

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**First Session - Eighteenth Legislature**  
**14th Day**

**Tuesday, December 2, 1975.**

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

On the Orders of the Day.

**QUESTIONS**

**PURCHASE OF MONEY FOR POTASH INDUSTRY**

**MR. C.P. MacDONALD (Indian Head-Wolseley):** — Mr. Speaker, before the Orders of the Day I should like to direct a question to the Deputy Premier in the absence of the Premier. I understand from a news report that Happy Allan has left on his journey to New York with the idea of borrowing money for the expropriation of the purchase of the potash industry in Saskatchewan. I should like to ask the Attorney General and the government how much money is the Premier intending to borrow in New York from the American money market? Number two, it also indicated that bankers in the city of New York and in the United States were very suspicious of the nationalization of the potash industry and indicated that they were going to change a premium on the interest rate. How many additional millions or hundreds of thousands of dollars because of this premium does the Government of Saskatchewan anticipate having to pay because of the lack of co-operation in the bond market in the United States?

**HON. R.J. ROMANOW (Attorney General):** — Mr. Speaker, the Hon. Member is basing the question on a series of assumption, many of which in fact if not all, are wrong. First of all the Premier is not down to New York for the purpose of specifically raising money for either the announced intention of the potash policy or any other policy. The Premier's stated objective in going to New York is to speak to a number of interested organizations and groups about Saskatchewan policies, one of which is the Canadian Club of New York. The question of dealing and actually going about raising money to the best of my knowledge is not on the Premier's agenda.

Secondly, I heard a news report over the CBC given by one Harlow Unger about the question of an interest premium to be paid. This was not a report that in fact such premium would be called if and when a request for funds was made, rather it was Marlow Unger's opinion that such premiums may be called. Now I will wait and see until actually a request for funds is made as to whether or not any premium is called rather than rely on a report, CBC or otherwise, that such premium may be called. And certainly and finally as to what extra funds may or may not be called as a result of what premium may or may not be asked is speculative at this stage of the game. Once the development takes the normal course we will be pleased to give the Member in more specific details the financial aspects of the question asked.

**MR. MacDONALD:** — A supplementary question, Mr. Speaker. I am telling

the Attorney General that this is the kind of information that the people of Saskatchewan deserve about the potash mines. I should also like to tell the Attorney General that the Press report indicated, and would the Minister tell us if this is about the Government of Saskatchewan having certain funds in place? Are these funds referring to the consolidated funds or the Energy Fund from which the government gave a firm commitment to the people of Saskatchewan a year ago what the Energy would be used for the development of energy resources in the province of Saskatchewan, not for the expropriation of an existing industry?

**MR. ROMANOW:** — Mr. Speaker, I am not quite clear as to what report the Hon. Member refer. If it is the one that I referred to earlier, the CBC report from one Harlow Unger, I don't recall that specific aspect of the report as to whether funds were or were not in place. I would simply remind the Member that the only condition, if there is any condition at all, on the question of the Energy Fund is that the money be used for resource development and I am not even sure if that is the condition. In fact in the province of Alberta, I stand to be corrected on this, but my impression is that the government there has taken the position that that money does not have any specific conditions on it whatsoever. Leaving Alberta out of the question, our interpretation of the matter is that the Energy Funds are, if there is any condition on them, to be used for resource development as the province may see fit to do.

**MR. MacDONALD:** — A second supplementary question. I take it from the response of the Attorney General that it is the intention of the government to use the Energy Fund, or that particular tax revenue because it is a tax revenue. The government has indicated in the past that current tax revenue would not be used for the purchase of the potash industry. Certainly the Energy Fund is tax revenue from the oil industry. Is it then a fact that the government does intend to use the Energy Fund to assist in the purchase of the potash industry?

**MR. ROMANOW:** — Well, the government's stated position on this and I repeat again to the Members opposite, is that the particular policy objectives can be achieved without any additional taxation revenue or taxation policies on the people of the province of Saskatchewan. That is the stated position. Now, working from that framework as to whether or not the funds from the energy resources are to be used as a particular purchase or payments of purchase the potash funds, I would simply answer it is very highly likely that that will be the case. Again, no final decision has been made until such time as the legislation has been passed and other developments which run the normal course, as a consequence thereof, are completed.

#### **THE EXEMPTION OF FARM FUEL**

**MR. R.H. BAILEY (Rosetown-Elrose):** — Mr. Speaker, I wish to direct a question to the Minister of Highways (Mr. Kramer). A recent statement made public by the Minister of Highways indicates that he and his government are searching for new sources of revenue from the department. Does the Minister or his government plan to remove the exemption which now exists on farm fuel, particularly that used in farm

trucks? Do they plan on removing that exemption in this Session of the Legislature?

**HON. E. KRAMER (Minister of Highways and Transportation):** — Mr. Speaker, in answer to the Hon. Member, I think first of all part of his question should be directed to the Provincial Treasurer or the Minister of Finance, and secondly, to the first part of his question which says that I have said that we need revenue, we certainly do, to continue to meet the demand that is made on us to improve our highway system and to meet the ever increasing load demand. I have not said that we are considering an increase. What I said and I thought I said it very clearly, however it may have been repeated in the Press or on the radio, that I thought in retrospect that we made a mistake in taking seven cents off the gas tax some 18 months ago when the more recent events, that is the actions of the federal government in invading our tax fields, royalties and so on, have certainly changed the picture. Then again last summer the fact that they invaded our traditional tax field with ten cents a gallon puts us in a position where we may have done things differently had we known that was going to happen and how greedy the federal Liberals had become.

**MR. BAILEY:** — Mr. Speaker, a supplementary question. When the Minister of Highways was absent we failed to get an answer. Now with the Minister here, I want to repeat that question. Does this government plan on removing the exemption that now is statutory in this province allowing farm trucks to use tax exempt fuel? I want to repeat that question.

**MR. KRAMER:** — First of all, that exemption or the termination of that does not come under my department. I have no knowledge of the government considering otherwise that we are going to make any changes. This is a question that is properly directed at the Provincial Minister of Finance (Mr. Smishek).

**MR. BAILEY:** — If the Minister refuses to answer this question, I would extend as a supplementary question to any Minister of the Crown over there if there is any intention during this Session to remove that exemption?

**MR. ROMANOW:** — Mr. Speaker, may I in answer say this. The Minister I believe has made it abundantly clear both inside this House and certainly at the time of the interviews which were carried in the Press, that those were his personal opinions as to the question of the gas tax. That I think is quite clear and beyond dispute and the Member has again said that to be the case.

As to the questions whether or not exemptions are to be made or not, the Member for Elrose may know that in due course the Budget will be presented to the Legislature at which time government policy will be as stated.

#### RESIGNATION OF LEASING AGENT FOR POTASH CORPORATION

**MR. S.J. CAMERON (Regina South):** — Mr. Speaker, again in the absence of the Provincial Secretary (Mr. Cowley), I direct my question to the Minister of

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Mineral Resources (Mr. Whelan). Yesterday I asked if the government had received a resignation or a notice of resignation from an Al Drummond or Drummond Mineral Resources which was a leasing agent for the Saskatchewan Potash Corporation and the Saskatchewan Power Corporation. My information is you have that resignation. It was received yesterday morning at 10 or 11 o'clock. The response you gave me yesterday was that you knew nothing about it. I repeat my question, have you a resignation from Al Drummond or Drummond Mineral Services?

**HON. E.C. WHELAN (Minister of Mineral Resources):** — Well, Mr. Speaker, in answer to the Hon. Member for Regina South's question, he has more information than we have.

**MR. CAMERON:** — Are you saying that perhaps I should ask my question of the Deputy Premier? Has the government received a written indication from Al Drummond or Drummond Mineral Services which has been a leasing agent for Saskatchewan Potash Corporation and the Saskatchewan Power Corporation that he will not do any further work for those two corporations?

**MR. ROMANOW:** — Well, I can simply answer that as far as I am concerned and as far as the government and the Cabinet is concerned, we have not received any written communication as so stated by the Hon. Member. You raised this yesterday and I know nothing of it and I am sure the Cabinet knows nothing of it and we know nothing of it as of today as well.

**MR. CAMERON:** — If I may be permitted, perhaps, I might then direct a question to the Minister in charge of Saskatchewan Power Corporation. Has he received a resignation of the kind I have been indicating or any official in his department? My information clearly is that yesterday morning the two corporations were given a resignation.

**HON. J.R. MESSER (Minister of Industry & Commerce):** — The Member may well have information that has not yet reached my office or my desk. But as of this point in time I have received no communique from a Mr. Drummond or anybody acting on his behalf indicating that he has resigned.

**AN HON. MEMBER:** — You've had 24 hours to inquire and you haven't.

**SOME HON. MEMBERS:** — Hear, hear!

### **ROLLBACK OF RENT CONTROLS**

**MR. E.F.A. MERCHANT (Regina Wascana):** — Mr. Speaker, before the Orders of the Day I wonder if I might direct a question to the Minister of Housing. I directed certain question yesterday to the Premier in the absence of the Minister of Housing (Mr. MacMurchy) and I was told yesterday that it would not profit a landlord to forward a notice now of an increase because those increases would be rolled back to the 14th of October. I passed on those comments to various constituents and I am sure that other tenants in the

province were interested.

I wonder now if the Minister of Housing would indicate whether the legislation which will roll back to October 14th, 1975, will control increases from a time previous in that year. By way of an example, might I ask, in the particular problem that we face there have been increases of about 10 per cent in July of this year. Now they are faced with a further increase of eight per cent. Will the rollback take into account the increases earlier in the year? Because I suggest to you that if the rollback . . .

**MR. MESSER:** — On a Point of Order. Mr. Speaker, you gave an order last week that there should be no prefacing the question.

**MR. SPEAKER:** — Order! I will give the instructions here with regard to the rules, the Member for Kelsey-Tisdale.

**MR. MERCHANT:** — Thank you, Mr. Speaker. As I was saying before I was so rudely interrupted, if there is to be a rollback, will the rollback take into account increases earlier in the year because I suggest to you in all honesty that failure to do so would mean that you are compelling or encouraging landlords to forward increases at this time as has happened in this case. Now I suggest to you that the tenants of the province are interested in your answer.

**HON. G. MacMURCHY (Minister of Municipal Affairs):** — Mr. Speaker, in response to the Hon. Member's question, I think that I would suggest to him since I understand notice has been given with respect to the new rental legislation, the Bill will be before the House on Wednesday and at that time he will have an opportunity to have a look at the legislation and debate the legislation. I think it would be inappropriate to respond to all of his questions until all Members have had an opportunity to look at the Bill.

**MR. MERCHANT:** — Mr. Speaker, it may well be that it was in your ruling a supplementary question is not appropriate but let me pose the question to you and it may be that your Honour believes the question to be appropriate.

I wonder if the Minister would indicate whether CMHC assisted programs, Section 15 — Limited Dividend Housing Program, will come within the controls that the government proposed? We were told yesterday . . .

**MR. SPEAKER:** — Order! I think I clearly stated on November 27th in a statement to the House, the rules with regard to questions and supplementaries. I think the Member has transgressed that because he has not received an answer from the Minister, therefore, I don't believe he can ask a supplementary.

#### **ANSWER TO QUESTION ON COLLAPSE OF SMALL BUSINESSES**

**MR. WHELAN:** — Mr. Speaker, on Friday the Hon. Member for Wascana directed a question to me. He assumed in the first part of the

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question that I had at my fingertips statistics that proved that the all-time record from the collapse of small businesses in Saskatchewan was set during the recent Liberal administration. Mr. Speaker, we can show that for every three working days a business closed its doors including Thatcher's Hardware, Regina Sash and Door, the Chrysler Corporation and the Nut House in the city of Regina.

The Member also asked if I was aware that in the October 10th Gazette over 500 earning functioning companies were struck from the Saskatchewan Registry. According to the statisticians of the office of the Provincial Secretary, the figure of 500 is hardly a yardstick when the total for the year is 751. Ever since 1968 more than 500 companies have been struck off the list, for instance in 1970, 863 companies were struck off the list.

**MR. MALONE:** — On a Point of Order. I don't like to interrupt the Minister, Mr. Speaker, but in view of your ruling of the other day you indicated that when a Minister rises on another day to answer a question that he must keep his answer brief and to the question asked. I rise on the Point of Order to suggest to you, Sir, that the Minister is out of order, that he is not just answering the question that was asked by the Member for Wascana.

**MR. SPEAKER:** — I think there have been some rather lengthy preambles to questions and answers on both sides of the House. I would ask Members to restrain themselves with regard to editorials that precede question or answers or to lengthy comments that precede question or answers. I am unfamiliar with the question in total that was put to the Minister the other day but I take it that he is responding as briefly as he feels he can at this time.

**MR. LANE:** — On a further Point of Order.

**MR. WHELAN:** — On a further Point of Order, this question is a dog's breakfast to start with. It is improper and it should not be put on the Order Paper so it could be looked at. I have about three more sentences to complete my reply, but I can't answer the question unless I give him the three sentences. He will not have the question answered, otherwise, it will just be hanging in mid air.

Mr. Speaker, ever since 1968, as I said, more than 500 companies have been struck off the list. For instance in 1970, 863 companies were struck off. When you allow for the fact that some of these companies had registered offices outside the Premier, that new companies were incorporated, partnerships registered and other new companies registered, the figure, even in the October 10th Gazette, when you add and subtract, should have been 330. I think this figure is very significant compared to the figure that showed the growth of business in this province, in the period from January 1 to September 30, 1975, only a partial year, a total of 1,919 new businesses were registered and this is a record, Mr. Speaker.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. LANE:** — On a Point of Order. I wonder if it wouldn't be proper if the Speaker directs the House to revert to the old

practice that Ministers try and answer the question when they are asked, not three or four days later?

**MR. MERCHANT:** — May I ask a supplementary to that question? You recall when I asked the principal question the Minister indicated that he would take it as Notice. I would therefore assume that the opposition has an opportunity to ask two supplementaries?

**MR. SPEAKER:** — The allowance for supplementaries is two supplementaries per question. I am unaware at this time of whether the supplementary was asked, it may not have been asked at that time. If the House is prepared, we can go ahead with a supplementary.

**MR. MERCHANT:** — I wonder if the Minister would indicate whether it is the practice of the companies office to strike off companies which the companies office knows full well are operating. I suggest if you check the October 10 Gazette you will find that two of the companies struck off included the Riverside Golf and Country Club, Willoughby and Co. Investment House with which the government deals and many other companies . . .

**MR. SPEAKER:** — Order. I have drawn the Member's attention to my statement on November 27, where the Member is not in the position to give information but to seek information. I think the Member should try and phrase his question, supplementary or otherwise, in such a way that he seeks information at the same time giving a minimum of information necessary to seek the information.

**MR. MERCHANT:** — The nub in substance, Mr. Speaker, of the question is . . .

**MR. SPEAKER:** — Does the Hon. Member feel he can answer the question?

**MR. WHELAN:** — Mr. Speaker, the Hon. Member has been asking questions that aren't really questions, they are innuendos. If we were to get them and look at them in cold print, they are not really questions. They are just statements that he thinks he is sure of. If he wants a question answered, I suggest he put it on a form in the proper way and we will answer it for him. But it is wrong to stand up and make a whole lot of generalizations and throw in at the end, the question. If you look at the one he asked, that I am trying to answer now, you can answer it about five different ways and you could have a whole department trying to look up an answer for him. I suggest the practical way to do it, is to put it in writing.

**MR. MERCHANT:** — The nub in substance of the question, Mr. Speaker, is that the regulations by which the companies were struck off were not changed but were applied differently. Without notice to the various companies, companies were struck off that the government well knew were operating. I wonder if the government would not indicate whether that will be their practice in the future or whether they will revert to the previous practice because this practice has resulted in a great deal of expense

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for companies like the Riverside Golf and Country Club having to apply to be reinstated?

**MR. D.M. HAM (Swift Current):** — Before the Orders of the Day. I should like to direct a question to the Minister of Highways.

**MR. SPEAKER:** — Order. We have had four questions and numerous supplementaries at this point. I would suggest that we move on with Orders of the Day.

## **MOTIONS FOR RETURNS**

### **RETURN NO. 8**

**MR. G.H. PENNER (Saskatoon Eastview)** moved that an Order of the Assembly do issue for Return No. 8 showing:

(1) A list of all reports and studies commissioned by the government, its Crown corporations, boards, commissions and agencies, to external consultants for the period from November 1, 1974 to November 1, 1975. (2) The names of these consultants and estimated costs of their studies. (3) the number of preliminary and final reports of each of these studies, and their final costs.

He said: Mr. Speaker, I think the information that is suggested and asked for in the motion is necessary. I thought it was necessary earlier. The kinds of answers the House has received in the last few sitting days has made it even more obvious to me that it is likely that some kind of expertise is required by the government from time to time in various departments, Health, Education, Agriculture, Highways, Transportation. It seems to me that the kind of information that the government would obtain is the kind of information that ought to be public information. I think that the time line that is suggested, November 1, 1974 to November 1, 1975 is reasonable.

Debate adjourned.

### **RETURN NO. 12**

**MRS. E.G. EDWARDS (Saskatoon-Sutherland)** moved that an Order of the Assembly do issue for Return No. 12 showing:

(a) A copy of the letters sent out by the Saskatchewan Hospital Services Plan to the 13 major hospitals outlining the approved patient days, for 1976 budget preparation. (b) The number of approved patient days for each of the 13 major hospitals for 1975.

**HON. W.A. ROBBINS (Minister of Health):** — Mr. Speaker, I should like to make a few remarks with respect to this particular motion, prior to moving an amendment to it.

I should like to give some reasons for the proposed amendment prior to actually moving the motion. I should like to point out to the House, Mr. Speaker, that the hospitals in question have been participating in the global budget program since 1973,



and therefore there have been global budgeting programs in 1973 and 1974 and in the current year. During this period the hospitals reduced their occupancy and have been receiving the benefit of running an occupancy rate lower than that recommended by SHSP. Obviously, Mr. Speaker, these benefits would include an opportunity for staff enrichment.

In order to establish a new base line for the new period of global budgeting, SHSP in August of 1975 submitted to the hospitals a proposed occupancy which was generally based on the hospitals actual experience in 1973-74, and projected experience for 1975. I should like to point out, Mr. Speaker, that the recommended 1976 occupancy rate for most of the hospitals is lower than that approved for the period 1973-75, but it is greater than the hospitals' actual experience in 1974. There were 1,049,805 patient days in that year and the recommended occupancy for 1976 is 1,106,231 patient days, a difference of 56,426 for those 13 major hospitals. There are instances where the 1976 recommended occupancy is lower than the 1974 actual experience. This is due to either construction projects in progress at the hospital or an attempt by SHSP to exert some influence on those hospitals experiencing an unusually high length of stay or utilization rate.

Mr. Speaker, the initial occupancy recommended by SHSP can be negotiated by the hospital and as of this date two have been adjusted upwards as a result of such negotiations, that is, two out of the thirteen in question. The circulation of recommended occupancy to hospitals to allow them to prepare their financial budget is not a recently introduced procedure. I should like to stress to the House that the identical method has been employed at least as far back as 1965. The Hon. Member for Prince Albert-Duck Lake will remember that, because he was Minister of Health at that particular time.

Our purpose in recommending a change in the return is to demonstrate that the 1976 recommended volumes for the 13 large hospitals represent a significantly higher volume than was actually experienced in 1974. I will move an amendment as follows, seconded by my seatmate, Hon. Mr. MacMurchy:

That all the words after the word "a" be deleted and the following be substituted therefor:

sample copy of the letter sent out by the Saskatchewan Hospital Services Plan to the 13 major hospitals outlining the approved patient days, for 1976 budget preparation. (b) The number of actual patient days for the 13 major hospitals in 1973, 1974, and 1975 (as at November 1). (c) The number of approved patient days for the 13 major hospitals in 1975 (as at November 1) and the recommended patient days for 1976.

Debate continues on the motion and the amendment.

**MR. J.G. LANE (Qu'Appelle):** — Mr. Speaker, I rise on this matter to request time for the opposition critic to consider the propose amendment. I ask leave to adjourn debate.

Debate adjourned.

**RETURN NO. 30**

MR. G.H. PENNER (Saskatoon Eastview) moved that an Order in the Assembly do issue for Return No. 30 showing:

- (1) Whether the Minister of Continuing Education will extend the program of community colleges to include subject credits for students who are of regular high school age. (2) If so, copies of any reports and studies with regard to the above.

He said: It has come to my attention that the Department of Continuing Education has been looking at the possibility of extending the program for the community colleges to allow for students who would normally be a part of a secondary school program to take those classes. If that is so, then it has some pretty significant implications, Mr. Speaker, not only for the community college program but also for the regular secondary school program and because of that concern I move this motion.

**HON. E.L. TCHORZEWSKI (Minister of Education):** — Mr. Speaker, I should like to make a few comments on the motion. The motion asks whether the Minister of Continuing Education will extend the program of community colleges to include subject credits for students who are of regular high school age and goes on to ask another question which is an addendum to that. I agree with the Member opposite that in considering that there are some very major implications, implications both for the community college program, as well as implication for the regular educational system that has always existed in the province, in the high schools, in the units, in the cities and so on. The department is very sensitive, Mr. Speaker, to this issue and the implications that they might have, no matter what the decision might be. Because of that concern, Mr. Speaker, there has been established this year, a committee that is doing an extensive study to determine what direction should be taken. The committee consists of representation from all of the bodies and all of the organizations that are affected, and that includes the Saskatchewan School Trustees Association, the Saskatchewan Teachers' Federation, a representation of community college principals, a board member, as well as representation from the Department of Education. That committee will be bringing forth some recommendations based on their study. For me, the Minister, to say that the Minister will do one thing or another would simply be an exercise in speculation, Mr. Speaker, and really I do not think that that is an appropriate kind of an answer that any Minister should be giving and therefore, I don't think that this is an appropriate question which can be answered in this form.

I would ask, Mr. Speaker, that in fact this motion at this time be defeated by the House.

**MR. SPEAKER:** — Order, order!

It's my duty to warn the Assembly that the Hon. Member is about to exercise his right to close the debate and afterwards all Members will be precluded from speaking to this question. Therefore, if any Member wishes to speak, let that Member do so now.

**MR. G.H. PENNER (Saskatoon Eastview):** — Thank you, Mr. Speaker. I appreciate the response given by the Minister of Education (Mr. Tchorzewski). I didn't intend the question to be taken in the way the Minister has taken it. Obviously it's not something that the Minister is going to arbitrarily rule on, but I invite the House to recall the comment made by the Minister in saying that there is in fact a committee that has been struck that will have a report, that will be available for further study and I don't see any reasons, in light of that, Mr. Speaker, why the motion as put ought not to stay and be supported by the House.

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

Motion negatived.

### **RETURN NO. 31**

**MR. G.H. PENNER (Saskatoon Eastview)** moved that an Order of the Assembly do issue for Return No. 31 showing:

(1) Whether the Minister of Education has plans to reorganize and revitalize the programs of the Department of Education. (2) If so, copies of all reports and studies with regard to the above.

He said: Mr. Speaker, I hope that the Minister of Education will not assume the same attitude towards this question as he did to the one that was previously put.

There has been, and I think most Members of the House will be aware of it, a great deal of discussion about plans for reorganization and revitalization of the Department of Education in the province. I understand that there has been a great deal of work done with regard to that topic, there have been conferences held by people who are department staff, there is speculation rampant about what is to happen and I think we ought to be aware of what the intentions are, and I accordingly move that an order of the Assembly do issue for a Return No. 31 showing.

**MR. TCHORZEWSKI:** — Just a brief comment on this, Mr. Speaker, and I regret very much to disappoint the Member opposite, but I must also treat this one in the same way as I did treat the previous one, not necessarily for the reasons that the Member opposite may be thinking. I want to remind the Members opposite that in the last four years the decision-making in the education system in this province has changed considerably from the way it used to be in times we can all very well remember. There is a great deal of consultation that takes place and rather than dictate from the department, or dictation from the Minister or the government, first of all we seek the advice and the suggestions and the ideas of those people in the province who are involved in the educational process, not matter at what levels I could have made those comments in the resolution that was dealt with prior to this.

This resolution in many ways, Mr. Speaker, is similar to the one that was in Item 5. I want to say that if there is a reorganization and I don't question that there is a need to be

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looking at it, and there have been some discussions about it, that when the decisions are made it will be announced in due course. I want to add further that any reports or studies that are done internally within a department for the purposes of the departmental people and the Minister to base their decisions, that it is not normal practice to make those internal kinds of working papers available to the public, or necessarily to this House. And so, it may not be the case that all of those papers will be available because they will be working papers. Certainly the organization of any administrative agency is one which is under constant review and certainly the Department of Education is no exception.

My concern with the question being asked here is that it does not seek information of fact, but that it looks for some future (as the Member used the word) speculative action, which everyone knows as I have said is something that's announced in due course when the decisions is made. Therefore, at this time I again must ask the House to defeat this motion.

**MR. W.H. STODALKA (Maple Creek):** — I should just like to offer a few comments as well on that particular motion.

I think that for some great lengths of time there have been indications that there are going to be changes made within the Department of Education, within the organizational patterns that exist within the Department of Education. I think there is a great deal of concern by people who are presently working in the Department of Education as to just what direction it will be going. Again, a great length of time has elapsed since the first motion was made of this pending reorganization. Possibly the Minister has some obligation to the people within the Department to tell them what plans he has in mind and what direction the Department is moving.

**MR. G.H. PENNER (Saskatoon Eastview):** — Mr. Speaker, with regard to the comments made by the Minister, he has indicated that there have been some significant changes over the last four years with regard to policy within the Department of Education and I submit with respect that one of the greatest of those has been the fact that there has been very little done in terms of the organizational structure within the department. At the same time there has been a great deal that has been said about the need for reorganization. People who are working within the department have for some time been concerned about what is to happen and while the Minister chooses not to discuss the matter here, chooses not to have any reports made available to those who may be interested in the reorganization and the revitalization of the department, may at least this discussion indicate to the Minister that there are many who are very concerned that something be done. We've done enough talking. Let's get at it and do something about it.

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

Motion negatived.

#### **RETURN NO. 34**

**MR. R.A. LARTER (Estevan)** moved that an Order of the Assembly do issue for Return No. 34 showing:

- (a) The amount of money taken into general revenue by

the province of Saskatchewan from the Saskatchewan Land Titles system and the Land Titles Offices in Saskatchewan for each of the individual years between 1940 and 1975 inclusive; (b) The number of employees, their categories and salaries, working in the various Land Titles offices, including individual Land Titles offices for the years 1940 to 1975 inclusive; (c) Total volume of work in dollar value in the years 1940 to 1975 inclusive; (d) The average time lag in processing of work in the various Land Titles offices, including individual Land Titles offices, in the years 1940 to 1975 inclusive; (e) the number of calls to the department complaining about time lags, in the years 1940 to 1975 inclusive, insofar as records indicate.

He said: Mr. Speaker, I am speaking on the delays of transfers and titles going through these Land Titles Offices, the concern of people who are transferring land and waiting for titles to be put through the Land Titles Office, sometimes for a period of four and five weeks and it has gone as far as six weeks. I'm wondering if the legal profession isn't getting blamed for many of these delays, when in fact the Land Titles Office is holding these up. I know that in Calgary they are on a 24 hour basis now and in Edmonton they are approximately three to four days. I know right now in Regina they are approximately 48 hours to a week on our titles and transfers going through here. But I believe a lot of this is due to the mail strike. I'm wondering, with this question, if there aren't sufficient moneys made to increase the efficiency of the Land Titles Office. I believe we could do a lot of public relations in this Land Titles Office. It is a thorn in the sides of a lot of people in this province. Therefore, I move, seconded by Mr. Birkbeck (Moosomin), this Motion.

**HON. R.J. ROMANOW (Attorney General):** — Mr. Speaker, I will want to adjourn this Motion and this debate after I finish a few preliminary remarks with respect to it, and I will want to adjourn it because quite obviously the Motion, as it's presently worded, is awkward at best. It's awkward to answer. For example, the Motion says in part that we should go all the way back to 1940 to give the figures and records with respect to the Land Titles Office. Now I would say first of all even if we did have those records around, which I think is very unlikely, that it would be next to meaningless to the Hon. Member or to the House because the province has changed, the nature of the commercial transactions have changed, the operation of the Land Titles Office has changed, and the most significant change being on or about 1959 when the former Attorney General, Robert Walker, endeavoured to set up what was called the next day turn-around system in the Land Titles Office. So, to go back to that period, really has no validity or meaning whatsoever.

I ask the Members to look at clause (c) of the Motion which I think at best is not clear. It's suggested that the volume of work can be furnished, and we can do that all right, but I don't think there is any way we can furnish the dollar value of the instruments processed, which is the effect of clause (c). There is just no mechanism for that that's available. Clause (e) of the Motion, again I don't want to be too technical about it, is similarly in the same boat. Clause (e) talks about

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“calls” to the department and I ask the Members to note calls to the department dating from 1940 to 1975. We just simply don’t have people who sit around, especially pre 1950, noting telephone calls or other calls about people who may or may not be complaining about the Land Titles system.

The second point that I want to make, Mr. Speaker, is generally that I share some of the concerns raised by the Member about the next day turn-around objectives of the Land Titles system. When the Land Titles system was restructured in 1959, that was the objective and with some difficulty, I think it met that objective. However, we have had a very unusual (in fact unparalleled) form of economic activity and land transfer activity in the province of Saskatchewan, particularly in the last year and a half or two years. Quite frankly speaking, there has been a very expansive surge of commercial activity which is reflected in two fields of action — Central Registry and the Land Titles Office. There are many figures on this— I could go back to the days when my friends of the Liberal Party were in office, and I don’t want to, but I’ll just give you one to show you about how the rise is continuing, and that is that in October of 1974 the ten day average of documents received in the Regina Land Titles Office was 175 documents per day. In October of this year, 1975, one year later, that same ten day average saw the numbers increased from 175 per day to 252 documents per day, or almost a hundred per cent increase in one year and 1974 is not a good year to compare with. Really you should be comparing with something in 1970 or 1971.

I should also like to say that the important thing to keep in mind about the Land Titles system is that when it was restructured in 1959 it was restructured on what I thin can be described as a sort of an instrument employee basis, or instrument employee ratio. I think this worked fairly well, so long as there was no great fluctuation in the work that was received at any time. But that didn’t happen as I’ve said in the last two years in particular. From 1967 through and including 1971, workloads appeared to be actually diminishing, if you’d believe that. I guess you would, noticing the lack of economic activity in Saskatchewan. But workloads judging by Land Titles Offices were actually diminishing from that period of 1967-1971. For example, in the fiscal year 1967-68 the number of documents received for registration and filed totalled 154,787 and that decreased downwards from that period of 1967-68 on a gradual basis until 1970-71, unusual as it may see, the number of documents received for registration was reduced to 134,966 from the previous high in 1967 of 154,000, a reduction of over 20,000 documents, instruments, to the Land Titles system.

We then saw, up re-election of this government, not necessarily because of it, but it coincided with this, that there was a gradual increase in documents so that in 1971-72 fiscal we went back to 144,347 documents registered. Note that that’s still over 10,000 documents below what it was nearly four or five years before.

In 1973-74 we increased further and now the documents presented for registration were 184,955, truly a dramatic jump. So we have a jump from 154,000 approximately which was the previous high in the period of 1967, or thereabouts, to a jump in the neighbourhood of 185,000 in the period 1973-74. It has been going at about that average ever since. The point that I

make is that the basis of the system on an instrument employee basis was good as long as you didn't see this type of dramatic surge through the system which the economic community generated. That created some of the difficulties.

I think a second problem concerns itself also with the very complex nature of the work that is involved in Land Titles. As anybody who has had any dealings with Land Titles would know we are in need of personnel who are experienced and knowledgeable in a very wide field of the law generally and in the Torrens law system in particular upon which the Land Titles system is based.

I haven't done a total check of this but my assistants in the Attorney General's Department indicate that something like 70 individual different pieces of legislation are dealt with in some form or other by the various Land Titles' officials, the engrossers, the clerks, the registrars, and everybody from top to bottom. That is really quite a fantastic number of Bills to be very conversant with. You can't afford to make mistakes. Accordingly you need personnel especially in a surge period, when you have 35,000 more documents that are coming into the system in any one given sort of period. You are going to need more personnel. But just not any personnel. Some personnel who are skilled and trained and knowledgeable in these 70 pieces of legislation. In this area we haven't had as much success as we would have liked to have had in attracting the number of personnel that we would need to account for this particular search.

May I make one other final comment in this area of personnel. I want to say, Mr. Speaker, and Members of the Legislature that what the Hon. Member says in his opening remarks is the nub of a very important political and programmatical decision that governments everywhere and this government has to make. Because on the one hand the Hon. Member complains that the work is not being put out fast enough to which I agree. I hope the Member looking at this objectively would also agree with me that this is not because of an inefficiency or sloppiness on the part of the Land Titles 'people' but because there is the surge work. If we are going to meet and overcome the Hon. Member's complaint that we have got to get the Land Titles' work out quickly, then we are going to need personnel. There is no other way. If there is some other way of doing it, I should be pleased if the Hon. Member would tell me.

When you get additional personnel you have more of a bureaucracy, more civil servants and more people under the Attorney General's Department. I am saying that this dramatizes for the Press and for the Members of this House the type of contradictions that we get ourselves built into. We can't as an opposition or as a government say that we should be cutting back on employees, let alone holding the line on employees.

**MR. MacDONALD:** — Cutting back.

**MR. ROMANOW:** — Okay, even cutting back, while on the other hand we are trying to meet the very legitimate concerns of doing day to day commerce, which is very important, doing business which is land titles. You are going to need the bodies. So if we go for extra positions which I must tell the Hon. Member opposite we have done so through the Treasury Board to try to meet this

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surge problem though I think now it will be a stable problem, from here on in. This will be a fact of the Saskatchewan Land Titles system. We need bodies. So I will be looking to the Hon. Member for Estevan (Mr. Larter) to give me support when my Estimates come up for the additional personnel that come to the Land Titles Office system because of the figures that I show here. The workers that are there are working flat out. I want to tell you, Mr. Speaker, they have put in overtime. They have brought in where possible, part time people, and this is not the type of business you can bring in a part time person easily because of the high degree of skill and knowledge needed. They have been working flat out. The surge continues. The work continues. The only solution is to get more people in the coming budget year.

I want to, as I said in the beginning, to adjourn the debate because in order to provide you these types of facts which I am prepared to do, I will have to amend the Motion because quite obviously the way it is worked in some parts I cannot answer it.

I want to pay tribute to the Land Titles' people everywhere, in Saskatoon and Regina. They have been under the gun from me. They have been under the gun from the Press. They have been under the gun from the opposition and from the business community and right so. But they have really responded their best to the challenges thrown out to them. I think that all we can do is to continue to give them support; try and make modern and more efficient the Land Titles system and to implement some of the changes by way of additional personnel that I have talked about.

I may make some other comments when this matter come up next day. But I really want to amend it so that I can give the Member the types of questions and answers that he needs in order to make his own judgments. I would be pleased to hear his suggestions as to how we can improve the system even more. Accordingly, Mr. Speaker, I beg leave to adjourn the debate.

Debate adjourned.

**MR. R. L. COLLVER (Leader of the Progressive Conservatives):** — Mr. Speaker, I wonder if the Attorney General before he takes his seat would answer a couple of very brief questions. The first one is — I think you have answered it, since the Department has no statistical data as far back as we have requested. Would the Minister, as the Minister of Health (Mr. Robbins) has done, amend the Motion to provide the statistics for the years that you do have such statistics available, relatively easily? There was no intent in the question to require the Department to dig for further statistical data than it already has. We wanted it as far back as is humanly possible. If the Attorney General would do that.

**MR. ROMANOW:** — Mr. Speaker, I would answer the Hon. Leader of the Progressive Conservative Party as follows. We can first of all give him statistics which I think will be meaningful. The preliminary memo that I have from the Department indicates that probably a meaningful figure would be a ten-year period from 1965 to 1975 and we will try and back it up even further than that. But that will give you some indication on what has been happening.



As to the second part of the question, we are satisfied that the Land Titles Office is using the most modern of administrative techniques and the like. I think the answer to that is, candidly, that we are not totally satisfied that we are using the most modern and the best of administrative practices and procedures. At one time during the period of 1964 to 1971, the former government examined the concept of computerization of the Land Titles system. But faced with some of the statistics which I have cited, showing the peak of '66 and '67 and then a very dramatic decrease, I think the study was shelved and put aside on the argument that the cost of the hardware and the cost of the effect on disrupting employee-employer relationships didn't justify the implementation of a computer system. A result was that a decision was made somewhere around the period of 1969-1971, without being precise, that there should be no computerization. That is the system we have inherited. To conclude the question, computerization as a modern day potential now is something very much that is a matter that is being looked at and will be looked at more so by my department and my officials. Lest I be misinterpreted, that is with no insecurity threat to any of the employees. We would have to work out some accommodation there to which everybody agrees. And also lest I be misinterpreted, without any criticism of the work that is being done by the employees now, who, even if the system is inefficient, are doing their conscientious best within the system, efficient or otherwise.

**MR. COLLVER:** — Before the Attorney General takes his seat could I ask one further question? Has the department considered the utilization of a computer expert within its own ranks to develop or help to develop this modernization of the Land Titles Department as it relates to the legal Land Titles system in the province of Saskatchewan?

**MR. ROMANOW:** — The simple answer to that is, no, we have not, working on the assumption that we will be able to either contract out for the advice of an external expert. It has to be measured out in the economic terms, and of course on the argument that any functions should be through Saskatchewan Computer Utility, if implemented. It would be the appropriate vehicle for it is a Crown corporation as the Hon. Member knows. In this area we do not have an in-house computer person to advise us. We do have studies and we do have access to the external aspect of it. All of which is part of the attempt by my department to overcome this very real and very important problem.

**MR. S.J. CAMERON (Regina South):** — Mr. Speaker, would the Attorney General permit one more question? I might say incidentally in posing the question, I raised this matter with the Attorney General on September 25, by letter in a formal question. He responded on October 29, which under the circumstances was a reasonably quick response. I must say it was a good response too, which I give the Attorney General some credit for. At that time the Land Titles system was running some four to five weeks behind and it had been doing that for about 18 months. The Attorney General indicated to me then that he was treating this as a matter of priority, getting the time speeded up in the system. Indeed I think that has been done to some extent. I think the delays now in Regina, at least, have been reduced to about two weeks from four to five weeks at the time I asked the question. So

some genuine progress has been made. Generally speaking the Torrens system and the Land Titles system in the province is a very good one and we are fortunate to have it. By and large, administratively it is administered very well. The particular question I should like to ask the Attorney General is, can he give us some indication when the turnaround time in the Land Titles Office will be reduced further from the two-week delays now to the 24-hour turnaround time that ideally it runs on?

**MR. ROMANOW:** — Mr. Speaker, this is somewhat indefinite, subject to some major overhaul of the system along increased hardware and computerization that we have talked about. This is difficult to give a precise answer. My people advise me that we are all but up-to-date in all the centres except perhaps the largest ones, Regina, Saskatoon and Yorkton. The Yorkton one, I am told, is a very temporary one for a number of reasons including the so-called influenza epidemic which is hitting groups of employees and has yet avoided hitting the MLAs. That is a very temporary situation, I am told.

The Saskatoon - Regina one is a very difficult one because of the volume of the work. We are there, in the three, or four, or five day category already. The only way that the matter can be overcome is (1) to pile on overtime, I am talking about the short run, which we have done. If I might give you an example, in September of 1974 the overtime hours amounted to 370 approximately. This year the overtime hours have amounted to nearly 1,100 hours in September. So the staffs have really been putting in the time. That is one way to overcome it. (2) Hire and train the people, additional staff and here comes one of our problems, not the only one but one of our problems; obtaining adequate personnel and training adequate personnel in order to make sure they can do the job. This is what we are endeavouring to do. As to when we can achieve the turnaround, I can't tell the Hon. Member other than to say we try our best to achieve this objective. Maybe something more drastic will be necessary in order to rectify the situation on a permanent basis.

**MR. CAMERON:** — Will you permit one last question. In view of the shortage of employees in the system and I do agree with you that there has been a tremendous surge in the system in the last two years, in view of the shortage of employees there, have you looked at bringing employees into the Land Titles system from other areas of the public service and retraining them?

**MR. ROMANOW:** — In the general sense I would have to say, no, to that, other than who might apply for a particular job or a vacancy in the area. But in general I think the answer would have to be, no. A comment to a specific aspect of the question is that we have on occasion brought in Land Titles' employees from other centres into a trouble spot to put in overtime and to assist to try and bring the office up-to-date. That is only temporary at best. When they get caught up they go back to their centre. We got hit by a six day strike last summer by the SGEA employees. Just when we had the system up to snuff, it was knocked out again for another two or three weeks. That is the type of story we have been having. I am confident we can overcome the problem. We have the best Land Titles system in the country. I am

confident of that and I am sure that we will overcome it in the next little while.

Debate adjourned.

### **RETURN NO. 35**

MR. E.F.A. MERCHANT (Regina Wascana) moved that an Order of the Assembly do issue for Return No. 35 showing:

- (1) The total cost of the Disruptive Circumstance Assistance Program.
- (2) The number of companies that received assistance under this program.

He said: Mr. Speaker, the information requested in this Return is information to which I made reference in addressing myself to you yesterday. The government as a result of their programs disrupted the progress in the oil industry somewhat, then they had to subsidize the service industry. The quotation that I read to you described this as "Socialism at its bloody worst." And this question simply asks how much money was involved and the number of companies that received the corporate social welfare that this government was kind enough to give to them.

I assume that the question was only moved to Motions for Return to give the government more time. I assume that the question will be answered. I so move this Motion, seconded by the Member for Lakeview (Mr. Malone).

**HON. J.R. MESSER (Minister of Industry & Commerce):** — Mr. Speaker, in regard to Return No. 35, I have discussed with my officials whether or not we can provide the information that the Member is asking for, because there was a period of time during the time the Disruptive Circumstances Assistance Program was in place where we were advancing monies to some companies, not knowing at that time the full amount of assistance that they would be given and still don't at this time. We will be proposing an amendment that will, I think, provide the information that the Member wants and also provide to him information where there were advances made and the reason for not being able to disclose the total sum of money that will be paid out. In some instances some companies will have to pay us money because the advance was more than what the final payment should be. In other instances there will be advances made and yet greater payments to come from the Disruptive Assistance Program in order to give them the amount that they are entitled to.

So I would beg leave to adjourn the debate so that I could propose the amendment to the Member and at that time provide him with the information.

Debate adjourned.

### **RESOLUTIONS**

#### **RESOLUTION NO. 1 - NATIONAL STABILIZATION PROGRAMS TO GUARANTEE REALISTIC PRICES FOR AGRICULTURAL PRODUCTS**

MR. D.G. BANDA (Redberry) moved, seconded by Mr. L.E. Johnson (Turtleford):

That this Assembly requests the federal government to

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recognize the inadequacy of its present stabilization programs and move to amend Bill C50 to develop long-term national stabilization programs, based on federal-provincial producer co-operation, that guarantee realistic prices based on full costs of production for all agricultural products, with first priority being given to programs for key commodities such as hogs and calves, and the amendments also prevent proliferation of provincial programs that distort natural production advantages.

He said; Mr. Speaker, I rise to speak to this Resolution requesting the federal government to recognize the problems of livestock producers and join in with the province to develop long-term stabilization programs. The urgency of the matter is clear. The problems facing farmers are particularly severe in certain sectors of the livestock industry. Let us examine the situation which confronts the cattle producers of our province.

The beef industry in Saskatchewan is basically a cow-calf operation with about half the calf crop leaving the province each year for further feeding and finishing. These cattle do not return to Saskatchewan to be slaughtered. In addition, more than half the cattle finished for slaughter in Saskatchewan leave the province to be slaughtered. Cattle production is a significant industry in this province and Statistics Canada has estimated that on July 1, 1975, there were 3,156,000 cattle in Saskatchewan. Of this number, about 1.5 million head are breeding beef cows and heifers, and 1,065,000 are calves under one year of age.

During the year of 1974 Saskatchewan farmers realized farm cash receipts averaging about \$285,189,000 from the sale of cattle and calves. From January to July of 1975 farm cash receipts for cattle and calves totalled only \$181,700,000. Cattle receipts showed a 17.3 per cent increase, but calf receipts showed a decrease of 45.8 per cent.

Mr. Speaker, during this same period producers are facing drastic increases in the costs of inputs required for beef production. Using Statistics Canada figures, farm input price indexes in Western Canada for fencing and construction have risen from 200.9 at 1974 year end to 226.1 in the second quarter of 1975 for an increase of 10.9 per cent. The farm input index on balers was increased from 144.7 to 165.2 since the 1974 year end. Farm labour has increased from 248.7 to 288 or 19.3 per cent.

Prices of grain remain at a high level. Farm input price indexes on feed grains have increased from 232.3 to 242.1 in the second quarter or 2.7 per cent.

Since the beginning of 1975 prices for cattle and calves have declined drastically. Calves that sold for 60 cents to 70 cents per pound just two years ago now sell for 10 cents to 30 cents depending on their weight. Slaughter cattle at Saskatoon are selling at prices in the area of 30 cents per pound, compared to 39 cents and 40 cents last year. Mr. Speaker, poorer grade cows are selling as low as eight cents a pound. There is no other major sector of the economy which continually operates under these adverse conditions.

We are now experiencing a very severe reduction in numbers of livestock, both in hogs and cattle, as a result of the extreme price fluctuations which have taken place in the past two years. Slaughter of heifers in Western Canada to the end of August, 1975 has increased by 47.8 per cent. At the same time heifer slaughter in Eastern Canada has increased 32.5 per cent or an overall slaughter of 42 per cent. Cow slaughter in Western Canada increased 39.6 per cent and 28.4 per cent in Eastern Canada for an overall increase in cow slaughter of 34.7 per cent in one year's time.

Mr. Speaker, in my opinion, this is neither desirable nor economically advantageous for our Saskatchewan economy. I can agree that we may have reached a point where our cattle numbers should stabilize in the interest of maintaining a stable price market. However, I am not convinced that we really have over-produced in the Canadian market and statistics will show that as a nation we are still a net importer of beef. Canadian exports of livestock up until October 11, 1975 totalled 24,218,883 head. Mr. Speaker, at the same time our imports totalled 114,200,225, that is close to five times more livestock imported than exported. Any major reduction therefore will mean either a shortage of beef in the near future or the need to import more from abroad to meet our domestic needs.

Saskatchewan has a tremendous agricultural potential. Over 40 per cent of the improved farm land in Canada is located in Saskatchewan. Our farmers have a world-wide reputation as efficient producers of cereal grains and oil seeds. Since livestock are consumers of grains as well as forage the only logical conclusion can be that Saskatchewan possesses a true production advantage for the production of both grains and livestock.

Let us examine the situation. We have in Saskatchewan about one head of cattle for every 25 acres of farm land. The average for all of Canada is one head per 13 acres of farm land. In Quebec there is one head for every six acres, in Ontario one head per five acres and in Alberta one head per 13 acres.

In Saskatchewan there is one hog per 56 acres of farm land and compared with one hog per 21 acres for Canada as a whole. Ontario has one hog per seven acres, Quebec one hog per eight acres and Alberta one hog per 27 acres. The story is the same for other livestock and poultry commodities.

Because it is virtually impossible for an industry such as the beef industry because of its long production cycle to react quickly to market signals, whatever they happen to be, and because it is virtually impossible to predict production to meet the fine line which economists would call a balanced supply and demand, many people, both producers and consumers are convinced there has to be a better price setting mechanism than we now have in place.

It is inconceivable that a variation of production of as little as two or three per cent either over or under the supply demand line should reflect in the fantastic gyrations which have taken place not only in livestock and hogs but both in feed and food grain as well. Mr. Speaker, because many people in governments have come to recognize that there should be some better price setting mechanism through the free market, many variations of price support and stabilization programs have been proposed and implemented.

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Farmstart for instance has been introduced by this government to develop the livestock industry in the province to achieve the potential of which it is capable. Cash advance programs on calves was introduced by this government to help the cow-calf operators get by last year. The amount of money advanced to producers under this program amounted to \$35 million. The amount of advances this year could very well reach \$45 million or more. This government injected in excess of \$14 million in hog stabilization payments to help a staggering industry. Unfortunately, Mr. Speaker, these are only short-term measures.

Our contention as well as the Government of Saskatchewan has been that there should be a national stabilization program for farm products which should provide a floor, which would provide a return of at least the cost of production to producers. Our government has made earnest efforts through federal-provincial meetings to try to arrive at a floor price which would shelter producers from disastrously low returns. The formula which has been used under Bill C50 is highly inadequate.

While the legislation allows for some flexibility in establishing stabilization price levels and to a degree incorporates the important principle of relating stabilization prices to the cost of production, certain principles considered important by the Government of Saskatchewan and incorporated in the Saskatchewan hog price stabilization programs are not followed. The most serious deficiencies are as follows:

First of all, the legislation still does not provide a clear cut mechanism for relating stabilization prices to current costs of production, especially in cases where market cycles of long duration occur, resulting in an extended period of prices below the cost of production. In such cases, the prescribed price would be below the cost of production even after the index adjustment was made.

Secondly, payments are still to be related to average prices received by all producers rather than to the specific price received by an individual producer in a region during any stabilization period.

Thirdly, the Saskatchewan program provided for three month periods which better facilitates adjustments in the stabilization price during period of rapidly changing costs of production and which shorten the waiting period of the producer for stabilization payments, thereby improving cash flow.

The plan as it now exists is of no value to producers. The support price of \$43.94 for finished beef. This figure has just been lowered by the federal government from \$45.41. It is based on a national average and meaningless on a regional basis for provinces with traditionally lower market prices such as Saskatchewan. The freight rates at the same time have been allowed to increase on owner double deck cars by 15 per cent and rail owned cars by 10 per cent since May 5, 1975. These improved tariffs have not helped improve service, because there are fewer cars carrying livestock than before.

The hog industry is in much the same situation. When we announced the first provincial stabilization program on hogs, the federal government had promised they were about to announce

a plan. We felt that on the basis of their guarantees we could provide an immediate price guarantee to provide producers with the assurances they required to maintain production through a period of rapidly falling prices. What actually happened is now history. The Provincial Treasury of Saskatchewan carried the ball alone to the tune of \$14.5 million so far, while the federal government set back and did nothing. Last summer when the worst was over, the federal government came along with a hog stabilization plan. Typically unrealistic, the guaranteed price is based on the rate of performance best swine results, rather than the typical producers cost of production. It takes into account no costs for producing weaning pigs, and will be paid on the difference between the average market prices for a year rather than on a quarterly basis. Taking into account the above facts, the producers will not get any payments from the federal hog plan either.

Even those who are opposed to national marketing programs will recognize, I am sure, that if we do not get a national program, those governments who have low livestock numbers and richer treasuries will provide their own support programs. Provinces like British Columbia and Ontario, now joined by Quebec and Manitoba, are already into provincial programs, most of which would be well beyond the capability of our two provinces, Alberta and Saskatchewan, to match.

As a result of these provincial programs in those provinces, livestock numbers will probably increase in an area where they do not have the natural production capabilities that we have here in the West. Yet that is where our feeders are going, our food grain is going, and eventually if our livestock numbers decline to any extent, our processing industry will follow.

This world is facing a crisis situation in food supplies, and Saskatchewan producers of livestock are today losing money every day that they stay in production and just three years ago Saskatchewan grain producers were in about the same situation. Surely the need for more sophisticated marketing structures and stabilization plans to provide proper returns at least equal to the cost of production is apparent.

Besides the fact that the Provincial Treasury simply cannot afford any meaningful support level for beef, as with hogs, the responsibility is already a national one. Therefore, Mr. Speaker, I move this Resolution.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. E. ANDERSON (Shaunavon):** — Mr. Speaker, I certainly agree with the Hon. Member that the cattle industry is in a difficult situation. I cannot agree with the part of his Motion that asks for stabilization based on full cost of production, because on this basis of cost production, you base across the whole industry with your smaller and your larger operators. Quite often your larger operators will produce livestock of any sort of a cheaper cost per unit. In doing this, we are not only at a cost of production but by putting this subsidy out on a cost production basis it creates a profit basis too. If you check any stabilization basis plan or subsidy plan that has been put in that guarantees a profit you run into a very interesting phenomenon. Usually the programs that have worked have been based on 90 per cent parity, which is a short-term type of a stabilization.

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plan. If you put at full cost for a level of stabilization that guarantees a profit you'll find your larger operators are making a greater profit and they expand. You also will get more production until you run into an over-production position. The only way to correct this, you fall back into production controls. When you go back to production controls you then find that a large operator who wishes to expand is quite willing to buy out a smaller operator at an excessive price to get his quota. This has happened if you check through The Milk Producers Marketing Act that the quota itself was worth much more than the operation. So you run into another problem there, which is, if a young farmer wants to buy an average-size unit to get started he is bidding against a large producer who has the backing to buy that production quota because it's a guaranteed profit for him. He can get any amount of backing. If you carried this to the fullest, which has happened if you check the operations of the Milk Producers Stabilization Plan, and other plans that follow this in the United States, you find that the bigger operators keep getting bigger and the smaller operators that sell out are not picked up and they go to the bigger operator. So I say, I agree with your idea. I can't agree with the Motion because of the full cost production will put us in that situation and I believe in doing this we are doing a disservice to the young farmer and to the small farmer, because we are forcing him into a position where a larger farmer who is going to make a profit is going to buy him out.

Therefore I cannot support this motion, Mr. Speaker.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. J. WIEBE (Morse):** — Mr. Speaker, I feel some comment is needed in regard to this particular Resolution.

While I can go along initially and say that part of the Resolution I agree with, there are parts of it, as have been mentioned by my colleague from Shaunavon (Mr. Anderson), that I cannot agree with. The start of the Resolution states that this Assembly requests the federal government to recognize the inadequacies of its present stabilization programs. It should have gone on to include that this Assembly requests the provincial government to recognize their inadequacies in terms of a stabilization program for livestock. It seems strange, Mr. Speaker, that for some reason all the woes and problems that the provincial government has they like to heap those problems onto the federal government and refuses to accept some of that responsibility itself. The Member, in moving this Resolution, went on to say how some other provinces in Canada have reacted to the plight of the cattle producer and the hog producer, but here again we have to ask: how has this government reacted in terms of the cattle producer and the hog producer? First of all he mentioned the hog subsidy program which the province now has. Let me say, Mr. Speaker, that had the Hog Marketing Commission not been rammed down the throats of all hog producers in this province, without a vote, that we would not presently have a hog subsidy program. That instead the hog producer would be treated in the same manner as cattle producers are presently being treated. The reason why we have a subsidy program on hogs is because it was politically advantageous for this government to do it. They realized at the time that the price of hogs was falling. They realized that the blame for the price decline on hogs would strictly be on their



shoulders because of the Hog Marketing Commission. It was for that reason, to avoid that type of criticism, that the subsidy program was introduced.

If the government feels that the preservation of the hog industry in this province is vital, I am sure that they should feel that the preservation of the cattle industry in this province is just as vital. If you can justify spending that kind of money on a subsidy program on hogs, why not the same kind of program for cattle producers? I suggest, Mr. Speaker, that the reason why the government is sitting idly by and not doing anything concrete for cattle is because they wish to ram a cattle marketing commission down the throats of each and every rancher in this province. Let me point out before I go any further, that we on this side of the House, are not opposed to marketing boards or marketing commissions and we made that point very clear in the debate of The Natural Products Marketing Act. Our opposition to that particular piece of legislation was because hog producers in this province were not granted the right to vote as to whether they wanted the marketing board or whether they didn't. Secondly, our opposition to that particular marketing commission was the fact that the government will dictate who represents the hog producers in this province and not the hog producers themselves.

Going back to that debate we stated time and time again, that a vote should be held by all hog producers in this province, and if all hog producers, or the majority agreed to a hog marketing commission, that the hog producers themselves be the ones who would elect members to serve on that particular board and hog producers themselves could determine and own their own affairs.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. WIEBE:** — Here again, why is no meaningful subsidy program, or meaningful help being provided to the cattle industry in this province.

Again, you are asking Ottawa to bail the provincial government out, and yet let's look at Saskatchewan. I can dare say that 80 per cent of the revenue which this government receives and which everybody in this province receives comes directly from the agricultural industry. And yet, when we look at our provincial budget, and I'm sure when Estimates are brought down next spring that you'll find something like 10 or 15 per cent of the money that's collected by the government opposite is allocated back to agriculture, a very, very small percentage. We are strictly an agriculture province. Why can't we as a province spend more money to protect the real and only industry that we do have in this province. Again, government Members opposite are asking the federal government to come along and bail them out. The federal government is already bailing them out in terms of medicare, hospitalization, education, highways and so on. How much more help do you think Ottawa can possibly give to this province? I think it's about time that we realized that we as a province have a right to protect our major industry in this province, that being agriculture.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. WIEBE:** — Mr. Speaker, there are more comments which I have to make on this Resolution and I beg leave to adjourn the debate.

Debate adjourned.

### **RESOLUTION NO. 3 - INCREASE OF GOVERNMENT CORPORATION RATES**

MR. D.G. STEUART (Leader of the Opposition) moved, seconded by Mr. Cameron (Regina South)

That this Assembly strongly disapproves of the enormous increases in the Saskatchewan Telephone rates of 25 per cent, the Saskatchewan Power Corporation electrical and gas rates on the average of 26 per cent and 47 per cent respectively and the Saskatchewan Government Insurance rates on automobiles and private dwellings averaging 25 per cent.

He said: Mr. Speaker, in this Resolution I am asking that this Assembly strongly disapprove of the enormous increases taken this year by the Saskatchewan Power Corporation, Saskatchewan Telephones, and the Saskatchewan Government Insurance office. I am going to ask the government to do more than that. I'm going to ask them to take some action about these increases and I'm going to ask them to set an example to the people of this province in the fight against inflation, and the people in the rest of Canada.

I'm sure all Members and people in the province generally recognize that the government can justify some increases based on need, or based on an increase in costs for these Crown corporations, these very important Crown corporations, but I want the House to look with me for a few minutes at the facts of what these increases will mean, not to the Crown corporations, not to the government, but rather to the people of the province of Saskatchewan.

To start off with the Saskatchewan Power Corporation. Now last year the Saskatchewan Power Corporation did \$145 million worth of business in this province and they had a net profit of about \$12 million or \$11.7 million. It was down slightly, and I'm not sure whether it was down slightly because of added costs or because of the deficiencies, or it might have been both. The high point of the profits in the Saskatchewan Power Corporation (it was a few years ago) under a Liberal administration incidentally, was when it made about \$20 million. Now it has been going down somewhat in the last four or five years. Again, I recognize that increased costs have played a serious part in the decline of the profits while there have been some increases, they have been hidden increases. They haven't been general and they haven't been of any great magnitude until this year when the government opposite approved increases for electrical rates in this province of some 25 per cent and in gas rates of almost 50 per cent (47 per cent) in fact overall.

What does this mean to the Power Corporation? What will they take in extra from the people of Saskatchewan next year as a result of these huge increases, and these are tremendous increases; they are up almost 50 per cent in the cost to heat our homes. To begin with, on the electrical side they did \$90 million worth of business. With a 26 per cent increase just based on them doing the same business (and they'll do more business next year), it will give them an added revenue of \$24 million. That makes \$24 million will come out of the pockets of the people of the province of Saskatchewan and those engaged in business in this province.

The gas division of the Power Corporation did about \$51 million, a little over \$51 million last year. At a 47 per cent increase it will bring them an added \$23 million. But again, it will be compounded because they will do more business next year because of the increases, because of the increased demand that has grown every year for gas, natural gas in this province, but the increase just based on last year's business alone will amount to something in excess of \$23 million. Well now that means in these utilities, electricity and gas, the people of Saskatchewan will be asked (they won't be asked; it will be demanded of them by the NDP government opposite) that they reach into their pockets and pay out basically \$47 million more, in fact it will be a great deal more than that as I shall point out later.

You have to ask: what has happened to the NDP philosophy that they talked of for so many years when they talk about Crown corporation of giving service at cost? Whatever happened to that philosophy? Well something happened to it, especially after the last election.

Let's look for a moment at the other increases. The SGIO. Now if you look at the records of the SGIO, their general insurance suffered a loss of about \$2 million on their underwriting of what they took in last year. But they have asked for an increase of 25 per cent. Now they don't need 25 per cent to cover-off that loss. They did a volume of \$28 million. Twenty-five per cent of that will give them an increase of \$7 million.

They are also increasing, as I understand it, the Automobile Accident Insurance. It showed a profit last year of about \$1.4 million, plus the fact that they took in (I say raided or robbed) three cents a gallon from the revenue that comes in on gas tax to the Government of Saskatchewan which would account for another \$10 million or \$12 million. So I say that this increase is unjustified, unless the government is going to announce in this Session, or very shortly that they intend to stop that very bad practice, that hidden subsidy, that subsidy that subsidizes poor drivers in this province, if they are going to quit raiding the gas tax, then I would say the 25 per cent increase would be and could be justified.

What about Sask Tel? Well now, Mr. Speaker, Sask Tel on the surface, unless they can justify it and they haven't justified it to this point, is the worst increase of all. Last year in local service they did about a volume of \$23 million. On the toll service they did about \$51 million. Now they made on this volume of business a profit of \$17.5 million. That was up a million dollars from a year ago. Now they made \$17.5 million profit — it's up \$1 million and they have the nerve to come back to people and say 'but this year we need a sharp increase, an increase of about \$25 million.' I don't know and I don't remember whether that increase is just going to be on the local service, or whether it is going to be all or partially on the toll service. If it is just on the local service it will give them an increase in revenue something in excess of \$6 million; if it's on both, it will give them an increase of something in the neighborhood of \$18 million. In spite of the fact that they made \$17 million, in spite of the fact that they had a record year, in spite of the fact that their profit was up \$1 million, they are going to ask the people of this province, pony up, to put up another somewhere between six and eighteen million dollars. What does this total? Well, if I just take the

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\$6 million increase for Sask Tel, this means that the NDP government, the fighters against inflation, the defenders of the poor, those people who are so concerned about our senior citizens, are demanding that the people of the province, in this year of fighting inflation (when they are supposed to be fighting inflation) are going to gouge the people of Saskatchewan for anywhere from \$84 to \$100 million extra next year just for these four very basic services alone.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. STEUART:** — Just on the surface, it means about \$300 a family. That falls on the well-off and the poor alike. In fact, it doesn't really fall evenly on the low income families and the high income families because there's no question that those people in lower incomes pay a far greater percentage of their income for light and heat and telephones and insurance. Let's not kid ourselves, this is a very unfair increase. This is an increase that falls far more heavily percentage-wise on those people least able to pay. Again, we are talking about something very basic — heat, light and insurance, protection for their home and for their automobile, if they can afford one, and telephone. Now telephone may not be that necessary, but I think most people in this day and age would consider it a necessity.

I say that these are the worst kind of price increases, because when you look at it in a little depth, a great deal of the increase will be against people in business. Everyone knows that the people in businesses have no choice. Of course, they will pass it off. When the people in the retail business, the people in the manufacturing business, the people in the hotel business, when their power bill goes up, when their costs of heating goes up, when their telephone bills go up, and when their insurance goes up, they will pass these costs on to their customers. They don't just pass the cost off, they pass the cost on plus the normal profit. So when you add this factor in, this increase will in fact mean the families of Saskatchewan, just by this one act of the government opposite, will be paying anywhere from \$400 to \$500 more for these basic services next year than they paid last year.

Now, you know, this is interesting because the NDP in doing this, let's make no mistake the so-called boards of directors of these Crown corporations aren't the ones who call the shots, they never have and they never will. The government opposite, it is always the government of the day that says there will be major increases. And so it should be, it is their responsibility and they have the last word, the Cabinet has, and that's the way it should be. But they are doing exactly the very thing that they accuse the federal government through their anti-inflation move of allowing private companies to do. They are saying to the federal government, in your so-called fight against inflation you are saying in regard to price increases that the companies take the price increase and then after if you can't justify it, the Anti-inflation Board will make you roll it back. It's exactly what you have done. You've taken the price increase and you've done even worse, because you haven't consulted anybody and you don't propose to allow anybody to sit in on judgment as to whether these increases are justified or not. You put them in and the public can like it or lump it.

So when it comes to action, again the NDP talk one way, and they act another way. But why haven't they done what they asked the federal government to do. I would think that the ordinary Members in their caucus would be saying and should be saying to the government, why aren't you doing exactly what you asked the federal government, why aren't you holding some kind of hearings and attempting to justify to the people these enormous increases in their cost of living over which you have total and absolute control? I'll tell you why, you have to believe, I have to believe they are not doing this, Mr. Speaker, because they know they can't justify these huge increases. How can they justify an increase of 25 per cent on telephone, when last year they made \$17.5 million, probably a record or close to a record amount ever made in the history of this province. How can they justify ripping off, that's the right word, the public, the people of Saskatchewan for anywhere from \$84 million to \$100 million for only four basic services over which, as I say, they have total control.

The Premier, the Premier of the province says to the federal government, he said what I would do if I had the power is I would control immediately the price of things like steel and cement because he says these things have a tendency to go up to have a ripple effect and they push up the price of housing and construction and everything else. They are very basic to our national economy and when they go up they set up a chain reaction and it ends up costing the ultimate consumer far more than the increase they take in these basic commodities. I think that he is justified in this. I think that there is some merit in this but surely if this is true on the national scene, surely then on the provincial scene costs like lights, heat and insurance and even telephones are just as basic to our provincial economy as things like steel and lumber and cement are to our national scene.

You can argue, as I said, that people can do without telephones. You might argue that they can do without insurance although I don't think anybody would advise a senior citizen who has a home that he do without insurance and if it burns down to try to replace it at today's costs. Let's not kid ourselves, these are basic and surely, even the NDP, are not suggesting that our senior citizens or anyone else can do without light and heat.

**MR. BOWERMAN:** — No way.

**MR. STEUART:** — The Member says no way. He's cynical as usual. But what they have done in this action, the NDP without a doubt in this year, at a time when we are asking people to fight inflation, to restrain themselves, they have in fact with these enormous increases in these Crown corporation that they, they alone control, have declared war on the poor people and lower income people in this province to the tune of about \$100 million in one year alone.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. STEUART:** — As usual the NDP say, do what we say, whine to Ottawa, say set the example in Ottawa, show us that you are concerned about prices, show us, federal government, that you are concerned about the ordinary people, but when it comes to their

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action they have set this, I call, very terrible example. Is it any wonder that people in this province are becoming more and more disillusioned about the words that they mouth in this House and the convention about being serious in fighting inflation.

Another think that's worth noting, these increases all come after the last election. They didn't mention a word during the last election campaign that there might be increases of 47 per cent in natural gas. Oh, no, they were busy planning to fire the manager of the Power Corporation but they didn't dare say, we are facing costs and they knew the cost last year, that might cause a very sharp increase in the price of heating.

**AN HON. MEMBER:** — Masters of deception.

**MR. STEUART:** — If you didn't know last year, oh, I don't doubt that he didn't know the price of gas was going up. He never attended a board meeting in the Power Corporation for over a year. He didn't know anything. You remind me of a person you know, an old aunt that my mother had. My Dad said to her once, he said, don't talk so much. She said, if I don't talk people will think I'm ignorant. He said, well, when you do talk they are damned sure of it. That's exactly what happens to you, Mr. Minister. Of course you didn't know the price was going up. That was a tragedy when they moved you out of Agriculture and put you over there. You were a do-nothing, know nothing and all you are doing now, is proving what we knew all along. I say, Mr. Speaker, this action was contemptible.

Very interesting, this party over there that prides itself on its openness, prides itself that they don't stoop to tricks like this. Out in British Columbia, we see Mr. Barrett has frozen all the prices just until after the election. That's Mr. Barrett of the NDP action before an election, but this government acts the same way. People know what Barrett is doing, they know exactly why he is doing it. He is doing it for political reasons. This government was just as contemptible because they were quiet and silent about any plans or need to raise these very basic prices over which they had control before the election. As soon as the election was out of the way, what did they do, up went the price.

You know, it is very interesting that what the NDP hope, they are hoping that with the nationalization of potash, with their new power grab, they are hoping it would ease price increases that the voters will forget. In fact what they are saying to the voters, you know we have again contempt for you. We know we can fool you, we will put these increases in right after the election and then four years from now we hope you'll forget and we'll come to the election and give you a few goodies and cut the prize a little here and a little bit there and you're re-elected. Well, you know, you're not the first government to talk that way. I can tell you as an expert that the people don't forget and I can tell you, Mr. Attorney General and Mr. Minister of No Industry laughing over there, that the people won't forget this callous action in raising by over \$100 million the cost of living in this province.

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

**MR. STEUART:** — I'll tell you they will

remember. They'll remember the greed of this government and they'll remember the action, especially those people on low incomes. They'll remember that you could have done something and that you still can do something. I doubt if you will do it, you haven't done it to this point. You've hurt the, you've hurt these people on low incomes badly, you've got a chance to retrieve yourselves but I seriously doubt if you will. In fact I'm challenging you. I'm asking this Legislature to show what they think of what you've done and I'm challenging you, the government, if you are serious when you say that inflation robs people's savings. It works a fantastic hardship on low income people, on people on fixed incomes, especially senior citizens.

Then do something, take this action. I think if you should do this, if you should roll these prices back. You say, no, there is not going to be any increase. I suggest you submit the need for an increase to the Anti-inflation Board, along with the proof of the need, the increase in cost. Then, if the Anti-inflation Board agrees with you and I am positive they will agree that you need some increase. I'm just as positive that they'll say you don't need this huge increase. Then take the increase the Anti-inflation Board agrees on and I say that you will have set an example. Then when you go to Ottawa and you talk to the federal government, your hands will be clean. Your example will be clear. Then I think people not only in this province but across the country will bend to listen to you. Now they know that what you are suggesting is hypocritical and you are not prepared to back it with action in your own jurisdiction where you have the authority.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. STEUART:** — You know, Mr. Speaker, this is a resolution remember, it will be voted on eventually and I as the Members opposite, I ask the Conservatives, I ask the NDP Members, to look at this. It's not going to defeat the government. If the House voted to approve this Resolution what would you say to the government, and you may be wise to do it, it might be wise now to warn them. I know that you are hearing about this from your constituents if you are listening to them. Pass this Resolution and in effect say to the government to slow down. The government, I will remind you, is just those 18 or 19 or 25 or 36, whatever number they got now, Cabinet Ministers. That's the government. The rest of you are not bound hand and foot and some of you may feel independent enough to look at this Resolution and look at the effects of it and say to the government, slow down a little bit.

I am also going to say to the government that if you take the action that you normally do and that is amend this to commend yourselves on supplying these services at the lowest possible price, or if you amend it to go back in history — oh, think back when the Liberals were in office and here's what they did and so amend the Resolution to pat yourselves on the back. You know, point the finger at something that happened seven or eight or nine years ago, I say if you do that you will earn the contempt of the people of this province and you will deserve that contempt. If you haven't got the intestinal fortitude to do it and you don't see that this should be done, if you don't see that this is an action your government should take in the fight against inflation, that you clearly have a responsibility

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to roll back this \$80 million to \$100 million increase that you have posted against the people of this province, at least have the courage to vote it down honestly. Again, I say to the Members of this House, act independently and I hope that you will look at this Resolution. I hope you will look at the results of the actions of the government and decide to support this Resolution. I think it would be the finest lesson that this government could learn. It wouldn't defeat them. If I thought it would, that would even be a greater lesson. It wouldn't defeat them but it would slow them down and I think they need slowing down. They are very arrogant and have a contemptible attitude to the ordinary people of this province.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. STEUART:** — I so move this Resolution, seconded by Mr. Cameron(Regina South).

**MRS. E.G. EDWARDS (Saskatoon-Sutherland):** — Mr. Speaker, speaking in support of Resolution No. 3 and having listened to many speeches from the other side of the House since our first day in this Assembly, I have concluded that the Members opposite would have this Assembly and the public believe that they are the only people who have a concern for the poor in this province. I should like to make it clear that all elected Liberals are genuinely concerned for those who find it difficult . . .

**SOME HON. MEMBERS:** — Hear, hear!

**MRS. EDWARDS:** — . . . to meet the expenses of maintaining a home and providing food for a family in this day of inflation in Saskatchewan. The government's Consumer Affairs Department has decided to spend about \$2,500 a week, hiring a Toronto firm to show the people (and I stress this one week after the fact) how to save a few pennies on a comprehensive food basket. While drawing attention to food prices, this same government shows no concern for the poor and the elderly. While drawing attention to the consumer program that I say will be of little or not help to the consumer, this same government sets out to put into effect drastic increase on essential service, such as telephones, electricity, gas and insurance. On behalf of the citizens of Saskatchewan I speak out against these unacceptable increases in basic services.

**SOME HON. MEMBERS:** — Hear, hear!

**MRS. EDWARDS:** — Mr. Speaker, on behalf of the people of this province I take pleasure in supporting the Resolution.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. S.J. CAMERON (Regina South):** — Mr. Speaker, I want to speak briefly to the Resolution by the Leader of the Opposition. In support obviously of the Resolution, I want to comment particularly on the increase in rates for Saskatchewan Government Insurance.

During the comments of the Leader of the Opposition, I



heard again the refrain from the other side of the House that it is the same old criticism, the same old thing and I want to ensure Members opposite it isn't the same old thing but if it is, it is justifiably so.

With respect to the increase in Government Insurance rates it is again another in a long line of increases in those rates without the government having looked at the benefits that are provided in return. We find again and again rates are being increased and the last one to the enormous extent of 25 per cent and again the benefits are not be increased. So that little by little we pay more and more for less and less. I refer particularly to three items in The Automobile Accident Insurance Act. I ask the government when, in view of this increase, is it going to have a look at these items.

The first one is the public liability provided for in The Automobile Accident Insurance Act. The basic level of \$35,000 hasn't increased n more than a decade and it is inadequate. The second item is the weekly allowance that's provide for people injured in automobile accidents; it is \$60 per week, less than the minimum wage. Again, when the government seemingly is sympathetic to people in these circumstances, the government is prepared to increase the rates to the extent of 25 per cent but leaving the weekly disability benefit of \$60 a week, which, as I say, is less than the minimum wage.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. CAMERON:** — Thirdly, and maybe even more significant, as the Attorney General well knows, under The Automobile Accident Insurance Act, the maximum period of coverage for persons is 104 weeks. For housewives, this is the interesting one, from a government that again presumes to have so much concern for the status of women and International Women's Year, the maximum period of coverage for housewives is 12 weeks, whereas others are entitled to coverage for 104 weeks. The government persists in a system which discriminates against housewives and covers them for only 12 weeks.

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

**MR. CAMERON:** — We say it is rank discrimination. It is wrong. It ought to be amended. We say to the government, if you are going to increase rates which you are doing persistently and you are going to increase them to the extent of 25 per cent, then we, on behalf of the people of Saskatchewan are going to begin to ask you what are you going to do with the benefits. What are you going to do about the maximum \$35,000 public liability level which has been there for more than a decade? What are you going to do about the \$60 a week, which is less than the minimum wage and when are you going to end the discrimination against housewives and give them the same rights as other people have under the Act?

**SOME HON. MEMBERS:** — Hear, hear!

**MR. E.F.A. MERCHANT (Regina Wascana):** — Mr. Speaker, I only wanted to speak briefly to this matter in the areas in support of the Resolution. I don't think

there can be any doubt about the comments made by the Member for Prince Albert-Duck Lake (Mr. Steuart) about the attempt by the government to cover these increases and to get through an election first. I want to make two comments. First, about the Sask Tel increase which our Leader has called the worst increase of all. I suggest to you, Mr. Speaker, and to Members opposite, that part of the reason that it is the worst increase of all, is that Members opposite are suggesting that the restraint program should be an 18 month restraint program, yet from their two figures they indicate to us that Sask Tel won't even go into the red until the 1977-78 fiscal year. So that from their own figures they are suggesting to us that Sask Tel won't be a financial problem or a burden to providing the services to this province during the restraint period that they propose to the federal government.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MERCHANT:** — Secondly, I want briefly to address myself to the problem of shortages in natural gas that have resulted in the largest amount of money that the provincial government now pays through SPC for the natural gas and then they pass that on to this province.

We have in Saskatchewan about a trillion and a half cubic feet of proven reserves. We have about a trillion and a half cubic feet of partly proven reserves and we have about a trillion and a half cubic feet of proven possible reserves. In short, we could by some estimates support our own needs in this province until sometime near the year 2000. I quite candidly know that these figures are figures that are difficult to pin down particularly when you are talking about partly proven and proven probable. But what the government has done in Saskatchewan, as I understand it, is they will pay about thirteen and one-half cents, now they are talking about a modest increase, for the proven reserves, 27 cents for new findings in the province unless there has been some change in the last four or five months, while they are paying 80, 90 cents and a \$1 and over for the reserves that they receive from Alberta. The result has been that most of the shallow gas drilling has been in Alberta even from our own Saskatchewan oil. I suggest to all Members that to then pass on those costs to the people, to pass on those costs when they could be buying our own reserves and our own produce is foolhardy and is not something that should be supported by this Legislature.

**HON. R.J. ROMANOW (Attorney General):** — Mr. Speaker, I want to enter this debate very briefly to say that it appears to me that what we are seeing here again is the Liberal approach of attacking Crown corporations, the Crown corporations of Saskatchewan. I will stick to the Resolution because that is the intent of it. That is the intent of this Resolution, Mr. Speaker, and coupled with that, which is going to be dealt with later on today, is item no. 9 about a board of inquiry, an independent board of inquiry. This is all part and parcel of a continued Liberal attack on the principle of Crown corporations. What this motion endeavours to do is to tell the people of the province that somehow the rates that are charged by the various Crown corporations are rates which are usurious or not related to cost. It simply seems to say that the Crown corporation charges are based on something as a profit motive, which is not the case. The

Member opposite laughs at this but that is exactly what the implication of this is because of the monies that are involved. I will tell you about it in just a moment. Also what it implies is the fact that if the Liberals had their way they would really think that the private enterprise boys in this area could do a better job and that we wouldn't have these types of rate increases. What the Leader of the Opposition is implying to the people of Saskatchewan is that these rate increases are too high and if you had somebody other than government, they wouldn't be so high. That is the direct implication of that, Mr. Speaker.

The Member for Regina South (Mr. Cameron) just got up and took an attack on the Government Insurance Office, SGIO. He said the plan wasn't as good. He said the costs were not as good.

**MR. PENNER:** — Listen to what he said.

**MR. ROMANOW:** — I don't think you listened to what he said because that is exactly what he said, an attack on the principle of the Government Insurance operations. I want to tell you that the Liberals in this province have been going up and down now for the last eight years that I have been in politics trying to undermine public confidence in the Crown corporation of Saskatchewan.

The Member opposite says that the rate increase in Crown corporations are very high. That somehow they are too high, they are unjustified, if you will. The Member fails to tell, for example, in Saskatchewan Power Corporation that the natural gas costs to the Saskatchewan Power Corporation went up 47 per cent, costs that were not controlled by us at all but were charged by the province of Alberta on the gas that came to us. The Hon. Leader of the Opposition makes no comments about that.

The Anti-inflation Board says and the policy of the federal government says that any increase in the costs can be allowed if they can be directly tied to the cost of doing business. That is what has happened with respect to natural gas, up to 40 per cent on a factor which is totally out of our control. The same thing with respect to electrical rates. These are rates that are charged to wages, yes, to wages. The Hon. Members opposite may not agree with the settlements made but on wages, increased prices, and charges as a result of machinery and other factors which are out of the control of the Saskatchewan Power Corporation. We have to buy this machinery. Normally we have to buy the machinery from outside the province of Saskatchewan. But the Leader of the Opposition fails to mention this. He fails to mention this for one reason because he wants to underline the basic lack of confidence in the Crown corporations that he has. That is the message he is telling the people of Saskatchewan.

The Member for Regina South talks about the comparisons of our rates. If the Member for Qu'Appelle (Mr. Lane) would ever care to stand up and make his contributions in this House, I would be more than interested in hearing it.

**MR. LANE:** — Do I have the floor or not? Mr. Speaker, I am waiting for your ruling. I have been invited to speak by the Hon. Attorney General, and I have been asked by the House Leader to

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join the debate. Do I have your ruling.

**MR. STEUART:** — Mr. Speaker, on a Point of Order, he took his seat. He sat down. He is finished in this debate.

**MR. ROMANOW:** — Mr. Speaker, in this House one should be afraid of sitting down because by the Leader of the Opposition's yardstick I should stay standing while he stand up to make a Point of Order. I should keep standing while the Member for Qu'Appelle made a Point of Order, because I will lose my turn to speak. I say that is a wrong issue in this House.

**MR. SPEAKER:** — Order! I think this is carrying the fun a little too far in the House. I think the Member for Qu'Appelle should make himself acquainted with the rules., if he want to speak he knows that he can speak at the conclusion of the Attorney General's remarks if he wishes or at the conclusion of someone else's remarks. I don't think there is a Point of Order or that the Attorney General has ceased debating. I think the Member for Saskatoon Riversdale should continue.

**MR. STEUART:** — On a Point of Order. I am not getting involved in your ruling whether the Member for Qu'Appelle has a right or not to speak. The Point of Order I want to make is that the Hon. Member was speaking, normally if you stand up the rules are that the Member speaking sits down. This doesn't mean that he loses his place but he loses his right to speak. Surely it is a basic rule, a parliamentary procedure, that when a Member speaks and he sits down and he didn't sit down just momentarily, he sat down for several seconds, quite a long time. Then he in fact has lost his right to speak. No Member in this House has the right to challenge someone to speak and then sit down and give him place, unless you rise. So I say very clearly, if in fact he did sit down and I submit that he did, he loses his right to speak. And if he rises now he is out of order. I should like a ruling on that Point of Order.

**MR. SPEAKER:** — As I recall the Attorney General was speaking and made some comment about remarks that were coming from across the House when the Member for Qu'Appelle (Mr. Lane) rose. I was giving my undivided attention to the Member for Qu'Appelle because I thought he was raising a Point of Order or some such item. I started to rise and I don't know whether the Attorney General sat down or not. I wasn't watching the Attorney General. If he sat down I assume he was sitting down because I was starting to rise. I think the Attorney General should proceed.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. ROMANOW:** — Mr. Speaker, I thank you for the ruling which I think was self-evident. I do want to comment, to make one passing reference to the attempt by the Leader of the Opposition and the Member for Qu'Appelle to stop the government from getting its side of the story across in this debate on this particular matter of Crown corporations. I want to say again as I said earlier than I invite the Hon. Member for Qu'Appelle at the

appropriate time to enter into this debate and tell us precisely where he stands on the principle of Crown corporations. I invite the Hon. Member when he gets up in this debate to tell us exactly whether or not he says that Crown corporation increases are justifiable when one takes a look at all of the other increases in the other area of the provinces or the country that are not currently being carried out by private enterprise or not. For example, you talk about telephone increases and the high rate of telephone increases in the province of Saskatchewan. Well, Mr. Speaker, I happen to have here a document which has been submitted to me about Sask Tel rates for individual residence charges, the resident rate in Regina is \$4.15. I want to tell the Hon. Member that in Victoria it is \$5.55; in Calgary, it is \$4.75, 60 cents more. I want to tell the Hon. Member that his friends, the ones whom he would support, Bell Telephone, the increase there is to \$6.50, Mr. Speaker, as opposed to \$4.15. What the opposition is doing is that they are coming in here and trying to convince the people of Saskatchewan that the rates we are charging are too high. When you go down the list, from Saskatchewan to Newfoundland with the exception of Manitoba, which, as a result of a recent announcement, is now even higher or about the equivalent to the province of Saskatchewan, our rates in this province of Saskatchewan in Sask Tel are the lowest in the country.

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

**MR. ROMANOW:** — The Leader of the Conservative Party (Mr. Collver) is shaking his head in disbelief. I want to tell you that Alberta Government Telephones in Calgary has a charge of \$4.25 which is ten cents more than ours; in Edmonton it is \$4.75. Mr. Speaker, before I take my seat will I lose my speaking order?

**MR. COLLVER:** — On a Point of Order. Mr. Speaker, will the Attorney General table that document so we can examine it? He is reading from a document.

**MR. ROMANOW:** — I will table it for the Member at the conclusion of my remarks or as soon as I can, as it is the only copy I have, a copy of this comparison that I am referring to, so the Hon. Member can look at it.

The point that I make, Mr. Speaker, is actually how insidious the Liberal campaign here is on the question of the corporations. Because when you look at these facts, Mr. Speaker, that I have given, the main residence charges in Saskatchewan as they compare to other charges in other province, I said these charges are probably the lowest in the Dominion of Canada.

Now, Mr. Speaker, the Member for Regina South talked about the question of Government Insurance. In fact, the Leader of the Opposition talked about Government Insurance. Again the Leader of the Opposition is playing with the truth when he talks about the increases. He doesn't tell the House about the costs in increasing the auto body shop rates per hour. When I came in as Minister in charge, I think the hourly body rate was something like \$9.50 per hour. That is an estimate. It is now at \$12.75 per hour, I believe. Would the Hon.

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Member for Assiniboia Gravelbourg (Mr. Nelson) say that I should not be negotiating increases for hourly body rates? Of course, you wouldn't. This is an increase n charge. I want to tell the Leader of the Opposition that the inflation charges in Government Insurance both in auto repair and the general insurance business are due to factors which are beyond the control of any government and beyond the control of Government Insurance of Saskatchewan. In case anybody has any impression that this is a rip-off as I have heard the expression, that Government Insurance rates are a rip-off, I want to tell the Members that I have here, albeit not an up-to-date, but I will get an up-to-date comparison, of a 1972 Chevrolet car, \$100,000 third party liability, \$100 deductibility and compare the insurance rates of Government Insurance and I want to tell the Members opposite and particularly the Member for Maple Creek (Mr. Stodalka) who is most interested in this, that the Government Insurance rates are second lowest in all of Canada. The lowest is Autopac in Manitoba. British Columbia has a three per cent tax. Manitoba has some similar form of tax as well. The Members opposite make a big deal about this transference of tax. I want to tell the Member for Shaunavon (Mr. Anderson) that the person who has advocated that this transfer payment of taxes be made is none other than a man by the name of Otto Lang.

You may not have heard of Otto Lang. Otto Lang has written, when he was in the College of Law, as Dean, in the 1962, I believe it is a Florida Law Review, talking about compulsory, no fault insurance in Saskatchewan. He argues that the present rating system is no good in 1962. He says that the rating system is deficient and what should be used according to Otto Lang is the transfer of the gas tax. You know why, because the more mileage you travel, the more gasoline you buy, the more mileage you travel the more likely you are to have an accident. The more gasoline you buy the more you are paying into the insurance fund. That is the reasoning from Otto Lang. This is in the Florida Law Review. The Member for Wascana (Mr. Merchant) knows full well that to be the position of the ex-Dean of Law. And yet the Liberals are flip-flopping all over the place.

The provincial Leader of the Opposition takes a totally contrary position. He keeps on raising this position. If I had someone like Otto Lang to follow I would take a contradictory position as well.

I want to tell the Members of this House, Mr. Speaker, that insurance rates throughout, you take any category of car and car insurance and SGIO in Saskatchewan is the second lowest in Canada, next to Manitoba.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. ROMANOW:** — The Member for Nipawin denies that. Well, you will have a chance in this debate to rebut that particular point. The worst thing about this is the Liberals continually seek to undermine the Crown corporations and to sell them if they can.

**MR. CAMERON:** — On a Point of Order, the Attorney General three times now has imputed to us a motive, first he said we were friends of Bell which is unparliamentary. Secondly, he is imputing to

us a motive and that is the motive of undermining the corporations which we deny implicitly. Mr. Speaker, on a Point of Order, he should withdraw that.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. SPEAKER:** — That's not a Point of Order, that's a debating point.

**MR. ROMANOW:** — I will say to the Member for Regina South, that you are, yes, indeed you are opposed to the principle of Crown corporations in the province of Saskatchewan. I will say to the Member for Regina South that in my opinion the Liberal Party of Saskatchewan, if they had their way would have Bell Telephone handling the telephone rates in the province of Saskatchewan again.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. ROMANOW:** — I will tell the Member for Regina South that if you Members would ever get back in power again you will quickly reinstitute a study to sell Government Insurance as you did when you were in power in 1964. The Member for Sutherland-Saskatoon (Mrs. Edwards) may not have heard what I said, as the Liberal Party did in 1964 with respect to Government Insurance. When they were in power in 1964 I tell the Member for Sutherland they instituted a study, they undertook negotiations and discussed it with a private auto insurance industry to sell SGIO. And I say that to the Leader of the Opposition who was then the Treasurer or the Deputy Leader of the Government of the day. I say to the Member for Regina South (Mr. Cameron) that you do not believe in the principles of Crown corporations. I know of what I speak because you don't believe in the principle of Crown corporations. What we are seeing here, Mr. Speaker, make not mistake about it . . .

**MR. WIEBE:** — How come SGIO was not sold?

**MR. ROMANOW:** — The Member for Morse asks why SGIO was not sold. Do you know why SGIO was not sold? It was not sold because you knew if you did you would have been swept out in 1967 by the people of the province of Saskatchewan.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. ROMANOW:** — When the Press revealed that particular plan, the Member for Maple Creek (Mr. Stodalka), again, the Members laugh, it's the only defence you have. But it is a sad state of affairs, not a funny state of affairs when you have this situation going. I wouldn't have thought that 25 or 30 years later, here I would be in the Saskatchewan House trying to win all over again the battle of Crown corporations with the Liberals opposite. I want to tell the Press and the people of Saskatchewan that if ever the day should be that this Liberal Party should be elected, no Crown corporation is safe from a possible sale by the Liberals opposite. None whatsoever.

**AN HON. MEMBER:** — . . . potash.

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**MR. ROMANOW:** — Potash, yes. If you should get in, I know you'll sell potash. Yes, you'll sell it back to your friends in the potash industry. You'll be selling it back to the large multinational potash corporations. You will give it all back like you did with your forest products and your forest policies. You will give all of it away for a song. You will enter the same types of deals that you did with Parsons and Whittemore on Athabasca Pulp. The same types of giveaways. You don't need to tell us or the people of Saskatchewan if you get back in you'll say, open season to the multinational corporations. Everybody knows that. I want to tell the Leader of the Opposition and the Member for Regina South, and I am surprised that the Member for Regina South in injecting into this debate on this issue because I thought that he was part of the newer than brand new look of the Liberal Party. I thought he was part of the new group that said, look at the tactics of those between 1964 and 1971 about attacking Crown corporations which didn't work. I would have thought that he was part of the group that said look at these rate increases. They are increases justified by a responsible public Crown corporation for the people of Saskatchewan. That's what I thought the Member for Regina South would have done. But he didn't. And here the brand new look Liberals are just like the same old Liberals, Mr. Speaker, attacking Crown corporations. Make no mistake about it. This is not a legitimate concern about inflation. This is a legitimate attack on the principles of Crown corporations.

I simply want to say to the Leader of the Opposition who is unfortunately leaving now this debate because he brings no information. He certainly brings some color to this House. I want to tell the Members of the House, Mr. Speaker, this motion as I have said and I repeat again, is part and parcel of the free enterprise philosophy that dominates the Liberals opposite, that free enterprise can do it better than these rate increases. It's a smoke screen, Mr. Speaker. It's a smoke screen to cover up their intent to do away with Crown corporations if they are elected to power. I don't think that that is really the intent of this House, nor do I think it is the intent of the people of Saskatchewan.

I, therefore, beg leave to adjourn the debate.

**SOME HON. MEMBERS:** — Hear, hear!

Debate adjourned.

### **RESOLUTION NO. 7 — RE-EXAMINE THE DEPARTMENT OF NORTHERN SASKATCHEWAN**

**MR. E. ANDERSON** (Shaunavon) moved, seconded by **R.N. Nelson** (Yorkton):

That this Assembly urges the Government of Saskatchewan to immediately re-examine the priorities, goals, methods and personnel of the Department of Northern Saskatchewan.

He said: Speaking to the Resolution I would like to say, Mr. Speaker, while the Department of Northern Saskatchewan was no doubt founded in good faith, the method of trying to cope with the problems of the North as a concept while it had idealistic motives, certainly it has not fulfilled its expectations.



The best demonstration of this is when one takes the budget for the Department of Northern Saskatchewan last year and divide it by the population of the North. Last year's budget was \$47 million. The total population less than 23,000 people. When one does simple division he finds that this is \$2,000 apiece for each man, woman, and child in northern Saskatchewan. This would be an \$8,000 income for a family of four in the North if the Department of Northern Saskatchewan was dissolved and the money paid on a monthly basis to the residents. This income would put the families in a taxable position to pay income tax.

Mr. Speaker, it becomes even more startling when one realizes that it does not include money paid into the North by the federal government. It does not include those who receive income by working in mines, forest industries, fishing and tourist camps or members of the RCMP. If these people were taken from the total population figures the per capita income would be even more.

This type of income would certainly lift the northern people out of the poverty level. It would provide them with an income so they could build their own houses, develop their own industries and business. The bulk of this money now goes to services and pay for an ever increasing staff of the Department of Northern Saskatchewan employees, while the people of the North, the Natives, receive only a small portion of this budget.

From the first year of inception the Department of Northern Saskatchewan has been plagued by mismanagement. This was demonstrated by Auditor General's report on its first year of operation. The Auditor General reported that over \$500,000 in unrecorded cheques and cash were found in the Department of Northern Saskatchewan up at La Ronge. At Buffalo Narrows it was found that up to 100,000 social assistance overpayments may have occurred, and this was only one office studied in depth. Several hundred dollars of expenditures over the amount granted by the Legislature was also found to have occurred.

Northern Saskatchewan Minister Bowerman stated at that time that these Auditor facts were indisputable. In May 1974, a group of ten Department of Northern Saskatchewan employees criticized nearly every aspect off the Department of Northern Saskatchewan's activities. It posed numerous incidents of abuse of public privilege and called for the disbandment of the Department of Northern Saskatchewan, that the people of the North may no longer be controlled by a single agency. They stated at that time that the Department of Northern Saskatchewan is responsible to no one, least of all to the northern people.

In February of 1974 a sit-in was held in the La Ronge office of the Department of Northern Saskatchewan. These protestors complained of low welfare payments and the lack of economic development. On November 18th of 1974, Doug McArthur, Deputy Minister of the Department of Northern Saskatchewan, stated in Saskatoon and I quote:

The Department of Northern Saskatchewan has failed to translate its stated goals and objectives into practice.

Mr. McArthur also stated at this time and I quote:

There is a question as to whether public ownership alone

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is able to produce people-oriented programs. There is also a tendency to identify private ownership of capital rather than private or state control over people as the ultimate evil.

Surely this is an unquestionable indication of the failure of the Department of Northern Saskatchewan to cope with the problems of our northern people.

Much has been said of the increase in housing construction in northern Saskatchewan but little has been said about how much of this housing is being used. An example is the \$1.5 million contract that was given to Delta Holdings to build 33 three bedroom houses and two 24 suite apartment blocks in La Ronge. These units and houses were built to house the Department of Northern Saskatchewan employees and were surely of small comfort to the natives who were in need of good housing. The emphasis behind the Department of Northern Saskatchewan seems to be to build a colonial empire in the North with a vat staff of comfortably housed civil servants as masters over our northern people. It can certainly serve no useful purpose except as a various expensive middleman trying to and failing to co-ordinate the services of several departments that administered the North before the inception of the Department of Northern Saskatchewan. The only economic development of the North has been the Department of Northern Saskatchewan pumping money into housing and wages for the Department of Northern Saskatchewan staff. No northern development of industries that can employ our Native people is taking place to any degree. As a further indication of the thrust of the Department of Northern Saskatchewan program in 1974, of a budget of \$22 million the Department of Northern Saskatchewan allocated only \$500,000 for economic development.

This sad fact can only conjure up one image and that is the Department of Northern Saskatchewan is one of the greatest colonial power ever to hit Saskatchewan. The largest employer in the North is the Department of Northern Saskatchewan. The only problem is the output of that department is its large masses of wastepaper with no increase in the gross productivity for this province. This surely makes one of the greatest accelerations of inflation in this province. In view of this dismal record I will move this Resolution.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. F.J. THOMPSON (Athabasca):** — Mr. Speaker, I should like to say a few words on this Resolution a little later and I beg leave to adjourn the debate.

Debate adjourned.

### **RESOLUTION NO. 9 — BOARD OF INQUIRY INTO CROWN CORPORATIONS**

**MR. J.G. LANE (Qu'Appelle)** moved, seconded by **Mr. J. Wiebe (Morse):**

That this Assembly urges the Government of Saskatchewan to immediately set up a board of inquiry, consisting of independent management consultants, to study the operations of all Crown corporations to ensure that the decisions made by the management of those Crown corporations are in the best interests of the general public and according to sound management principles, and that the decisions are not based on political expediency.

He said: Mr. Speaker, obviously the procedure of the House has not changed. Note the actions of the Attorney General breaking the schedules as agreed upon between the Whips as to approximately time of speaking. However, Mr. Speaker . . .

**MR. ROMANOW:** — On a Point of Order. Mr. Speaker, I object on the strongest personal terms to the last comment made by the Member for Qu'Appelle. I made no commitments to anyone on the other side. The arrangements that have been made have been made with the Whips independent of myself, and for the Hon. Member to refer to me on this is improper and incorrect. I know that the Speaker is not to take into account informal arrangements that are made by parties, but in terms of the relationship of working between the three groups, I want the record to be clearly understood that I had nothing to do with any of these situations. The Member's tardiness is the Member's tardiness, not mine.

**MR. SPEAKER:** — I think it is fair to say that I don't recognize any informal arrangements that exist among the parties with regard to timing or who should speak. I think it is incumbent upon those parties and their Whips to decide whether the arrangements that they have informally will be jeopardized by the comments of one Member or another and act accordingly.

**MR. LANGE:** — I wish to relieve the Attorney General of any guilt in the situation, the problem rests with me. I have a speech that is longer than time presently allows for delivery. I cannot adjourn the speech myself because I will not be back until after 8 o'clock tonight. It is not the Attorney General's fault; it is mine.

**MR. LANE:** — I accept the apology of the Member on behalf of the Attorney General.

Mr. Speaker, I realize that the rules of the House make it clear and I am sure that the Attorney General ranged far and wide on his comments about Crown corporations but that one should keep one's remarks here strictly to the subject matter of the Resolution. The Attorney General's comments of course ranged far and wide. They ranged as a matter of fact from a slight touching on the government's failure in the field to battle inflation to a resurgence of regurgitation of his speech in Bill 2. Now I am sure, Mr. Speaker, that when we are talking . . .

**MR. SPEAKER:** — The Member is discussing a previous resolution that is not before us now. It has been adjourned. I would ask the Member to keep himself in order.

**MR. LANE:** — I referred to that, Mr. Speaker, at the outset of my comments.

We have heard several indications in the speeches today in particular about Crown corporations. I am sure I can refer to the fact, Mr. Speaker, that there were comments made in the House today on Crown corporations. It was indicated that the Liberal Party was opposed to Crown corporations, that we would sell Crown corporations, that we would disband the Crown

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corporations, we would turn Crown corporations over to multinational corporations, all of these allegations that have been made, Mr. Speaker, and I am talking about Crown corporations now, all of these allegations, Mr. Speaker, are cheap political partisanship on the part of the government. The actions on the part of the government are more destructive of the Crown corporations, and more destructive of public acceptance of Crown corporation and more destructive of the very nature of Crown corporations than any allegation or any accusation having been made by the Attorney General of Saskatchewan or any other individual on the government side.

Mr. Speaker, actions have been taken by government opposite which tend to put Crown corporations in the light of merely being the political arm of the government in power. Actions have been taken by the government opposite which tend to lessen in the eye of the public the respect that Crown corporations should have. If I may, I should like to refer to Chapter 39, Volume 1 of the Statutes of Saskatchewan. The Act deals with the creation of Crown corporations for certain purposes, also known as The Crown Corporations Act. This particular statute, and call particular attention to the backbenchers of the government opposite, because it has been ignored in concept by the so-called government or the Cabinet from which many of the backbencher have been excluded. It is very specifically set out what the Crown corporations or what the guiding principle of a Crown corporation is:

A corporation shall perform such duties and may exercise such powers as may be prescribed by the Lieutenant-Governor-in-Council having regard to the efficient operation of its business.

I think that the Hon. Members will agree with me that Crown corporations were set up to supply a public service, a public utility in most cases, although they do have other uses. But the guiding principle was that they were to be run efficiently and the guiding principle was that they were basically to be independent, that they were not to be political machines and that they weren't to be the political arm of the government in power.

Several events have taken place very recently. I am very shocked and dismayed, Mr. Speaker, that some of the so-called highly principled new Members who have come to this House chastising previous governments haven't really had a revulsion against the actions taken by the NDP, as they have kicked the Crown corporation and their public respectability in the teeth. I am going to refer to some of these events. I am sure that many of the new Members on the government side will listen very, very carefully. I am going to refer, and it has been referred to earlier today, about a great increase in rates by Sask Tel. I am not going to talk about the amount, Mr. Speaker, that is a subject matter for another debate which was ignored by the Attorney General but let's look at that rate increase and when it took effect or why it took effect.

Mr. Speaker, I am going to refer to a press release in the Star-Phoenix of September 22, 1975 under the heading, "Sask Tel rates to Increase." The Minister responsible gave out the Press release stating that the release blamed the current high inflation rate for the planned increases as well as decline in Sask Tel's net income if the rate hikes are not instituted.

Quoting from the release:

Without an increase, Saskatchewan Telecommunications faces a decline in net income during 1976, with a deficit of over \$7 million projected for 1977.

Again comments have been made, Mr. Speaker, about them being the lowest rates, that the Crown corporation position of Saskatchewan is so great and so high and so well run by the government opposite that they were said to be the lowest in Canada. It is very interesting that the Press release very, very carefully said, among the lowest in Canada. Certainly not the lowest, notwithstanding the comments having been made. The rate increase says that it would take place to ensure that there would be no deficit in 1977. Obviously, long term planning has gone into effect but why wasn't that press release made when in fact it was known by the government which was at the latest early 1975. The reason it was delayed, the reason that the rate increase was put in at the present time as opposed to when and if necessary, is purely for political purposes and not in the best interests of the Crown corporation. The public of Saskatchewan know that the rate increase proposed by Sask Tel were delayed deliberately by the government opposite and the people of Saskatchewan know that the rate increases are being brought in at the present time so that they are not an embarrassment four or five years down the road prior to the next election.

Mr. Speaker, rate increase were also made by the Saskatchewan Government Insurance Office. Obviously the rate increases were known or the Crown corporation is not being run efficiently. They were obviously known again late in 1974 or early 1975. Why were they delayed, Mr. Speaker, until a supposedly acceptable term after the June election. The reason is obvious. The delay in the rate increases of SGIO if it is necessary and it certainly hasn't been justified in this House, again was done for purely political reasons not in the best interest of the Crown corporations and certainly not in the interests of the efficiency of the Crown corporations.

I can go on, Mr. Speaker, activities recently that have been well documented with regard to the Saskatchewan Power Corporation. I might add that notwithstanding the comments of the Members opposite, and it may be time to remind them the Saskatchewan Power Corporation and the Saskatchewan Telecommunications system, Crown corporations were both instituted by a Liberal government, probably the only two effective Crown corporations and certainly the most efficient, prior I might add before you people on the other side took a hold of them and proceeded to destroy whatever efficiencies in operations those particular Crown corporations have.

"Pressure denied," according to the Star-Phoenix of July 31, 1975, another rate increase, "Pressure denied, in Gas Price Hike." the vice chairman at that particular time of the Saskatchewan Power Corporation, the Minister of Labour held the press conference according to the report. I am going to quote certain aspects of that for the edification of the Members opposite, particularly again the new Members who somewhat self-righteously hold themselves up to being the saviours of the Crown corporations when in fact they are the ones that may end up destroying the Crown corporations:

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There was nothing sinister behind the decision by the Saskatchewan Power Corporation to announce large increases in consumer prices for gas and electricity after the June 11 election, according to Gordon Snyder, SPC vice-chairman. Mr. Snyder is quoted as saying that he agreed that the announcement could have been made some time ago, after Alberta told the SPC in April the price of Alberta gas would be more than doubling.

He goes on:

I suppose it could have happened some months ago, these things don't happen all of a sudden, Mr. Snyder said. The public has been well aware we purchase large quantities of natural gas and the price has virtually doubled.

But the arrogance with which the Minister who impliedly admits that the rate increases were delayed until after the election which is unwarranted political interference in the operation of the Crown corporation. The Minister arrogantly says to the public of Saskatchewan:

Saskatchewan consumers should be grateful the price increase announcements did not come earlier, since it delays implementation of the increases.

Mr. Speaker, the people of Saskatchewan should have been grateful if the price increases had come earlier because it certainly would have signed the death knell of the government opposite and it certainly would have led to the defeat of the government opposite. Why the consumers should be grateful is certainly beyond me.

There are some very, very carefully chosen words which certainly give a political connotation to the remarks of the Minister. He says, quoting from the same press statement:

Mr. Snyder said (and very, very carefully said) as far as he is aware . . .

That's political caution. I think we all know that that means that the Members know different, but doesn't want to be trapped.

. . . there was no pressure from SPC officials to have increases implemented in April to offset rising costs. There was no friction between government and SPC officials.

And again very, very carefully chosen words by the Minister. He goes on:

I am not aware of any overt pressure . . .

In other words, he is aware of certainly very strong indirect pressure from the SPC officials that the rate increase should happen at that particular moment or sometime prior to June, or in the words of the Minister, "Any magical date you should want to choose."

I don't think that the Members opposite are even seriously considering, Mr. Speaker, I particularly referred to . . . Mr. Robbins has just made a comment, Mr. Speaker. I am very,

very disappointed that that Member who stands up here and point after point and debate after debate stands up with his record and his personal integrity that he has in this House. I am very, very curious what Mr. Robbins will say in this debate, if he even attempts to say that the delay in the rate increases by any of the three Crown corporations wasn't politically motivated and in fact wasn't a blatant political involvement and interference in supposedly independent, supposedly autonomous Crown corporations.

The Assembly recessed from 5:30 until 7:00 o'clock p.m.

**MR. LANE:** — Before the adjournment this afternoon, I was setting out the reasons for the motion that I will move before this Assembly, and that is basically that, although there have been great attacks by the government opposite on the status of Crown corporations and the position of the Opposition with regard to Crown corporations, that, in reality, the political hatchet job and the political partisanship which the government opposite are forcing upon the Crown corporations is inherently more dangerous and more detrimental to the concept of Crown corporations than any attack any other party could ever hope to raise. The insidious attack, I can't use another word other than attack on the respective Crown corporations by the government opposite will do more in the mind of the public to undermine any confidence the public may have in the Crown corporations and the concept of Crown corporations.

It has been said in this Assembly, Mr. Speaker, that — I believe it was by the Attorney General if I can paraphrase him — that Crown corporation are a vehicle to be used by government supposedly for the public good.

**AN HON. MEMBER:** — He didn't say he will.

**MR. LANE:** — He indicated that, I believe. I think I am being fair, if I remember the Attorney General, that they are to be used and supposedly for the public good. There is no doubt that the record of this government at least since the last election, and it can be documented well back over the previous four years, that Crown corporations have been used, but not for the public good. They have been used for the political benefit of the government opposite and that is harmful to the Crown corporations.

I think we can take an obvious example, Mr. Speaker. I think that Saskoil is the laughing stock of this province, even the socialist on that side of the House who firmly believe that the oil industry should be under the control of a Crown corporation don't even talk about Saskoil. As a political matter, it led to the defeat of the former Minister of Industry and Commerce as people were jeering and attacking Saskoil. The blatant political use of a Crown corporation has done more to destroy Saskoil than anything else a government could do. To say that Saskoil is a proper vehicle not be used by the government, certainly the government that would argue that position is not arguing seriously or that it is blind to the facts. Saskoil is a laughing stock. You made it a laugh stock. You, the supposed defenders of the Crown corporations, have dragged down through that one the whole concept of Crown corporations and the need for Crown corporations in public utilities.

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Before the adjournment, Mr. Speaker, I raised certain political activities by the government with regard to SGIO, Sask Tel and Sask Power. I don't think that the government even seriously argues that the price and rate increases were not political. The Attorney General couldn't even say it with a straight face this afternoon. He was laughing when he said they weren't done politically. The Members behind you were laughing because they knew full well that the rate increases were done for political reasons. I think the situation that Saskoil finds itself in, the blatant political use of delaying rates I think indicates beyond any reasonable Member's doubt that the government opposite has its political arm into the Crown corporations so deep and so far that they are making them the political arm of the government and are destroying any respect and credibility that Crown corporations should have, any respect that they must have to function properly in society.

As I say, I documented the three or four Crown corporations. I think that we can just thumb through the 1975 directories and if I can run through on the Crown corporations. I'll document again the political involvement of the government opposite in the day to day operations of Crown corporations.

I can start right off the top, page 125, and I'm prepared to keep reciting the pages if the Members opposite are afraid to read the directly themselves. I'm a little surprised as are most Members that the government would be prepared to set out the evidence for everybody to see of the political involvement by the government opposite in the supposed independent Crown corporations. I'm going to start right off the top with the SDF, the Saskatchewan Development Fund. And I ask the new Members, new Members came in, remember, very sincere about how bad the other government was and how many wrongs and that there was no wrong done by the government opposite, that the people just made a mistake when they knocked them from 54 per cent down to 39 per cent. Let's take a look. Don Keith first general manager.

Now for the new Members opposite, you may not have heard of Mr. Keith before, but that's only because you either weren't involved in the party or you are blind to the facts because the Hon. Member for Lakeview (Mr. Malone), defeated Mr. Keith in the by-election in 1972. Mr. Keith then was without a job, what happened to him? He's hired within, but he had the job before the by-election. The government opposite was so insecure, so sure that they were going to lose the by-election that he had an under the table offer of the job before the by-election was even called.

Now, you see the Cabinet Ministers hanging their heads and I ask the backbenchers to take a look, because Keith was parachuted into that job even before, even before the election was called. That is the type of involvement in Crown corporations that we oppose. I am very surprised that the Attorney General isn't in his seat when he tries to defend that type of activity of Crown corporations, when he says that type of activity is good for the people of Saskatchewan and that that type of Crown corporation activity is good for the people of Saskatchewan. That's the position of the Attorney General. Mr. Keith was appointed, I believe, at twenty some thousand dollars a year, no experience in investing, to give him a job, a job that was given him before the by-election was even called.



We have another Crown corporation called the Saskatchewan Farmstart corporation. Now the Members opposite have held this up high, big and large around the province of Saskatchewan about what a great thing that is for the farmers. There's no political activity, no political involvement in Farmstart Corporation. Let's ask about Mr. Cliff Thurston. Again some of you new Member may not have heard of Cliff Thurston. Cliff Thurston happened to be the Member for the old CCF and in 1960 he happened to lose in Lumsden; in 1964 he ran for the NDP, in '67 and again in '71. Prominent in the party opposite he now happens to be on the Farmstart Corporation Board. Surprising isn't it when we're really sincerely talking about the need for Crown corporations the Attorney General just about weeping about what the parties on the opposite side were going to do about Crown corporations.

There isn't one deed that if the Attorney General was taken at his word that could be done, that could be worse for Crown corporations, than the activities and the partisanship that you are imposing and forcefully on the Crown corporations.

I can go to the Government Finance Office. I'm not going to pick them all. I could document them all, I think some of the Members opposite know full well. You can always tell, Mr. Speaker, how you're doing because the new Minister of Social Services is hanging his head. He's not participating. He's got his ears closed. He's looking the other way because he doesn't want to get his hands dirty. He doesn't want to know about the activities of the government opposite and I welcome back the Attorney General. I just called to the Attorney General's attention the supposed independence of the Saskatchewan Development Fund with Mr. Keith, defeated NDP candidate, the Attorney General forgets about that. Cliff Thurston in Farmstart. We can go to Mr. Ching, a prominent NDP supporter in the Government Finance Office. There's an individual who runs rampant through the Crown corporations, that most of the Members opposite know, Mr. Halderman. He happens to be on several Crown corporations and I'll document them. A well known supporter of the New Democratic Party. What happened with SEDCO? SEDCO, we had Keith Saddlemeyer, well known NDP, actively involved with SEDCO.

Now, Mr. Speaker, we can turn over . . . Oh, he's still in the government. He hasn't been fired and won't do without a job. The government opposite wouldn't do that to a good party supporter. No, they look after them very well. The fact that they are ruining the public reputation and esteem of Crown corporation seems not to matter to them. The fact is, again the Crown corporation system or the Crown corporations seems not to matter to them. The fact is, again the Crown corporation system or the Crown corporations in Saskatchewan are becoming the political tool of the government opposite, that they are being abused, being consciously abused by the Cabinet opposite and are not being allowed to fulfil the public service that they by law are required to do.

Again, we've got the Saskatchewan Forest Products. Now the manager of the Saskatchewan Forest Products, he may not be around when campaign time starts but some of them and some of the Members from the North are smiling, because they happen to know this Mr. Hogg. I believe it is, and his activities in northern Saskatchewan. We thankfully, you know, we wish Mr. Hogg wasn't involved in a Crown corporation and was just a party supporter on your behalf, thanks to his activities the Member for Prince Albert, the Leader of the Opposition, got the biggest

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majority he ever had, thanks to Mr. Hogg's activities. Perhaps you should look into both his activities as a campaign worker and his activities as manager and see if you can find him another job, perhaps that he can handle.

I look now at Saskatchewan Housing Corporation. There's been a change in Housing Corporation. Mr. Dennis Jones, now surely, I can't believe that the Member for Turtleford (Mr. Johnson) wouldn't know Mr. Dennis Jones. Yes, he's nodding his head. Well known party supporter, now actively involved in the Saskatchewan Housing Corporation as a public relations consultant, spreading the bible, spreading the word among the people, that Housing Corporation supposedly is doing a good job. We all know that the Saskatchewan Housing Corporation hasn't had a new idea of its own and relies strictly on 75 per cent federal funds.

Solicitor, Jody Willows, very active in the last NDP campaign and I'm sure Members opposite if they haven't heard, can check with the defeated candidate in Qu'Appelle constituency who used Mr. Willows as one of his campaign managers. I don't think that's a surprise to Members opposite. I can't believe that all 39 of them would turn a blind eye to this type of political partisanship.

Now I go back. Barrett Halderman happens to be involved in the Mining Corporation and the infamous Saskoil. I see Mr. Halderman is also secretary to that particular Crown corporation. Saskatchewan Power Corporation, so badly run, the morale is so destroyed by your activities and your cheap destruction of Mr. Keith that you still can't get a general manager and an assistant general manager, notwithstanding your efforts in that regard.

An attack on Mr. R.R. Keith personally when the Minister responsible at that time, the Minister of Industry and Commerce said publicly that there were no negotiations that he didn't try and settle, the particular error made by a lower level employee, when in fact those negotiations were going on. Again, an attempt, not an attempt, a successful effort to dunk publicly, embarrass and destroy an individual who contributed many, many years to a Crown corporation. And I say that was done for cheap political gain, political partisanship on behalf of the government opposite. They know it, the public knows it, they know what you are doing with that type of activity. It's demeaning the concept of Crown corporations, that the Attorney General supposedly, supposedly holds up as being a great goal of the people and the Government of Saskatchewan.

Again, I just go to the Saskatchewan Potash Corporation, again we find Mr. Halderman's hand throughout that particular Crown corporation.

We've heard an awful lot, Mr. Speaker, from the government opposite about Crown corporations and how the Liberals are going to destroy Crown corporations. We've heard an awful lot about how great Crown corporations are and how they can fulfil a public need. We agree that Crown corporations have a great role to play in this province, but political organizations under the guise of Crown corporations have no place to play in the province of Saskatchewan and any government that would attempt, attempt to hold up Crown corporations for the public good when really they are just political organizations, deserves

the contempt of this Legislature and deserves the contempt of the people of Saskatchewan.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. LANE:** — Mr. Speaker, we on the Liberal side would like to restore the true concept of Crown corporations. I referred at the outset, Mr. Speaker, to the fact that Crown corporations by statute, by the law of this province, are to be run in an efficient manner. Obviously when you make decisions for political reasons, you lose efficiency. When you insert party hacks in the management decisions and positions you lose efficiency. When you appoint defeated insurance adjusters to the senior management position of SGIO, you don't have efficiency. And your Members opposite don't even cheer that particular move because not one of you can justify that appointment to a defeated candidate to a senior administrative position of SGIO as being in the best interests of SGIO, as being in the best interests of the Crown corporation concept or of being in the best interests of the people of this province. That was pure political partisanship of the basest nature. What you did to SGIO, you have destroyed the morale of most of the adjusting staff of SGIO, who had known and have been involved, prior to that individual's activities as an insurance adjuster and knew and have phoned Members of the Opposition and probably phoned Member of the government knowing that he was out of his league when you made that appointment and your appointment wasn't even justified in the Press. You didn't even try to hide the pure political partisanship of that appointment.

What you've done, Mr. Attorney General, and I say this for you in particular because you're the one who has so accused other parties of destroying Crown corporations, notwithstanding the two most effective one were brought in by a Liberal government, you have done more to make the Crown corporation concept a laughing stock than any other party could possibly do, notwithstanding the breast beating and the accusations that you throw.

The call in the Resolution very, very carefully made, Mr. Speaker, there has been some indication from the Press when I called for a press release on basically the same matter some time ago, that there be a public inquiry and the Attorney General has also said that there should be a public inquiry when he referred to my so-called attack on Crown corporations. Make no mistake that the board of inquiry that we propose is very specifically set up to consist of independent management consultants. We don't feel that there has to be public inquiry by people who are not aware or don't understand management concepts. Our call for a public inquiry by independent management consultants was done specifically and for a very definite purpose.

It's our position, it's the position of the Liberal Party that the evils of the government opposite must be ended, that the use of Crown corporations as a political weapon or a political hostage must be ended. We want the Crown corporations to be re-established as efficient servants of the people of Saskatchewan and an efficient service and supplier of service to the people of Saskatchewan. So our call was not for just a general inquiry, it was a very specific call for a public inquiry by independent management consultants, who can go through Crown corporations, and I know, I know full well that

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the Attorney General will support this Resolution, because he as well as the rest of us, according to his words in this House, is concerned about the position of Crown corporations. You've all heard him about how vital Crown corporations are and how they must serve the public and I'm satisfied in my own mind that the Attorney General will be a man of his word and will stand up in this House and support a board of inquiry by independent management consultants, to restore the public faith.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. LANE:** — And to restore the morale in the Crown corporations that have had it destroyed by partisanship. I know that the Attorney General being a man of his word won't hesitate to get up and support this Resolution and I know the Members opposite will expect him to because they all heard his remarks this afternoon and they all heard his remarks on Bill 2 about the need for a Crown corporation and the desirable concept of a Crown corporation.

I would be and I'm sure the Press would be and I'm sure the new backbenchers and the new Members on this side would be surprised and probably even shocked, Mr. Speaker, if the Attorney General didn't support this Resolution after his three speeches on Crown corporations in this Assembly.

Mr. Speaker, we feel that the Crown corporation concept must be restored in this province and we feel that political partisanship must be removed from Crown corporations. The blatant partisanship that has operated over the last few months specifically, is something that I'm sure most new Members on the government side don't condone and I am sure they will join with Members of the Liberal Party in supporting this particular motion.

Mr. Speaker, if I can find the motion wherever it may be, I might advise Mr. Speaker, before I move the motion, I heard from the Minister responsible for Social Services, the misguided guidance counsellor as he was once known, says that the motion should be in the garbage pail. I think that the Hon. Member has not read the motion because I can't believe that the Hon. Member who many times has stood up out of the self-righteousness of his position, could vote in favour of the appointment of Don Cody, a defeated Member, to SGIO. I don't believe that the Minister responsible for Social Services could vote in favour of approving the appointment of Mr. Keith, a defeated candidate. I don't believe the Minister of Social Services could justify holding off needed or tax increases or whatever until after the election for that sole reason. I can't believe that the Minister of Social Services would get up and vote against this Resolution, which I think, Mr. Speaker, without a doubt would restore the needed respect in the public's mind for Crown corporations.

I so move, Mr. Speaker.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. B. ALLEN (Regina Rosemont):** — Mr. Speaker, I find myself in a little bit of a quandary, in fact I'm a bit confused. I had intended originally, Mr. Speaker, to be half-truthful, to support this Motion but I guess I've taken the motion on what it said in the blues and hadn't taken what the motion really meant as expressed by the

Member for Qu'Appelle (Mr. Lane). I had taken the motion to mean that we would set up an inquiry of independent management consultants perhaps management associates, I don't know, but it would be independent and they would look into some of the problems that we have had with Crown corporations. I thought perhaps, Mr. Speaker, that they would inquire into the activity surrounding Prince Albert Pulpwood Limited as an example. I thought the inquiry would probably look at the Water Supply Board. I thought it might even inquire, Mr. Speaker, into the circumstances surrounding the sale of Sask Government Airways, a number of years ago. But I find, Mr. Speaker, that no, no this isn't what we are asked to do.

I'm frankly shocked, like the Member for Nipawin (Mr. Collver) at some of the things that have gone on in the House here. These personal attacks on Saskatchewan citizens, because the Member for Qu'Appelle says they are known New Democratic Party supporters. It brings us back Mr. Attorney General to your comments the other day in regard to another motion that I guess I can't talk about as the motion, but as I read in the Press, that people who are known NDP supporters shall not work for this government. I suppose what the Member for Qu'Appelle is suggesting and say is, that if the Liberals ever did form the government again they would go through every Crown corporation hunting for known NDP supporters. They would go through every department in the government. They wouldn't go so far as the community colleges perhaps, I don't know, they might change the Act so that they could do that, but that's what they are saying they would do. Now they are asking us, Mr. Speaker, to set up an inquiry that brings us back to the time of the Reformation. Perhaps we should get a number of Cardinals, Mr. Speaker, over from Rome and set up the inquiry and any New Democrats found in the Crown corporations will be immediately burned at the stake. Perhaps that's what he is suggesting. I notice the Member for Lakeview (Mr. Malone) is applauding that move. There are a few whom I would burn myself, but they don't happen to be New Democrats.

Now Mr. Speaker, I have a couple of other comments that I wished to make in this debate. I'm feeling kind of ill tonight, frankly, not just from the remarks of the Hon. Member for Qu'Appelle, although they did contribute to that illness, and therefore I beg leave to adjourn the debate.

Debate adjourned.

### **RESOLUTION NO. 11 — TO LIMIT THE NUMBER OF RETAIL SERVICE STATIONS OPERATED BY PRODUCERS OF PETROLEUM PRODUCTS**

MR. E.F.A. MERCHANT (Regina Wascana) moved, seconded by Mr. Stodalka (Maple Creek):

That this Assembly urges the Government of Saskatchewan to pass Divorcement legislation to limit the number of retail service stations operated by producers, refiners or any subsidiary of a producer or refiner of petroleum products.

He said: I have great pleasure, Mr. Speaker, in opening the debate on this motion.

This will be an interesting Resolution for the Minister of

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Industry and Commerce (Mr. Messer). This will be your opportunity to side with Imperial Exxon against thousands of small operators.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MERCHANT:** — Your opportunity to vote with Shell International. You'll love it. That's a multinational.

Mr. Speaker, we are seeing the continual takeover of small businesses by large frequently multinational petroleum corporations and it is for this reason that I move this Resolution in this House.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MERCHANT:** — The profit and the management salaries from these service stations do not stay in our Saskatchewan communities. They are frequently siphoned off into Ontario, or Alberta, or worse still (for Members opposite) into the United States. I suggest, Mr. Speaker, that prompt action is important because of the dramatic increase each year in the number of company wholly owned service stations and I suggest that the government must act immediately, and it is for this reason that this Resolution is brought.

Competition, Mr. Speaker, is being lessened, which will make it relatively easy in future years for the large oil companies to manoeuvre unjustified price increases. In the long run competition protects the consumer and competition is being destroyed in the oil industry.

The second consideration, separate from the future lack of competition and the fear of price increases in the petroleum industry, is the decline of the number of full-service service stations in Saskatchewan and across this country. Most of the company-owned service stations do not have mechanics and those that do are not interested in providing, I suggest, neighbourhood service stations as we have known them. A full service station should repair automobiles, sell a certain number of products, and sell gasoline. The company-owned service stations are interested principally and almost exclusively in high volume sales of gasoline and this, of course, is particularly true of the self-service gas bars which are becoming so common in Saskatchewan and elsewhere.

What legislation is required, and what should the government do in an immediate and a long-term way to protect the independence of petroleum retailers and to protect the long-term interest of the consuming public?

First, we suggest that immediate legislation should be passed to stop the major oil companies from establishing any more company-owned, company-operated retail service stations. Companies operating as producers or refiners and their subsidiaries should be stopped from establishing any more retail service stations in this province.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MERCHANT:** — Second, government should now

establish a commission to look into the problem, or in the alternative, should serve notice on the industry and on the service stations that it is within the Department of Consumer Affairs to look into the operation of the petroleum industry and invite submissions from interested parties.

We believe that legislative controls should be brought in by the Minister of Consumer Affairs within the next year to eighteen months, and that the government should now be serving notice on the consuming public and upon the major oil companies that some action will be taken.

First we say, freeze the growth of company-owned outlets now and during their freeze look over closely at the industry so that further proposal may be brought in, in the new term. Mr. Speaker, after the government has considered the matter I believe they will find that legislation is required telling the major oil companies to divorce themselves of their retail outlets. Divorcement, incidentally, is not divestment. The wholly owned service stations need not sell the products, they need not divest themselves, divorcement is not divestment, and those wholly owned operations might well be leased. The government should not force the companies to divest themselves of their holdings, but they should consider forcing the companies to divorce the wholesale business from their retail business.

I believe, Mr. Speaker, that if the government looks into the matter, they will find that the preferential pricing policies of the companies and the transfer pricing policies of the companies must come under government review. The system of pricing should ensure that gasoline outlets, including self-serve outlets pay the same price, netted back to the refinery gates.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MERCHANT:** — The same price netted back to the refinery gate for like quantities of gasoline. It may be that in Saskatchewan some consideration has to be given to the unique rural-urban division in our economy. But beyond doubt the same price should be paid by the various retail dealers in a particular community, such as Regina or Saskatoon. In addition, I believe that some controls should be imposed on the lease requirements, placed by the major oil companies.

Now, Mr. Speaker, what is the need for this proposed legislation? Any analysis of the problem must include a summary of the way in which the industry now operates.

- (1) In the petroleum industry the major oil companies have the power to manipulate prices at the wholesale and retail levels.
- (2) This power has been exercised in a manner which has seriously eroded the independence of many dealers to price their products in a competitive environment.
- (3) the majors, through unfair price discrimination, have endangered the ability of many dealers to continue operating by squeezing their margins to levels where they cannot survive. And indeed, many are not surviving.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MERCHANT:** — Many dealers have already been squeezed out of business. I believe this has been a deliberate move by the major oil companies. Frequently, the dealers forced out of business have been in the locations which have the potential for the gas through-out and those places have frequently been replaced with wholly owned retail outlets which, in far too many cases, are self-service.

(4) The disappearance of small gasoline businessmen and the related growth of the power of the oil companies to control prices is detrimental, I guess, to the long-term interest of the consumer and I'll have more to say about that later on in my address to you, Mr. Speaker.

(5) To date the move by the majors in the retail industry has been restricted largely to the cities. But I suggest that if that process is allowed to continue into rural Saskatchewan, the small gasoline businessmen who are active, interested members in their communities will be replaced by company employees, company employees who will have a tendency to stay in a rural area for two or three years as they are moved around the province, and this will continue, to the decline of rural Saskatchewan.

Mr. Speaker, in summarizing the way the industry operates, the pricing values of the oil companies bear some scrutiny. Their profits and mark-ups are manipulated. The specific means by which their profits and mark-ups are manipulated are often difficult for people looking in from the outside to understand, and those specific means by which major oil companies engage in unfair competitive pricing policies are very difficult from time to time for even governments to understand.

Transfer pricing between the major oil companies and their wholly owned and operated outlets is really the key to understanding their operation. Through transfer pricing they move products in the internal bookkeeping system of the oil companies. They set arbitrary prices and this is something which I suggest governments should be looking into and something which governments will have to understand if they are to bring meaningful control.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MERCHANT:** — Arbitrary prices are set by the various divisions within their companies for the same product and it is by this transfer pricing that price discrimination is justified by the companies selling the same amount of gasoline to two competitors at different prices, who may be a block apart. As the product moves from the exploration stage through refining and finally into the marketing division, prices are arbitrarily set to the greatest advantage of the oil company at that particular time.

The majors, I suggest, have a very definite preference about the types of retail outlets which they want to survive. They want to discourage independence within the industry and foster their increasing control of the retail trade.

There are, Mr. Speaker, a number of types of retail outlets, and I will describe them from the group which is being driven



out of business to the group which the major oil companies want to continue and preserve.

First, there are the non-branded independents. They account for an ever decreasing share of the market, they have been all but wiped out by the majors. Nonetheless they represent a dying but important ingredient in the buffer zone which the consumer has against the price fixing policies of the major oil companies. A major ingredient in the buffer zone to maintain competitive action within the retail trade.

Second, there is the branded independent. These retail outlets are owned by the dealer, as are the non-branded independents. The dealer however makes a deal with a particular company to do what is called in the trade, to fly the brand. He enters into a supply contract with an oil company. These dealers are being run out of business by the major oil companies. Lawrence's Esso Service, a service station which operated in Regina, across from the Regina Inn, is an example of branded independent which was run out of business by a major.

Third, there are lessees. Though they account for a substantial volume of the gasoline consumed in Saskatchewan, they with the independent retailers are coming under continued pressure from the oil companies.

The financial resources of the vertically integrated oil company allow it to purchase most of the expensive sites and to construct facilities. The oil company assume the position of the landlord and the supplier to the retail dealer and in, of course, through its wholly owned service stations, its competitor. The lessees have some bargaining power but that bargaining power is light. The restrictions and the controls in the leases are given teeth when combined with short term cancellation clauses which are common.

The Government of Ontario has now imposed lease guidelines. That is one of the things that I hope your government may consider. Mr. Speaker, the lessee though less independent than the true branded independent is still some stopgap against oligopoly in the industry and an important stopgap.

Fourth, there are consignment outlets and commissioned agents. These dealers frankly are not particularly common in Saskatchewan although they do exist, the two are very similar.

In a consignment outlet operation the oil company possesses title to the gasoline in the pumps. This provides some protection for the dealer against extreme changes to the price of the petroleum products which he is selling. A commissioned agent on the other hand operates a wholly owned company operation. The major oil company owns the land and the facilities. It sets the retail price and yet encourages the commissioned agent by way of incentives. The commissioned agent though he may have more freedom than a company manager has in fact not a great deal more freedom. My opinion of the commissioned agents is that they are frequently used by the majors as a means of avoiding lawful and proper and appropriate labour legislation in the province in which they are operating.

Last, and the type of operation which of course major oil companies want to have more commonly represented in this jurisdiction and elsewhere, the company owned and the company

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operated outlets.

Here the station manager serves as simply an employee. Because of transfer pricing the company owned and operated outlet is usually able to undercut the retail price of a leased or independent service station operator and this is doubly true for the self-serve stations.

The number of company owned and company operated outlets has substantially increased in recent years. These outlets are strategically located. And through those strategic locations the majors are able to control the market behaviour of the lessees and of the independent dealers. These outlets make it easy, Mr. Speaker, for the oil company to influence prices. The market share of these kinds of outlets has risen substantially. The May 1975 edition of Service Station and Garage Management states that from May 1973 to April of 1975, the number of self-serve outlets has increased by 621 per cent across Canada notwithstanding the fact as I will mention later that two provinces have effectively stopped the establishment of self-serve outlets within their jurisdiction.

The self-serve company owned and company operated station is the most important weapon available to major oil companies to lessen competition and eventually hurt the interests of the consumer. The effect of the self-serve has been to greatly enhance the control of the oil companies over the retail market. And that process is continuing and will continue unless this government acts.

Self-serve gas bars are strategically located. They are high volume outlets and as such they constitute a much larger share of the market than their numbers might indicate.

An Hon. Member spoke to me today about this particular Resolution. He spoke to me about an offer that was apparently made to him or might be presented through him from the oil companies to the effect that they are prepared to make guarantees about the degree of control that they want in the industry, the degree of self-serve, self-operated and company owned, wholly owned service stations in the province. I suggest, Mr. Speaker, that that sort of guarantee is a meaningless guarantee and I am reminded of the guarantees made by Gulf and Texaco and Shell in Alberta.

They said there, they were prepared to limit the operation of their self-serve stations to 15 per cent of the stations and I suggest that that guarantee is of cold comfort. With 15 per cent of the stations operated as self-serve, the major companies will nonetheless be able largely to wipe out the lessees in the independent service station operations and particularly they will be able to take that step with the added weapon of transfer pricing.

The price of gasoline increasingly is set not by competitive market action but by the transfer pricing policies in the control of the majors. Price discrimination is massive within the industry. The company can often be found selling the same amount of gasoline to two competitors at different prices. This is particularly true when the company is selling its product to its own retail service station. There is, of course, by definition no real sale in a legal sense by an oil company to its company operated stations. There is, therefore, no

legal price discrimination, even though those transactions have exactly the same effect.

We are acting late in this province and others have acted well before us. The Renauf Royal Commission, for instance in Nova Scotia, found that the self-service gas bars granted the market control to the major oil companies. And it was for this reason that the majors were extensively increasing their share of the market as measured both by the number of outlets and more importantly by the gallonage sold.

The changing pattern of outlets which we are all conscious of, has been intensively moving in the direction of increasing the market power of the major oil companies. And the majors have made that problem even worse by buying out a number of the independent chains which were bringing some competition at the wholesale and retail level.

In addition, the majors in their war against competitive action on another front, set up wholly owned subsidiaries to market secondary brands. Econo and Gains are to examples of wholly owned subsidiaries marketing secondary brands. Gains for instance, which has a gas bar in Regina is wholly owned by Esso. Though Gains passes itself off as a legitimate competitor of Esso and a legitimate competitor of other independents such as Turbo, Esso seeks to compete with the lower prices of the independents through companies like Gains and Econo and thereby maintains its large market share.

Fred Elvine of the Graduate School of Management at North Western University and James Patterson of the School of Business in Indiana, in their book on marketing of gasoline say and I quote:

Without the presence of vertical integration, there is reason to believe that at least the retailing of gasoline could be workable and competitive from a practical standpoint. However vertical integration is very much present in the oil industry. And its presence effectively frustrates this potentially workable competition at the retail level for a number of reasons.

Because it frustrates retail competition, vertical integration strengthens the tendency of a marginally oligopolistic market to behave as a classic text book case example of oligopoly at its worst.

The importance of the self-serve, wholly owned service station cannot be over stressed. Two provinces have reacted against the self-serve specifically without passing divorcement legislation. The importance in other markets and the impact to date has been massive. I suggest that the impact in the future will be even greater.

The building boom and the direction by the industry is to move into self-serve outlets. Because of low labor costs associated with the operation of self-serve outlets together with artificial transfer pricing policies set by the companies, the gas bars are easily able to undercut other types of retail outlets. Self-serves have further extended the market power of the oil companies at the retail level with respect to the pricing of gasoline.

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Many consumers who would normally not deal with self-serves find themselves compelled by substantial price differentials to deal with self-serves. The net result is that the independents and the lessees and the full service stations are driven out of business.

What will happen I suggest is that eventually as the control and the influence of the majors in the market rises they will be able in due course to abandon the lower prices now available in the self-serves, push the prices back up and we will have the worst of both worlds. The consumer would be paying almost the same price but service and competition will be lost to the consuming public.

A vital distinction, Mr. Speaker, must always be made between the short and the long term effects which the activity of the major oil companies and particularly the burgeoning of the self-serve bars is having on consumer interest. In the short run consumers are clearly better off, they are obtaining their gasoline for less, they are having to do their own service but they are paying less. In the short term now they still have a choice. I suggest however that if many more of these smaller, financially weaker, but not necessarily less efficient dealers are driven out of the market by the majors who want their locations, that we need not be very imaginative to guess about what will happen to prices in the long term.

One need only have to look at the comparison with the growth of the chains in the food industry to have some inkling of the future facing the consuming public in Saskatchewan. In past decades every small community had an independent grocery store. The cities had the competitive action of many independent grocery stores buying for the best prices from the various wholesalers. The large companies and particularly the big three, forced the independent food dealers, the independent food stores out of business. They assured the consuming public that through their massive buying power that it would be possible for them to pass on those savings to the consumer and that they would continue to pass on those savings to consumers. Not only were many independent businessmen driven out of business and out of the small towns of Saskatchewan but we have reason to believe that the consuming public is now worse off as a result of that competitive action in the food industry and I suggest that the same thing would happen here.

The changes in the structure in the retail oil industry may have already destroyed the basis for effective competition to the detriment of the consumer. Certainly I suggest that if the attack by the major oil companies is allowed to continue things will get worse. If the gasoline market is taken over completely by those large oil companies, governments could control the prices but it is preferable that governments act now and see to it that the market is allowed to control the prices through proper competitive action.

I have already alluded to the particular problem which faces Saskatchewan and Manitoba. Rural depopulation and a small population base make the danger by the activities of the majors particularly acute for us. Frequently the two or three independent service station owners are important contributors to the community life. In the smaller centres if the attack by the majors is not stopped, we will have the replacement of two or three local businessmen with two or three managers sent in by major companies, employed managers who would move from one

centre to another. Employed managers moving from a smaller base to a larger one, but not making the contribution to the community that the service station operators that we all know in small towns now make, as an important independent businessman in those centres. The two to three year stays added together wouldn't be as valuable to the community as a man serving his life there and growing interested in community affairs. Very likely in addition there would be a decline in the number of service stations. I believe there would be a tendency for service stations to trade off locations. And where we now have three or four smaller stations operating and giving competition to each other, I believe the direction would be for a trade off of centres and one major oil company would have a large high throughout operation in a particular community. It might be 25 miles to the next competitor also owned by a major company.

Most dealers, Mr. Speaker, work very long hours, usually around 60 hours a week. As a Legislature we should be acting to protect them, first because they need protection. They need protection now from the major oil companies. Second, we should be acting to protect them because they are a buffer against oligopoly and they are a buffer which protects the consumers and all of us represent consumers in this province.

What have other jurisdictions done? I have in part mentioned the actions of Nova Scotia and Prince Edward Island. Those jurisdictions don't allow self-serve gas bars. That is certainly better than nothing. Because it takes from the majors the principal weapon that they have for destroying competitive action at the retail level, and it assures to the consuming public full retail service operations. I suggest, however, that what Nova Scotia and Prince Edward Island are attempting to do by the side door this government should do by the front. I hasten, of course, to point out that those are two of the three Liberal provincial governments in this country. They've acted to protect independent business and they've acted to protect the operation of competition upon which the free enterprise system is based.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MERCHANT:** — Alberta is now considering such legislation. Their Automotive Association in that province has presented various briefs to the government, but I wouldn't be completely candid with the House and with the Minister in charge if I didn't say that with the tendency of the government three and the power of the majors in that province, I'm skeptical about the likelihood of action. In Manitoba, however, the Minister of Consumer Affairs (Ian Turnbull) has indicated that he will look into the consumer trade, look into the gasoline trade in reference to legislation of this sort and I suggest that this government should try to co-ordinate with that government and perhaps show a little leadership for Manitoba and the West. Ontario is acting. They have established a Royal Commission on gasoline prices and structures, under the Hon. Charles Morrow in 1966, but unlike the commission in Nova Scotia, in 1966, but unlike the commission in Nova Scotia, in 1968 the British Columbia commission, I'm sad to say did not result in any legislation.

Divorcement legislation, such as I propose it to this

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House has been enacted in three jurisdictions, three American states, Maryland, Delaware and Florida, passed legislation at various times in 1974. The legislation of the three states was similar and rather than discussing the legislation involved in each state I will restrict myself to the legislation enacted in the State of Florida.

The Florida Act restricted the number of retail service stations operated by producers, or refiners, or subsidiaries, similar to the wording of this motion, and required secondly uniform treatment of stations supplied by oil companies with respect to equipment rental. After October 1 of 1974 no producer or refiner or subsidiary was allowed with company personnel to operate in excess of three per cent of the total number of all classes of retail service stations, operated by that company, under its brand or under a secondary brand. Every producer or refiner of petroleum products had to charge uniform equipment rental charges to retail service stations and in addition there was certain legislation that went with it which I am sure the Minister will have an opportunity to peruse. The legislation failed in one way, it failed to impose some measure of uniformity in the costs of the lease and in the costs of the gasoline to the various dealers. On the other hand, it went a very long way towards curing the potential problems which they faced in their petroleum industry and I'm afraid still face, the potential problems which we share with them. I say they still face those problems because the American legislation was struck down for constitutional reasons. We do not, however, face those problems in Canada. Clearly, the enactment of such legislation is intra vires the power of this province and I suggest to the government that they should act.

What does the future hold if we don't act? I have alluded to what I expect would happen if phase two continues. And we are in phase two of a four-point program when the major oil companies can take over the operation of the retail trade. I believe that the oil companies have a plan to acquire virtually all of the market and we can look to the American jurisdiction again to see what the next phase holds in store. Texas is in phase three. Gulf Oil in Texas is now operating five stores where you buy automotive parts in a supermarket setting, pick up a carburetor or a spark plug and you are expected to install it yourself. Also in Texas, Shell Oil is now operating repair-it-yourself service stations. Service station bays are rented for \$3.50 an hour, you rent your tools and you can pay for the services of a grease monkey who is available for a fee. I suggest that the experience in Texas is indicative of the future which we face in Saskatchewan unless we act.

Mr. Speaker, obviously I hope this Assembly will pass this Resolution. In a moment I have some remarks about the reaction which I expect from the government. Without their support, of course, this Resolution and the Act which I shall be proposing cannot be passed.

I had originally intended only to present this Resolution, and to look to the government to act in the matter within the next year to 18 months. The reaction of the public and the reaction of the industry, not the majors, I've not been contacted by them, but the reaction by people in the retail trade has been so encouraging that I will at some point be coming back, within the next week, with proposed legislation. That legislation will do two things if passed by this House.

First the legislation would enact an immediate freeze on the expansion of the wholly owned company-operated service stations.

Second, the legislation would establish a commission to look into the requirement, if any, for fuller legislation, for more legislation to regulate the operations of the petroleum industry.

The legislation as I now propose it, and I have it in draft form with me, Mr. Speaker, would appoint three commissioners. They would be appointed by the Lieutenant-Governor-in-Council. The chief commissioner would be a judge either of the Court of Queen's Bench or a judge of the District Court, and the commission would be required by the terms of the legislation, which I will propose, to submit the report within one year from the date of the appointment of the chief commissioner. The terms of reference of the legislation to establish the commission, and the commissioners to look into the merits of divorce legislation, ask them to look into the pricing structure of the oil companies, and the possibility that controls should be imposed to ensure that oil companies charge uniform prices for similar quantities of petroleum products sold in similar markets netted back to the refinery gates.

Last, the commissioners would be asked to look into the leasing practices of the petroleum industry and the possibility of controls to ensure that uniform leases are given out by the companies. It would not be sufficient, I suggest, to simply move the majors out, if at the same time some uniformity and some protection is not moved in.

What reaction do I expect from the government regarding the passage of this Resolution and this proposed Act?

I hope first that the spirit with which this Resolution is presented to the government, and the spirit in which the Act will be presented, is accepted by the government in good faith. I certainly hope, for instance, that the government would not take umbrage at the fact that a freshman Member was moving a resolution. I have considered the problem at great length, over some years, and as I have said, and as the House has seen, it is legislation and it is a proposal that has received the consideration of many jurisdictions throughout North America.

The solution which I propose to this House is supported by the Service Station Association throughout the country and by other associations including the large (and I suggest) prestigious Canadian Federation of Independent Businessmen. I accept that I come to the government as a supplicant. I accept that clearly the government must now decide whether this kind of a proposal is something that they will pass. I present this proposition to the Member in Charge of Consumer Affairs (Mr. Shillington) and to the House in the hopes that the government will give the proposal the kind of consideration that it merits.

I would, for instance, certainly understand if the government chose to adjourn consideration of this Resolution and delay the legislation until the Spring Session to allow the Minister (who is a freshman himself and new in the Chair) to consider the matter in greater detail.

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I would not understand, however, and I suggest that the people involved in the industry would not understand if the government, for whatever political advantage might be perceived, would simply defeat this Resolution and defeat this Bill without giving it any further consideration. I don't think I overstate the case to suggest that it may be unpleasant for this government to defeat this Resolution and to side with Imperial Exxon and decide with the major oil companies against the thousands of small independent and leased operation throughout the province, the thousands and hundreds of people that you represent through your various constituencies.

With little justification I believe I find this government wild in their self-praise for standing by and assisting the little guy in our economy. This is a government that ceaselessly bleats about how they stand with the average man, and I'd be interested to see if they would now stand with the major Imperial multinational oil companies against the average man.

I oppose and Members on this side of the House oppose needless meddling with the free enterprise system. But there can never be a more classic example of the chickens dancing with the elephant and I believe that the service station operators will be trampled to death unless this province acts with dispatch. The Liberal governments of Prince Edward Island and Nova Scotia have given the lead in the East. This is your opportunity to give the lead in the West.

Mr. Speaker, I hope that the House will support this Resolution which I now move.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. D.G. STEUART (Leader of the Opposition):** — Mr. Speaker, I rise in support of this Resolution because I am convinced that the implementation of this kind of legislation will in fact strengthen the free enterprise system. I point out that the bedrock of freedom of enterprise is the small independent businessman, small independent business in our country. I also point out, Mr. Speaker, that freedom of enterprise, freedom is overlooked by Members on that side of the Legislature, just one freedom like freedom of speech, freedom of religion and if freedom of enterprise goes then I say to the people in this House, to the people in this province, then all other freedoms stand in jeopardy.

Now the small independent businessman in our society find themselves and have found themselves under attack from two quarters. One from governments, and unfortunately all government, especially governments of the philosophy stripe of the Members opposite. They find themselves under attack from governments because of insensitive tax policies to begin with that don't recognize peculiar problems faced by small independent businessmen in this nation and in this province. They find themselves under attack and in extreme difficulty due to the jungle of red tape created by governments and that government opposite are masters in this field. Jungles of red tape that make doing business for small operators extremely difficult and in our community are under attack from an even more formidable enemy and that tends to be much or most of big business, large chain retail outlets are given an unfair advantage over



small independent merchants by the pricing policies of most or I sometimes suspect, all giant manufacturers. Now nowhere is this more evidence than in the gas and oil business. One only has to look . . .

**AN HON. MEMBER:** — . . . potash.

**MR. STEUART:** — . . . the Hon. Member for wherever says potash. Well we don't have any independent small retailers in the potash business for your information and that's one of the problems of you people. If you found out a little bit about the potash business you wouldn't be rushing out to nationalize it and making idiots of yourselves in front of everybody.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. STEUART:** — You just have to look up and down Albert Street in the city of Regina to find out what is happening to independent retail outlets in the gas and oil business. They have been disappearing for the last three or four years and have been disappearing very rapidly.

Now the Member for Regina Wascana (Mr. Merchant) has pointed out and pointed out in a very able fashion what will happen to real competition when the independents in this field are driven out of business. I want to tell this House that I experienced this sort of thing first hand in the grocery business. Twenty or 25 years ago as the Member pointed out, there were in relatively large or small towns and small cities grocery retail outlets everywhere in this province. Then the chain stores came in, the first one of any note was Safeway and it was soon joined by many others. They would regularly sell articles cheaper, much cheaper than the independent retail outlets could buy those same goods wholesale or even if they wanted to buy them in large quantities and lay out the cash, even then they could buy them direct from the manufacturers. Even when independent grocery merchants banded together in an effort to buy in bulk by cash, they still were not given the same deal that the chain stores were given.

Now, there was no question in those early days of the grocery chain stores, the consumer most of the time got a good deal. There's no question about it. No question that if the shopper stayed with the chain stores in the early days, they got good bargains, but it only lasted until most of the relatively large, large not in comparison to Safeway or Loblaws or Dominion now, but relatively large independent grocery stores, until most of them were driven out of business. Then the chains moved up their prices and they have been high ever since. I don't think anyone will argue that competition among the chain store in the food business is largely a myth. They have competition that is far more apparent than real. I think one of the causes, it certainly isn't the major cause, but there's no question that one of the causes of inflation and the high cost of food in this country and in the United States has been the serious real lack of competition at the retail level.

Mr. Speaker, it's too late to do anything about this in the food business. The small retailers, by and large, have gone. The chain stores are here to stay. Even if we tried to change it, the investment necessary to open supermarkets and the gamble that anyone would be taking, the risk far outweighs the return

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that an independent could expect in this business. But it's not too late to do something about the retail oil and gas business, the service stations.

Now we can do something about this and the government can stand up and say why didn't you do something about it four or five years ago and they would have a good point. Why didn't we? The situation wasn't nearly as bad. Four or five years ago there were very few service stations operated by the major oil companies. Even in Regina and Saskatoon, 95 or 96 or 97 per cent of the outlets were still operated by independent businessmen.

Now what is the answer?

**AN HON. MEMBER:** — What is the answer?

**MR. STEUART:** — Yeh, well he says what is the answer of the NDP? They'll say of course we agree. We always have said there is little or no competition in the retail oil and gas business. So their answer of course is, if there's a problem you nationalize it. Tommy Douglas has already said we should nationalize the oil industry and start with Imperial Oil. That of course is the answer of the NDP and the socialists. If you've got a sore finger, you cut the arm off. You nationalize it and then of course the whole situation will improve. Well, of course, it won't improve, because if the gas and oil business is nationalized right down to the retail level, instead of having at least some semblance of competition between four or five major chains and there is some competition, it would disappear and we would have one outlet operated by the government. God help the consuming public if that ever happens. I just point to the liquor outlets that are operated by the government. Greatest monopoly enforced by law in this province or in this nation and ask people how they'd like to pay the same markup that they pay for booze, for oil or gas or groceries or anything else. So surely that's not the answer.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. ROLFES:** — You want cheap booze, eh?

**MR. STEUART:** — I don't want cheap booze because like you, Herman, I've seen the light, but for the working man wanting cheap booze, that's his right and his privilege. It is not up to some blue nose like you to decide he'll have to pay five times the price if he wants to sit and have a bottle of beer after work.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. STEUART:** — That's what will happen when you people run the whole country, if that terrible event ever happens. You and your holier than thou attitude will decide, we'll stop these people from having a drink, we'll raise the price even higher than it is now and they won't be able to afford it. That's not the answer. Surely, it's not our answer. It may be yours.

But that will be the answer of the NDP. Let's nationalize it. Let's take it over and God help us if they do. We'll really make a mess of it.

What will the answer of the Tories be? Well, if they react according to their track record, they'll do nothing. They'll do nothing. They'll say leave it alone and don't touch it.

What is the answer of the Liberals? The answer of the Liberals is a good commonsense answer. There is a problem and let's do something about that problem. The problem is in the retail outlets, this particular problem of the gas and oil business, the service station operators, and the government has it within their power to give the independent retailers in this case some help and it's not nationalizing; it's not socialize. As a matter of fact, the reason I like it is, that it makes the free enterprise system even stronger, because the day that Imperial Oil, the day that Safeway's, the day that those large business enterprises take over or along with the government, take over all private or small independent business, that's the day that socialism is just one breath away.

The bulwark and the greatest fighters against socialism are the free independent businessmen and this move strengthens them. In fact I have pleaded with people like Imperial Oil in the past not to make this move. I used to admire Imperial Oil for the fact that they were among the leaders of setting up independent businessmen in the bulk service all over this province, all over this country and that they were excellent in their backing up and helping people get in the service station business, again all over. They've changed. Somewhere along the line they changed, they'll say it's competition from other major oil companies. I don't believe it. I think they were the ones that started it. Whoever started it, I say it's a bad move. It's a bad move for freedom of enterprise, it's a bad move for the consuming public and I think this is an excellent Resolution. I would hope that the government, I would hope that all Members would support it because it does something for the consumer and it does something to make stronger people whom we all pay lip service to and that is the small independent businessman both in the city and in rural Saskatchewan.

Mr. Speaker, since I have more to say about this particular Resolution, I beg leave to adjourn the debate.

**SOME HON. MEMBERS:** — Hear, hear!

Debate adjourned.

**RESOLUTION NO. 13 — TO ESTABLISH LEGISLATIVE COMMITTEE TO STUDY  
PROPOSALS OF ELEVATOR ABANDONMENT**

MR. J. WIEBE (Morse) moved, seconded by Mr. Nelson (Assiniboia-Gravelbourg):

That this Assembly urges the Government of Saskatchewan to establish a Legislative Committee to study the proposals of elevator abandonment being made by all elevator companies, in order to determine the effects of such proposals on rural Saskatchewan; and

Further, that the major role of the Committee will be to obtain the view of the residents of rural Saskatchewan through a system of public hearings.

He said: Mr. Speaker, in rising to speak on this Resolution at

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this late hour, I hope that all Members of this Assembly will take into account the concern which I have and the concern which my constituents have which prompted this particular Resolution. I hope that all of us in this Assembly will look upon this Resolution from a non-political point of view, if that is possible. I not only ask for support of this Resolution from the seven Conservative Members but also ask for support from the 38 government Members.

As has been done in the past, concern in speeches and letters have been directed towards the proposals that the railway companies are making in terms of rail line abandonment, grain-handling and transportation within Saskatchewan. And it is a concern that I feel is justified. I think that everyone in this House is in full agreement that the majority of our rail line in the province be transferred over to the permanent system.

But I believe a concern that is just as vital and just as great, is a concern that has certainly been expressed to me by my constituents and I think to all Members in this House who represent rural constituencies, is concern about the proposals presently being made by all grain-handling companies.

I hope that the debate on this particular Resolution doesn't lower itself to the point where we start talking about which elevator company's proposal is more damaging than the other. Regardless of how we look at the proposals that are being made by the elevator companies, whether you abandon one community or whether you abandon a hundred communities, that abandonment for that one community is just as vital and important to the people living within that community as it is to anyone else.

As I mentioned in a previous debate, it's very easy to condemn and criticize railway companies for their proposals because their boardrooms are far removed from us. It's harder and a little more difficult to criticize elevator companies in which some of us do have ownership and which we as a whole consider as our friends. But again let me repeat, the proposals which all elevator companies are making could have just as drastic an effect on our rural way of life as those that have been made by our railroads.

A question that we have to ask ourselves is what will be the cost to our rural communities, to our rural way of life, to our farmers and even to our local and senior governments, if we have a community where that community has been successful in preserving its branch line, but the farmer no longer has an elevator in that particular community to haul his grain to. It's going to mean extra costs. How far will that particular farmer have to go along that same rail line to find an elevator that will accept his grain?

The same arguments that we use in our fight to preserve our branch lines can be used in our fight to preserve our elevator system. I should like just briefly to look at some of the arguments that can be used. Let's look for a moment at the cost of our local governments such as rural municipalities, villages and small towns. One of the major costs will be the maintenance of roads. We presently have a gravel system. We must be looking not at oil surface treatment, but pavement, from six to eight inches thick. This is going to cost the local

government a fantastic amount of money. An inch and a half of hard surface treatment now costs in the neighbourhood of \$11,000 a mile and that doesn't even include the construction of that particular roadbed.

Another cost to local governments will be loss of revenue. If any of you had the opportunity to listen to the Shragge line last Thursday, you would have heard an RM councillor from the southeast part of the province phone in and express his concern about the proposal which a particular elevator company was making in regard to a town which was located within his particular division. Three elevators were going to be abandoned from that particular community. That village would lose from that abandonment 50 per cent of its tax revenue. Making up the loss to that village would fall on the backs of the RM council. It would have a snowballing effect. The extra cost to the council will in turn come to lie on the shoulders of the provincial government.

Let's look for a moment at the cost to the individual farmer. Again, because the elevator has been removed from that rail line, he will have a longer distance to haul, which means more time involved for him. If he operates a family farm it means extra cost in terms of hiring men either to operate that truck or to operate the farm in his absence when he is hauling that grain. As well you would have congestion at your elevator point, which in turn could mean extra waiting time for that particular farmer. He could be tied up for two hours just sitting and waiting in line to unload his grain.

Because of longer distances, he's going to try and save time, he may have to buy a larger truck. Here again you are looking at anywhere from \$12,000 to \$18,000 additional cost for that particular farmer. Farmers who farm from one to one and a half sections of land may not be able to afford that kind of money to buy that larger truck. This means they are going to hire and pay someone to commercially truck that grain for him. As well, the municipalities will not be able to maintain or keep up a high standard of road which again could mean higher repairs to that farm truck.

WE have to look at a loss of service, loss of service that that elevator company is now providing to that farmer. In areas this fall in which the grain was wet, and while waiting for warm weather in which to harvest the crop, many constituents five or six times a day drove into the local elevator with a sample of grain to test for moisture. Many of them had to drive from one to ten miles. If that elevator is now going to be located 15, 20, 25, 30 or even 50 miles away, he's not going to be able to make that trip that often and if he is, it's going to be extra cost and extra down time as far as his combine is concerned. He may be anxious to combine that grain and he may say to heck with having that grain tested. If he combined and stored damp grain after a couple of months he could lose the entire granary.

As well we have to look at the loss of competition. This is happening today even before these proposals are being put into operation. You have a particular community which is being looked after by the elevator companies. You have a further community about a hundred mile down the road where the same two elevator companies service that community. The two companies get together and they say, look, I'll buy out your elevator in

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point A and you buy out my elevator in point B. We still have two elevators serving those two points, but we only have one elevator company in each point.

The loss to the farmer could be, in terms of grade, in terms of dockage and in terms of service. Many of you who do farm or represent a rural constituency know that during harvest and during the time of year when our grain is being cleaned, that if there is competition in a local point, the elevator agent has a tendency to stay open after six o'clock and get the elevator open prior to eight or nine o'clock in the morning.

These are just a few examples of some of the costs to the farmers and to the local government. But we also must realize that there could be a cost to our senior governments as well. Here again, every time an elevator closes you have the possibility of losing a particular job. So again it is a loss of people in rural Saskatchewan. That individual may be able to be replaced in some of our larger centres or in our cities, but not in the rural part of our province where people are desperately needed.

As well it's going to mean that the RMs are going to be asking senior governments for more money to maintain and build the roads, and provide the services that are necessary. Again additional costs to the senior governments. A lot of demands are going to be made by the people of Saskatchewan for better highways in which to handle this extra traffic. Many RMs are going to be making request on the provincial government to ask that their grid roads be put into the provincial highway system.

I could go on, Mr. Speaker, with many other suggestions or areas in which the proposals that are being presented by our elevator companies could have a direct financial and social cost, not only to our senior government but to our farmers and our local governments as well.

As I said a bit earlier, the arguments which many of us have heard and many of us have presented are involved with which proposal being made by the elevator companies is the most devastating. It is one that's centred around which company is going to abandon the most elevators. I hope that the debate on this particular Resolution does not side with one particular elevator company over another. I believe that would be futile. The concern that I have and the concern that everyone should have is what is going to be the effect to the people in that community whether it be one elevator abandoned or a hundred.

I hope that in the process of this debate that we don't allow ourselves to lower the standard of debate as to which concept is better, the mini-terminal, the high throughout elevator, the multi-elevator point or the inland terminal, because each and every one of these concepts may, I suggest, Mr. Speaker, mean that some community will be abandoned. I think that each and every one of you should have a meaningful concern about what is happening. I think we should allow the people of Saskatchewan, especially rural Saskatchewan, our farmers, people living within our smaller communities, our business people throughout the province, to have an opportunity to tell someone how they react to these proposals and how they feel about these proposals.

I say, Mr. Speaker, there's not much point in talking to the elevator companies about it, regardless of which one it is. There proposals are being made because of economic reasons and each and every elevator company can justify the proposals that they are making. I suggest that in many instances the proposals that are being made are not proposals that show their concern for rural Saskatchewan, but more for the balance sheet or the financial loss or profit for their particular company which they represent. It is for this reason that I suggest to the Members of this Assembly that they support my Resolution in asking that a legislative committee be set up by the provincial government comprised of Members from all three parties within this House and that committee hold hearings throughout the province of Saskatchewan and find out what the people of Saskatchewan feel about the proposals that are being made. In turn that committee can then carry those concerns back to this Legislature. We in turn can consider these proposals, can consider their recommendation and hopefully we will enact legislation that would prove beneficial to all people of Saskatchewan.

It is for that reason, Mr. Speaker, that I move this Resolution.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. E.A. BERNTSON (Souris-Cannington):** — Mr. Speaker, I find myself in a rather awkward position. We should like to offer your unanimous support to this Resolution and by way of this invite Members from the government side to put aside politics and petty political differences and prove to rural Saskatchewan that this government can indeed meet the needs of the farmer and I invite their support as well.

**SOME HON. MEMBERS:** — Hear, hear!

**HON. G. MacMURCHY (Last Mountain -Touchwood):** — In response to the Resolution put forward by the Member for Morse and the reply from the Member for Souris-Cannington, may I make a few comments.

I'm much impressed with the efforts of the Members opposite, with respect to their stand on this issue. I'm much impressed with their great concern for rural Saskatchewan. I appreciate the comments that come forward from the Member for Morse. I am impressed also with respect to their comments that the debate should be non-partisan and non-political. I can understand why the Members opposite are taking this stance. The issue is not the issue raised in the Resolution. The issue so far as rural Saskatchewan is concerned is not what the existing system is doing, the system that we've had over a long period of time. The grain-handling system as we know it, that system has done a good job, is in a position to do a good job and will do a good job in the future if we let them.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MacMURCHY:** — If we don't fall into the trap of the private company that's come into Saskatchewan to take over this province.

The issue, Mr. Speaker, is rail line abandonment and the

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Crow's Nest rates.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MacMURCHY:** — And for the Hon. Members to get up in this House and try to cover up what the real issue is it seems to me that they've been talking to the Hon. Minister of Transport in Ottawa. They are trying to create a smoke screen to take the minds of the people of Saskatchewan off the real issue. What are they asking us to do, Mr. Speaker? To study the proposals of elevator abandonment . . .

**MR. KATZMAN:** — I believe the Hon. Member is not speaking on the motion.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. SPEAKER:** — Order, order! The House will excuse me. I was reading a ruling and I wasn't listening to what the Minister was saying. However, when the Point of Order was raised I listened to the last couple of words of the Minister and I heard him say elevator abandonment. I see that in the Resolution.

**MR. MacMURCHY:** — Mr. Speaker, only the second time that I've spoken in the House when you've been in this Chair and you're not listening.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MacMURCHY:** — To study the proposals with respect to elevator abandonment when really, Mr. Speaker, the issues are rail line abandonment and the Crow's Nest rates.

I will have a good deal more to say on this Resolution, Mr. Speaker, and I, therefore beg leave to adjourn the debate.

**SOME HON. MEMBERS:** — Hear, hear!

Debate adjourned.

## **STATEMENT**

### **RESOLUTION NO. 14 - LEGISLATION ON MULTI-DWELLING HOUSING UNITS**

**MR. SPEAKER:** — I must remind the Assembly that the Member for Wascana has two resolutions on the Order Paper. I would suggest that in order to observe a fair presentation of resolutions and a fair opportunity for all Members, that Members only have one resolution on the Order Paper at a time. I would expect the Member to withdraw the resolution which he may submit at a later time.

**MR. MERCHANT:** — May I speak to the Point of Order, Mr. Speaker. The Government Whip has been good enough to indicate that they have no objection as I understand it to the second resolution being on the Order paper, and I wonder, if therefore, with the consent of the House, it is possible to breach the rule which I had occasion to peruse in that regard. There is no doubt about the fact of the strictness of the rule. I could find



nothing, Mr. Speaker, that indicated that it was a rule that could not be breached with the consent of the House. Now that is not to say that I could find anything which assisted me in suggesting to you that it could be breached with the consent of the House either but I did do some checking in that regard. Nonetheless, I will be guided by whatever Mr. Speaker may impose.

**MR. SPEAKER:** — Do any other Members have any other points to raise on the issue that is before us?

**MR. R. L. COLLVER (Leader of the Progressive Conservatives):** — Mr. Speaker, I would ask if this does happen, does this mean that this would set a precedent that could therefore allow many motions for one Member on the Order Paper?

**MR. SPEAKER:** — That is necessarily why I brought the issue forward at this time. When 'stand' was called on Number 14, Members will recall last year, 1974, on April 16th, the Speaker made a ruling with regard to this very issue and consequently three resolutions were dropped from the Order paper at that time. I might remind Members that if a Member of the Assembly is allowed to put two resolutions on the Order Paper he might at some time want to put four on the Order Paper, then six and maybe more. Consequently, present company excluded, a Member may have an opportunity to manipulate the Order paper at that time and exclude other Members from having their appropriate place in the debates of the House and the opportunity to put forward resolutions. So rather than have to reinvoke the ruling that the Speaker made last year, I would ask the Member if he wants to withdraw?

**MR. MERCHANT:** — Mr. Speaker, in light of your comments and since I would gather from the Leader of the Conservative Party that it would not be with all-party consent, I withdraw, with leave of course to resubmit as your Honour has said.

**MR. SPEAKER:** — Resolution No. 14 withdrawn.

## RESOLUTIONS

### RESOLUTION NO. 15 - PHASE OUT PRACTICE OF ENGAGING LAWYERS IN PRIVATE PRACTICE AS ACTING JUDGES OR MAGISTRATES

MR. S.J. CAMERON (Regina South) moved, seconded by Mr. Penner (Saskatoon Eastview):

That this Assembly urges the Government of Saskatchewan to begin immediately to phase out the practice of engaging lawyers in private practice from time to time as acting judges or magistrates and that within twelve months such practice be discontinued in full.

He said: Speaking to Resolution No. 15, Mr. Speaker, I want to try, perhaps more successfully than the Member for Morse (Mr. Wiebe) did, to put a proposition to the Attorney General, in essentially a non-partisan fashion. I intend to do it relatively briefly, although I wouldn't like the Attorney General to assume from the brevity of my remarks that the

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brevity is in any way proportionate to my concern.

We have permitted a practice to arise in Saskatchewan and I understand very well how it came to be and I have some sympathy as to how it came to be, but it's a practice nonetheless that I think is unsatisfactory and a practice that we should quickly move away from, particularly today. It's a practice of using lawyers in private practice as part-time judges and magistrates in our courts. A system which is becoming derisively known in this town and in Saskatoon and elsewhere as a dial-a-judge system.

In the six month period ending September 30 of this year, 49 lawyers in private practice in Saskatchewan were used from time to time as judges or as acting magistrates. There were 15 of these people in Regina, Moose Jaw, eight in Saskatoon, eight in Prince Albert, four in Melville, two in Wynyard, three in Swift Current and on and on.

I don't make the point, I shouldn't like Hon. Members to misunderstand me, that the selection of the people that have been acting in these capacities, has necessarily been a bad one, because indeed there are many very capable lawyers who have occupied and taken on this task. Indeed some of them at some financial sacrifice. But there are, on the other hand, some very inexperienced Members of the Bar who have also been asked to do it and who have indeed done it. There are indeed lawyers with as little as four and three and two, and in one case, one year of experience before the Bar, acting as a judge in the courts in Saskatchewan.

As Hon. Members know it requires a good deal of training and many years of experience to be qualified to serve on the Bench and indeed this kind of a practice would never be accepted in the superior courts in any province in the country. It shouldn't be accepted any more readily in the inferior courts or the puisne, than the magistrate courts than it is in the superior courts.

It's a practice which I appreciate began some years ago. It wasn't originated by the current Attorney General. It began by using private lawyers when there was some special or extraordinary requirement in view of unusual circumstance. It was the practice to appoint a lawyer in private practice as an acting judge for a short term, one assignment situation. But as with so many things whose original purpose we lose sight of in due course, we have permitted the practice to become routine. Again I intend no criticism of the Attorney General because we have all at the Bar permitted this to happen and I think the previous government engaged in the same practice. But we overlook the fact that if the practice can ever be justified and it's questionable, but if it can ever be justified, then it can only be justified in the most pressing and urgent circumstance.

What it does is it erodes confidence in the judicial system. It falls short and appreciably so of the high standards of justice that we must maintain, particularly today when disrespect for the law and for the system is riding so high. With lawyers appearing, Mr. Speaker, one day in the courts as advocates for their clients only to appear the next day in the same court, presiding as judges, gives the system the appearance that it can be influenced and it taints the system.

One of the most basic tenets of the judicial system is that not only must it be fair and dispense high quality justice but it has at all times to have the appearance of doing so and the appearance in some respects is as important as the substance.

I should like to see us resolve in this House to phase out this practice over the next 12 months and if in that period we can't phase it out completely, by the end of the 12 month period at least we get back to the original proposition that private lawyers be used in these circumstances only in extraordinary and rare cases.

Lest it be said by anyone that what I am proposing is about to cost a good deal more money, I say we can do this by streamlining the system. If we had two Chief Justices in the Magistrates' Courts, one in Saskatoon and one in Regina, I think it would help immensely in terms of streamlining their work. We need additional support staff and we all know we need additional support staff, which again I say could be drawn from other areas of the public service; if need be, retrained; we should be examining (and I believe indeed the Attorney General is examining) new and more efficient ways of reporting in the courts. We should be looking at removing from the day to day work of highly trained and experienced judges routine and petty work that could be done by others. Particularly I think we should look at the system of judges' clerks who needn't be lawyers at all, let alone lawyers with experience, who could on a day to day basis be empowered to take guilty pleas, arrange adjournments and attend to other day to day housekeeping chores which would make free additional time for the judges of the courts.

May I conclude my remarks, Mr. Speaker, by saying that I put this Resolution on the Paper and I make my remarks in respect of it out of a concern for the appearance at least of the Magistrates' Court in the province and in a spirit of non-partisanship I would ask the Members opposite to take it in that respect and hopefully over the course of the next 12 months phase out the system or at least reduce it substantially. Mr. Speaker, I move Resolution No. 15.

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

**MR. COLLVER:** — Before the Member take his seat, would he permit a question? On your motion I am sure it was included to be taken in concert with the following two motions that you withdrew, is there a possibility that you could re-submit it, so that the remarks match the motion. In other words the motion by itself doesn't match the remarks?

**MR. CAMERON:** — I beg to disagree with you, Sir. I think you let me be the judge of whether my remarks in fact pertain to the motion. I suggest to you they did. I suggest to you that the reason we have been engaging lawyers in private practice as judge, part of the reason is we don't have enough judges because the system has not been streamlined and because we need the several things I mentioned. If we had that, we would avoid having to go to lawyers in private practice and ask them to be judges. I don't intend to withdraw the motion. I do intend at some later stage to submit No. 16 and No. 17 as well.

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**MR. E.C. MALONE (Regina-Lakeview):** — Mr. Speaker, I should like to join with the comments made by the Member for Regina South (Mr. Cameron) particularly on the non-partisanship of this particular Resolution. I don't think anyone on either side could hope to get any political gain from speaking on this Resolution or indeed speaking against it. I think the comments of the Member were well taken and I should like to adopt those comments as mine and as well make a few additional remarks, Mr. Speaker.

The Member alluded to something which is best described in a phrase that has become over the years perhaps trite, but it is known as, 'justice must not only be done, it must be seen to be done.' I would suggest, Mr. Speaker, that when members of the public go to Magistrates' Court on one day and find a particular member of the Bar sitting as a judge, then go back in the afternoon and find him appearing as counsel, it does nothing at all to bring about a respect for the law.

I would ask the Attorney General as well to consider a further move in his department and that is to insist that lawyers who are in private practice who are appointed as agents of the Attorney General on a full-time basis, not just for a particular case, also indicate that they will refrain from practising law on the defence side. I myself, Mr. Speaker, at one time was an agent of the Attorney General and I had my duties in a particular area of the province which did not inconvenience me by having to go out there and defend as well. I have seen the occasion where it has happened where members of the Bar have appeared in court one day as judge, appeared in court the next day as prosecutor and appeared in court the next day as defence counsel. This looks anything but good. I would ask the Attorney General if he would consider that.

I think perhaps one of the reasons the Magistrates' Courts have not been improved to date to the extent that we should like, of course, is money. I must give the Attorney General some credit for doing some good things with the courts and with the system that he inherited when he took his high office. What he has done has really amounted, Mr. Speaker, to only a holding action because of the increase of work that the courts have had in the past few years. Much more is required, Mr. Speaker, and I am sure the Attorney General realizes that probably much more is required and that it is just a matter of getting the necessary funds to continue that work.

I would, however, remind the Attorney General and the Members opposite that I think the first priority of any government, whether it be Liberal, NDP or Conservative is to ensure that justice is administered. That is that they are the agents to administer justice in the particular provinces. This must be a priority first and foremost and perhaps not only the government that sits opposite but other governments in the past have tended to neglect this first duty that they have because of more pressing political problems.

I would ask the motion be considered in the light it was presented, as a non-political motion. It is something that needs to be done. I would ask the Members opposite to consider giving it their full support. I can assure you, Mr. Speaker, that Members of the Liberal Party will be supporting it.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. G.H. PENNER (Saskatoon Eastview):** — If I could add a comment having seconded the Resolution put by the Member for Regina South. I am unable to speak to the Resolution from the point of view of expertise as my colleagues have spoken to it or as the government or other Members of the House may speak to it because I am not a lawyer.

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

**MR. PENNER:** — Thank you, I should point out to those in the House who are lawyers that I hope that the quotation I took from Henry VI or whatever it was a few days ago has been forgotten.

What I want to do is speak to the Resolution as a layman, speak to the Resolution which I see as really being an unpolitical kind of Resolution and the kind of debate and issue which in my view is important for this House to look at. I hope that the Member for Touchwood (Mr. MacMurchy) will accept the fact that in this case, while he couldn't in the last question recognize, that it really is something that is non-political. As a layman I have looked at the court system. I have seen a clogging of the system. I have seen a long delay between people being arrested and coming to trial. I take it Members of the House looked at the resolutions which had been put as 16 and 17 and they have seen that there are suggestions there that will be put later for a streamlining.

I am pleased to support this Resolution and I hope that all Members of the House would do the same.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. COLLVER:** — Mr. Speaker, if I could speak briefly about this Resolution. Since the Member for Regina South (Mr. Cameron) said that he would not change the motion and during his comments on the motion he mentioned that at the conclusion of the year it would probably be necessary at any rate to use private lawyers or lawyers engaged in private practice from time to time and since the Resolution says, "such practice be discontinued in full at the beginning of the year," it would seem to me that the Resolution did not match the comments made.

For that reason I do not believe I can support it.

**HON. R.J. ROMANOW (Attorney General):** — Mr. Speaker, I want to tell the Members that I will be asking the House to allow me to adjourn at the conclusion of my very few remarks in respect to this Resolution. I get the clear message that this is a non-political Resolution and that I should accordingly treat this on a non-political basis. And I think that basically that is the spirit which I would approach this Resolution and this topic.

I would like to, however, take issue with the Hon. Member for Saskatoon Eastview (Mr. Penner) when he said that he has seen a clogging of the courts, I think was his description, and delays in the court procedures. I take issue with the Member to this extent. While there have been delays from time to time, the delays which are in effect in the Saskatchewan judicial

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system, at the present time are basically no worse, perhaps no better, than they have been at any other time of the judicial history of the province. Indeed, in Queen's Bench proceedings and District Court proceedings, I would say that much improvement has already been carried out by the District Court judges and the Queen's Court judges organizing themselves in such a fashion that the business is expedited.

It is true that in the Magistrate's Court level in Regina, in particular, the question of clogging or delaying may be made a little more than say other areas, but as a general sweeping statement I would very much disagree with the Member for Eastview about the delays in the system and the clogging and the justice being denied. Ideally, we would like to have somebody charged and handled in court as quickly as possible but in fact that is not possible.

I would like to make a comment in response to the Hon. Member for Regina Lakeview (Mr. Malone) as it elates to the question of defence counsel and agents for the Attorney General not acting in dual capacities. I want to tell the Member that I agree with his observations. I think that this is an undesirable practice. Wherever possible we have tried to have that as a policy followed, in fact by the Department of the Attorney General but we have not succeeded. We have a difficult time succeeding in Saskatchewan basically for two reasons. One, we have a large area to cover and two, with relatively few lawyers. In many country areas it is difficult enough to get a lawyer to be resident and to be practising let alone to have the luxury, as desirable as it may be for appearances or other sake, to have two lawyers acting on two opposite sides of the fence all the time. It just cannot be done. Our policy is wherever possible to try and make sure that agents don't act as defence counsel. Unfortunately that is broken very many times and will be so long as we can't overcome the very serious problem of not having lawyers in country areas with other professions, dentists and doctors and so forth. I don't know what kind of incentives have to be given. I am reluctant for governments to get into the business of giving incentives, but it is important for a community if it is to function properly to have counsel and to have professional people in the community. Until such time as we solve that problem we will have this unfortunate dual capacity function which will cause a bit of an embarrassment.

Now speaking to the main remarks made by the Member for Regina South, I am pleased to see that he had acknowledged that this is a practice which has been in existence for a very long while. I think one of the difficulties in the Saskatchewan context of today is that there has been somewhat of an increase in the court system. I don't want to again say this in any political sense but during the period of 1969 to 1971 when the province was in a very serious economic downturn we saw many of the same things happen in the Magistrate's Court system as we saw in earlier remarks that I made as it relates to the Land Title's system. In fact at one time in 1969, or thereabouts, the former Attorney General, Mr. Heald, introduced I think a very positive reform, the question of the voluntary payment system. What you saw was a combined effort of a reduced activity of the court system, voluntary payments such that I think the people in the Department of the Attorney General felt, not looking ahead four or five years, that the present complement of

magistrates would indeed suffice for the foreseeable future. As we know and again not relating to elections or otherwise or defeats of government, this has taken a dramatic turn upwards, in land titles, in magistrates courts, in other functions. And to a large extent, without putting any blame on anybody, part of the difficulty has been that the department has been unable, because of circumstances in which it reviewed the matter, to project what was likely to happen four or five or six years down the road and we are basically now scrambling to catch up with what is a difficult situation.

I want to say that the government does place a very top priority on the judicial system and this may be very partisan by way of remarks and perhaps very defensive because I have a stake in this thing, but I do remind the Members opposite that since 1971 we have fairly substantially increased the numbers of magistrates. For the first time we have put two magistrates in the North and now justice in the North is there in reality, as a fact. We have improved and increased the numbers of magistrates both for Saskatoon and Regina circuits. We have increased the pay. When I first became Attorney General only four years ago I can tell you that the pay for a magistrate was \$12,500 a year. Today it's perhaps not very much better in today's terms, it is only \$27,500 but a \$15,000 increase, more than 100 per cent in four years, leaving said for the time being the arguments of inflation, is an attempt to make the job more or less consistent in terms of compensation and the responsibility that it carries. We put a very top priority on it.

The Native constable program, Native JPs and so forth that I talked about are part and parcel of thrusts in this area. Now having said that, I am the first one to say that much more needs to be done. I would say to the Member for Regina South that I am in somewhat of an agreement with the Leader of the Conservative Party about the last words on the motion which say "in full". I am not sure you want the government or the Legislature to adopt the black and white meaning of those words or whether it is really an attempt to indicate the urgency with which you view this matter to be resolved. I think to view it from a pure black and white term "in full" is not likely to be very practical.

Again for some of the reasons that I have talked about earlier, namely the country situation, in order to have full time magistrates only deal with the magistrate system, we are going to have to build into the system three or four or five or more magistrates who are full-time standbys, if I can put it into those terms. People who are prepared to spell off for vacations of other magistrates, people who are prepared to step in when there are indeed illnesses. Part of the efficiency of the present system in pure dollars and cents, perhaps not efficiency in the sense of judicial appearances, has been that the magistrate who is ill or on holidays or some other leave will be able to with a minimum of waste, in pure economic terms, call a lawyer up who is an approved member of the Bar, one who has come experience and say to him, look I need a substitute in this situation. I tend to agree in the broad with the proposal that we have the full time crew of standby magistrates, so that we don't have to go to the part time lawyers. I think it is realistic enough to say that I doubt that that is going to be something which can be accomplished in a 12 month period, let alone a four year period. It is an objective that we strive for but will be an impossibility in the terms of

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Saskatchewan.

The Member for Regina South also talked about two Chief Justices. With respect, this is another area where I disagree with him. I believe that one Chief Justice for the Magistrate's Court of Saskatchewan is the ideal. Two Chief Justices I believe run the risk of unnecessary perhaps competition. I mean that in a gentlemanly sense. Perhaps even a duplication of administrative practices for the court. What we need is one Chief Justice. I tell the Member for Regina South and the Members of the Legislative Assembly that we have been on the search for a Chief Justice actively now for the last several months. I have met with the Magistrates' association and we have two or three very good prospects. I think if we are lucky we will be able to mature and get one good Chief Justice to head up the magistrates system for Saskatchewan. I think that will be a very significant improvement. I am hopeful that within the next little while, that is to say before the spring session or earlier to be able to announce to the House that we have been indeed successful and that a Chief Magistrate has been finally appointed to take on this job of co-ordinating the question of magistrates' functions.

One other observation that I want to make and that relates to the support staff. Support staff is necessary, like the Leader of the Conservative Party (Mr. Collver) pointed out properly this afternoon about the administrative structure of the land titles system. The administrative structure not only the magistrates but of the entire judicial system is very, very archaic to put it mildly. We don't use full time administrators in the court system. For some reason or other we are still in the era of quill pen philosophy or attitudes in the judicial system. We don't bring proper management or business approaches. We need support staff. But with all due respect to the Member for Regina South again, where I differ with him is, from where do you draw that support staff. I know the Hon. Member in a motion which has been dropped and I can't, therefore, refer to it, Mr. Speaker, talks of drawing the support staff from other civil service positions. We are talking about very highly skilled people, not only trained business administrators but people who know something about the law. Again in the spirit of non-partisanship which we are to debate this in, I would simply invite the Members opposite to tell me where do we draw that extra civil service staff? Would the Members opposite say where we should drop staff that exist now to move them? Would we drop them in hearing aids or prescription drugs and away we go through the whole routine. I say this in a non-partisan, non-political comment. But I do want to say very sincerely that this is a serious problem. You simply don't bring in people who are not trained in this area and put them in charge. You would have a foul-up in the judicial and court system. Again with this old bug bear where civil servants, where we don't want to increase salaries and yet at the same time we have got a pressing problem. May I say again in the spirit of non-political, non-partisanship, are we to be bound by the federal anti-inflation guidelines for our magistrates. Because one of the difficulties to attracting magistrates is salary.

The Member for Saskatoon Sutherland (Mrs. Edwards) says, Yes. I can tell the Member for Regina South as honestly and sincerely as I stand here that that is precisely the dilemma



we are in. Because you are just not going to get top flight lawyers as you well know and Members opposite well know for the salary we pay at \$27,500 or even if we stay at the \$2,400 guideline. I am very proud of our judicial magistrates system now but to improve it we are just not going to get people for \$29,000. So we have a dilemma. I am sure that the Member for Regina South would say that in the interests of justice and of law and order, we should look at perhaps breaking the anti-inflation guidelines. That is my view. I am not going to put words in your mouth. The Member for Sutherland would say, No. I think that is a part of the dilemma that we are involved in.

I simply say to the Members of the Legislature, this is not an easy problem. It is a very difficult problem. It is a dilemma that we face. We have to try to offer them some challenge, people that join the magistrates core at the administrative level and at the judicial level. I don't think we have succeeded. I am the first one to admit that we probably have not succeeded. But I think some significant strides have been made. I want to close by saying that as all Hon. Members will know, Mr. Justice Emmett Hall has completed a court study for the government. We have had that now for the last several months. We are not sitting on it. I have said this publicly and I repeat again that we will be making a full package of court revisions, I hope, within six months, nine months, perhaps a year which will affect Queen's Bench, District Court and above all the Magistrates' Courts from top to bottom. We will be looking at management and support staff and the business of revolutionizing the structure and the mechanism of our courts to bring them fully into the 20th century in order to make sure that justice is not delayed and that, therefore, justice is not denied.

I simply say that I think the Member opposite raises a good Resolution. I think the discussion has been a good one. I want to adjourn the debate because quite frankly I am not prepared to discuss it and I should like to take a look at some of the figures in terms of number, hours, some projections. Perhaps when this matter comes in the House next time around I might even be able to enlighten the Member further than I have, in the continuing spirit of non-partisanship, about this very important matter. I beg leave to adjourn the debate.

Debate adjourned.

## **ADJOURNED DEBATES**

### **MOTIONS FOR RETURNS**

#### **RETURN NO. 13**

The Assembly resumed the adjourned debate on the proposed motion by Mr. T. Malone (Regina Lakeview) for Return No. 13 showing:

- (1) The amount of money that has been accumulated in the Saskatchewan Energy Development Fund.
- (2)
  - (a) The amounts, if any, that have been paid out of the fund;
  - (b) the purposes for which it was paid.

And the proposed amendment thereto moved by the Hon. Mr. Robbins:

That all the words after the word 'energy' in the second

line be deleted and the following substituted therefor:

And Resource Development Fund to March 31, 1975.

- (2) (a) The amounts, if any, that have been paid out of the fund;
- (b) the purposes for which it was paid.

And the proposed sub-amendment thereto moved by Mr. Steuart:

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

October 31, 1975.

- (2) (a) the amounts, if any, that have been paid out of the fund;
- (b) the purposes for which it was paid.

**MR. ROMANOW:** — Mr. Speaker, when I adjourned this on Friday, I indicated to the Members opposite that I wanted to have an opportunity to see whether or not we could accept the sub-amendment as proposed by the Leader of the Opposition. I have had an opportunity to check this with the Finance officials. My recommendation to the Members of the Legislature is to defeat the sub-amendment. I do so because the difficulty we are in is that the last audited statement of the Energy Resources Fund, as it is called, is dated March 31, 1975, which is the date of the amendment proposed by the Minister of Health. This fund has not been audited since that time and quite frankly the government does not want to be put in the position and I don't think that we should be put in the position of placing estimates on figures, estimates which may be inaccurate, unaudited and incomplete. I think the answer is really to identify with specific precision, a specific period in history, what the amount of the account is March 31, 1975 which is the last time we have the audited figures which are available to the Hon. Members.

It may very well be that at a later date Members will want to ask a subsequent question as to subsequent audits. At this stage of the game, that is the last complete date and it will give the Members all of the information that they want in this matter. It will give them a full disclosure of the amounts in the fund and the full aspects of the question as requested. So, I with reluctance, can only urge the Members of the House to defeat this sub-amendment for the reasons that I have outlined.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. E.C. MALONE (Regina-Lakeview):** — Mr. Speaker, there is a very good reason for this question being on the Order paper. The reason it is on there is to find out how much money has been paid into the Energy Development Fund not till the end of March, 1975 but to the present time. The reason we want that information is to know how much money is there and what the government intends on paying with when they buy potash companies. That is the reason for the question.

We also want to know what has been paid out to date from that Energy Fund. Because certainly at the time the Energy Fund was established the Premier and the government gave us the assurance that any money that accumulated in that fund would be used for the development of further energy sources in this

province, be it uranium, oil, natural gas, or whatever. That was the reason the fund was established and I believe there is an agreement of some nature with Ottawa by virtue that brought this about. So therefore, Mr. Speaker, I think we are entitled to this information. If they want to give it to us on the basis that it is unaudited at that time, fine, we will accept it on that basis. I think the Legislature, the people of Saskatchewan, are entitled to the information and I would ask that the sub-amendment be allowed.

**MR. PENNER (Saskatoon Eastview):** — Mr. Speaker, I wonder if I might direct a question to the Attorney General? Did you say earlier, and I am afraid I wasn't listening as closely as I ought to have been, that the information asked in the sub-amendment is not available?

**MR. ROMANOW:** — Yes, the information that is asked in the sub-amendment is not fully available because the fund has not been audited since March 31, 1975 and accordingly we want to give you the accurate figure. That is the situation. The Hon. Member for Elrose (Mr. Bailey) will know that that is when the government audits at the end of the fiscal year, which is March 31, or ongoing times. That is the simple fact of the matter. The Members shake their heads, but that is the fact.

**MR. J.G. LANE (Qu'Appelle):** — With respect to the sub-amendment, Mr. Speaker. We made a definite offer to the government opposite that we are prepared to accept the unaudited figures. That should refute the Attorney General's argument that these have to be audited. Surely you now how much is being spent. We are prepared to give the commitment to the Legislature and the public that we won't question the fact that they are audited or unaudited. There is a very basic principle involved here, Mr. Speaker. We have a right to know what amounts have been spent by the Energy Fund and where they have been allocated under the particular terms set out and times set out in the sub-amendment. It is quite clear that commitments have been made to the people of Saskatchewan by the Premier of this province that an Energy Fund would be used for the development of energy resources in the province of Saskatchewan. That commitment was made. Make no mistake, Mr. Speaker, that it has now been made clear by the same Premier that he is breaking his commitment to the people of this province and is using funds specifically allocated for one purpose and now seemingly will put it into the nationalization and expropriation of the potash industry. There is no doubt that the government should supply this information after the commitments that were made by the Premier of this province. Why the Attorney General is now standing up in the House and saying that we don't have it or we won't give it to you, I think that is really what the Attorney General is saying. He has, in effect, admitted that they have it but it is not audited.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. LANE:** — If I could have the floor, Mr. Speaker . . . I call it 9:30, Mr. Speaker.

Mr. Speaker, adjourned the Assembly at 9:30 o'clock p.m.