflected in the attitude of the Members on this side of the House and the Members across the way when it comes to debating the Department of Northern Saskatchewan.

I do not pretend, Mr. Speaker, to have the answers to the problems nor do I have the full knowledge of the potential of northern Saskatchewan. However, by talking to the people throughout the northern part of my constituency and by talking to the people who live beyond the boundaries of Prince Albert East and who see and acknowledge the progress that has been made, I am fully confident that the goals which were set out for the Department of Northern Saskatchewan are being met; they are being honored; they are being welcomed by the people of the North.

There are those who feel that it's strange that there should be a degree of controversy or that there should be problems as a result of the setting up of DNS. However, these same concerns are not consistent with effects. When we committed ourselves to a single agency approach in the North we recognized that there were bound to be some problems. However, unlike the former Liberal Government, which consistently refused to meet the problems experienced by the northern people and unlike the former Liberal Government which lacked the courage and the foresight, we established the new department to fulfil the commitment made to the people of this province prior to 1971 provincial election.

Problems have been encountered. There has also been a degree of controversy with respect to the new department, however, equally important there is the fact that progress is being made and the majority of people in northern Saskatchewan are in full support of what this Government is doing to assist northern people to improve their economic and social standards of life.

Some Hon. Members: — Hear, hear!

Mr. Feschuk: — For generations northern Saskatchewan was treated as nothing more than a colony which had to receive piecemeal attention by governments. There was no consistent policy with

respect to the North and governments were reluctant to undertake a commitment as large as that which presented itself in the case of northern Saskatchewan.

Mr. Speaker, you will remember the late William Berezowsky who throughout his years of office, so diligently represented the North. You will remember how he fought for northern hospitals, schools, roads and all other matters related to the sparsely populated, however vast area, of northern Saskatchewan.

Yes, Mr. Speaker, the records will show that there was a man who knew something about the North, a man who understood the northern people and a man who supported the concept of the new department.

What did the Members opposite do, Mr. Speaker? Well, Sir, they sent the Hon. Members for Cannington (Mr. Weatherald) and also the Hon. Member for Moosomin (Mr. Gardner), they sent them North. They sent these southern cowboys to do an investigation, and the cowboys apparently came back without talking to or seeing the Indians.

Unlike the Members opposite do, Mr. Speaker, when one considers the fact that the problems that are with us today and the fact that those same problems have festered through the North through decades and for decades. I feel proud to stand on this side of the House and reflect on the progress that has been made in less than three short years.

I feel proud that this progress was made by a New Democratic Government which had the courage to take on the responsibility of a program as massive as the single agency concept of establishing the Department of Northern Saskatchewan.

Many times in this Legislature there have been debates on matters related to the North and its people. Many arguments have taken place with respect to which side of the House was responsible for the program and which side of the House did the most for the people of the North. It is not my intention today to go into past events and offer to this Assembly my views on past performances. Only to say that I have been to many of the settlements in the North, I have spoken with many of my northern constituents as well as many outside my constituency and in view of my being in the North, I personally feel that the Department of Northern Saskatchewan has made more significant positive achievements in its short existence, than ever before were ever made by past governments in this province.

Some Hon. Members: — Hear, hear!

Mr. Feschuk: — Members opposite are opposed to the very philosophy which is reflected by DNS. However, Mr. Speaker, I have yet to hear from any Member on that side of the House who would tell us what they would do if they were given the reins of government. They say they would abolish DNS. The question I ask, Mr. Speaker, is what they would do to replace DNS?

Just a short time ago, Mr. Speaker, the Leader of the Opposition stood in this Assembly and criticized the single agency concept, claiming that the people of Northern Saskatchewan should have access to each government department. Mr. Speaker, that was the case for decades, when problems grew, hardships

intensified for the people of the North, because they were unable to cope effectively with government departments.

I would hope, Mr. Speaker, that before Members opposite get up and participate in this debate that they would consider for a moment the results of the election of the recent by-election in an area, in Area 5 for the Northern Municipal Council. A total of eight candidates sought the vacancy which was created as a result of the tragic death of councillor, Mr. Lionel Deschambeault. I think that it is significant that the successful candidate Leon McAuley is an employee of the Department of Northern Saskatchewan and as a person, well qualified to ably represent the interests of the people of Area 5. It is also significant that Mr. McAuley agrees with the philosophy of the Department of Northern Saskatchewan and the people in his area obviously agree with him or he would not have been elected with such a massive majority.

I should like to consider the specifics of this Resolution for a moment, Mr. Speaker. Among the many social problems with which northern people have had to cope as a result of many other things, is a very inadequate northern housing program. For years these people were forced to live in substandard accommodations. Our Government through DNS, recognized housing as a major priority and I congratulate the Government for the foresight and the determination to change the existing deplorable situation. By committing itself to a five year housing program in which 625 units will be built by northern people for northern people. One hundred and twenty-five units per year over the next five years, Mr. Speaker. It is quite in contrast to the less than 40 per year average built by the former Liberal Government between the years of '64 to '71.

The northern critic, Member for Athabasca (Mr. Guy) has criticized this Government because he feels we need more housing. Mr. Speaker, I have been to many of the settlements of northern Saskatchewan and I invite the Member for Athabasca to tell this Assembly what the Liberal Government did for the northern people. Statistics show us that the population of northern Saskatchewan will double by 1980. It is obvious that we will have to expand our northern programs. However, it is significant that it is this Government which has taken the first major step to improve the living conditions in the North, it is also significant that it is this Government which has taken the first major step in regard to the employment of our northern people.

Mr. Speaker, we have also heard the ridiculous arguments from the Opposition Members about the heavy-handed tactics in dealing with the problems of northern Saskatchewan. But almost every step of the way the Department of Northern Saskatchewan has worked beyond anyone's expectations to ensure a greater degree of local decision making. The encouragement of local community authorities, the establishment of welfare committees, the establishment of adult education committees and the establishment of a northern municipal council, all reflect our

commitment to have greater decision making at the local level.

\$850 thousand earmarked in this Budget for the operations of the northern municipal council over the next fiscal year is quite a difference over the Liberal years when nothing was done to promote the involvement at the local level. This Resolution, Mr. Speaker, also pays tribute to the new initiatives being launched in the area of economic development. This Government and the Department of Northern Saskatchewan recognizes the necessity and urgency of comprehensive planning to meet the needs of northern people and generate the type of employment that northern people themselves desire.

Mr. Speaker, progress has been recorded as is shown by the many projects which have been launched since DNS was established. But do the Members opposite mention Beauval, where close to a hundred northern people are working at a post cutting operation? This operation that has eliminated unemployment in the area. Mr. Speaker, the Members opposite never talked about the economic development, they never talked about the Economic Development Fund which since its inception last summer has been responsible for the creation of over 200 jobs, in such ventures as wood cutting, tourist operating, boat building, trucking, trapping, fishing and the like. No, Mr. Speaker, Members opposite will never mention, nor will they acknowledge the progress made in northern Saskatchewan, because there is such a sharp contrast with their record of performance when they were in the government.

This progress was recorded last year, Mr. Speaker. But what about the future? This year's capital construction program proposed by the Department is projected to establish 390 full time jobs as a result of construction activity in the North. Over the next one year period there will be an additional 200 new jobs as a result of an accelerated northern housing program. The new initiatives this Government is placing in the tourist industry will provide a record number of new jobs for northern people as well.

I want to commend the Hon. Minister of DNS and his department staff for the efforts and their determination to help the people in our northern communities.

The Fisheries Development Program announced just recently by the Hon. Ted Bowerman is a start of another major initiative which will spark more employment and better incomes for our fishermen. Mr. Speaker, I am afraid that the Liberal Party will not be able to mislead the people of northern Saskatchewan any longer when they talk about no economic development opportunities for the people of northern Saskatchewan.

Yes, we still have a long way to go. However, we are making progress and the people of northern Saskatchewan are grateful that the Department of Northern Saskatchewan, for the first time ever, has met its responsibilities and has done everything possible to assist in a promotion of economic and social equality.

Mr. Speaker, these are but a few of the reasons why I have gone on record in support of this Resolution and in support of the Department of Northern Saskatchewan in its initiatives. Yes, Mr. Speaker, the former government of this province had the opportunity. It failed to respond to the single agency

concept for northern Saskatchewan. Rather than acting on the recommendation of the task force they themselves commissioned, they chose not only to ignore the recommendations but also effectively to ignore the people of northern Saskatchewan.

As DNS continues to serve the people of the North, I am very much in favor of the attitude in respect to the gradual transfer of responsibility to northern people. I agree that this transfer has been slow and I certainly cannot see how it could have been otherwise. However, the important thing to remember is that it was this Government that had the foresight, the courage and the determination to bring the single agency concept into reality. The people of northern Saskatchewan recognize the potential that DNS offers and are in agreement with the principles which have been established for the Department operations.

Because this Government has met its commitment and because that commitment is supported by the people of northern Saskatchewan, many of whom are my constituents, residents of Prince Albert East constituency, it gives me a great deal of pleasure to move Resolution No. 17.

Mr. A. R. Guy (Athabasca): — Now, Mr. Speaker, I think there are a few words that should be said before we have a vote on this particular Resolution.

I think the first question that the Member should ask himself after reminding us of all the wonderful things that he is telling us here today, about the Department of Northern Saskatchewan, is if all these things are so, why is the unrest in northern Saskatchewan higher today than it has ever been at any time in the history of the Province of Saskatchewan? Why is it that Indian and Metis organizations are sitting in at Buffalo Narrows, Ile-a-La-Crosse and La Ronge, trying to get the Government to listen to some of their recommendations? If this is such a great department, why are these activities, why are these criticisms and why are these concerns being shown by northern people at this particular time?

The Member mentioned that he had been in northern Saskatchewan and he was pleased with what he saw. I might say that I do remember seeing the Hon. Member in Sandy Bay on election day when he was driving a DNR truck and I think that that was the last time that he was up there.

An Hon. Member: — Hear, hear!

Mr. Guy: — No, he wasn't working for the DNR, but he must have had some friends because he was using the DNR truck for electioneering purposes on election day. Didn't do a very good job, Sandy Bay still maintained its Liberal majority.

We built the road into Sandy Bay. If you really want to know, it shows how little you know about the North, Mr. Minister of the Environment (Mr. Byers). We built the road into Pelican Narrows and into Sandy Bay. They waited for 20 years for your Government to do it before and you never got it done so the Liberal Government from 1967 to '71 did build the road and it

was a tough road to build, I'll tell you that. But we spent a great deal of money and we did build a road into those two communities so that there would be some economic development taking place. Unfortunately the Government changed and the people are in a worse situation today than they've ever been, because you are trying to make them live on welfare, instead of providing economic development for them.

If it is such a great program, as the Member who just took his seat suggested, again I say, why is it being criticized by Indian and Metis organizations? Why is it being criticized by its own civil servants. Why is it being criticized by teachers, social workers and outfitters? Why is it being criticized by NDP supporters, at their last two annual conventions? And why is it being criticized by northern residents? Surely these criticisms must have some validity. And yet according to the Member who has just taken his seat, everything is so rosy up there, that there is no room for criticism.

Many of the programs that are mentioned in the Resolution, such as sewer and water systems, schools, economic development and so on, of course, were started by the former Government. Some of them were even started before the Liberal Government took office in 1964. There is nothing new in these programs. They were programs that were being carried out by a multi-agency approach, just as well and in fact probably in many cases better than through the single agency approach.

Members opposite like to claim that the task force recommended a single agency. The task force report or the report of the consultants said that one alternative would be a single agency and they were very careful not to suggest that the single agency approach would be more successful than the multi or the straight line approach that was in effect at that particular time. So it was an alternative and it has been proven out today at least in the first three years, of the single agency approach, that the report was correct in not trying to set it ahead of any of the other alternatives or other approaches in the development of northern Saskatchewan.

The organization of the Department of Northern Saskatchewan, if anything, has slowed progress over the past two years. Many of the programs that were on stream and being developed when the Liberal Government was defeated in 1971 had to wait for two, two and a half years before anything further was done. I think of the sewer system in La Ronge which we had started and to which we made a substantial grant. True you've made a lot about providing some money for that system, but it's waited two years. People there are now two years behind schedule in receiving sewer and water assistance and sewer and water services, because you did delay for two years on a program that was streamlined and was set up to proceed on a regular basis.

The road to La Ronge, No. 2 highway, it's true is being paved this year and we are glad to hear it, but again two and a half years have gone by, three summers went by, and nothing was done. Whereas if we had been the government our plans were to continue paving the highway on the basis of 20 or 30 miles a year and they would have had dust free service for several years before now and I can tell you this, Mr. Member for Prince Albert East Cumberland (Mr. Feschuk) that if you do the whole hundred miles this year, as you claim in your Budget Speech, I'll be very much surprised and so will everyone else. A hundred miles

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of paving in that country during the short summers that we have is almost impossible and I'll certainly be the first to commend you if it's done. It's never been done, even in the southern part of the province, let alone up there.

He mentioned a housing program and again there should be more than 600 houses built in the first five years, because we are just starting now. Again two and a half years went by and you never built a house. You said you were starting your housing program this year with 125 houses and how many of them are completed? A half a dozen perhaps are completed at this particular time, so your program in that regard isn't the type of program that the Member would lead us to believe.

Economic development is nonexistent. One of the best examples, of course, is where the taxpayers of the province put 26 prospectors out in the field last summer. Do you know how many claims were staked as a result of the summer work? Not one, not one single claim resulted from 26 prospectors out in the field at the taxpayers' expense for the whole summer of 1973. That is the type of economic development we are getting. It is another form of welfare as far as the Government opposite is concerned.

Why is it if the economic development is as successful as the Member for Prince Albert East has suggested that the budget for Welfare is up 17 per cent or \$5 million in the Budget for 1974-75? Surely, if the economic development is so successful, there should be less welfare rather than more.

Then he mentioned the Northern Municipal Council and he said it was significant. Well, I think the last election was very significant. Significant that the member who was elected is a member of the DNS. We all know very well what happens to members of the DNS that happen to disagree with that department of Government. They get fired. So if you think that a member of the Northern Municipal Council can do a job and be an employee of DNS and criticize that Department, when the Minister has made it clearly known that any employee who dares to criticize the Department of Northern Saskatchewan will be reprimanded and in most cases fired, means that this individual who has been now elected to the Northern Municipal Council is nothing more than a puppet of the Government. He will have no value, he will be of absolutely no value to the Northern Municipal Council in the democratic process in northern Saskatchewan.

Mr. Speaker, there are several other things I should like to refer to after I have had a chance to review the remarks of the Member for Prince Albert East, so I beg leave to adjourn the debate.

Debate adjourned.

The Assembly adjourned at 5:05 o'clock p.m.