

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**First Session - Eighteenth Legislature**  
**26th Day**

**Friday, December 19, 1975.**

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

On the Orders of the Day

**QUESTIONS**

**NEGOTIATIONS RE PURCHASE OF NOVAPHARM**

**MR. R. L. COLLVER (Leader of the Progressive Conservatives):** — Mr. Speaker, a question to the Premier. Yesterday in this Assembly I asked a question about NovaPharm, the purchase of NovaPharm or the suggested purchase of NovaPharm by the Government of Saskatchewan. The Premier outlined to me that he was not aware of any negotiations at all pertaining to this particular acquisition by the Government of Saskatchewan. I ask the Premier today, is he aware of these negotiations today and has an interest in NovaPharm been acquired by the Government of Saskatchewan?

**HON. A. E. BLAKENEY (Premier):** — The Hon. Member asks two questions. Am I aware of negotiations, and has an interest been acquired.

With respect to the first question, I think the answer is, yes, in part. I find on examinations that there are discussions between the Department of Industry and Commerce and NovaPharm. I think they are not any higher than that. They involve the possible establishment of a plant in Saskatchewan. I don't propose to expand on that further. My colleague, the Minister of Industry and Commerce (Mr. Messer) will presumably make a judgment as to whether further disclosure is in the public interest since nothing has been concluded. If you wish you may direct a question to him, he will be back in the House on the next sitting day.

With respect to the next question, "has any interest been acquired," the answer is 'no'.

**MR. COLLVER:** — Mr. Speaker, a supplementary question. Is the Premier aware today that the Deputy Minister of Health advised the president of the Canadian Pharmaceutical Association negotiations have been going on with NovaPharm for some time and, further, that early in the new year some information would be sent out to all the pharmaceutical manufacturers in Canada, with whom the Government of Saskatchewan has association, pertaining to this matter and pertaining to announcements on this matter?

**MR. BLAKENEY:** — I wonder if the Hon. Member would advise the House whether he is relating alleged verbal communications or whether the Deputy Minister of Health has sent forward some written communication to someone giving the information which he now purports to give to the House? I have no other knowledge of it.

**MR. COLLVER:** — In answer to the question, Mr. Premier, I am advised that this is a verbal communication but there may be something in writing.

My second supplementary question then, Mr. Speaker, is since the Premier was not aware yesterday of major negotiations of this importance, how in the world does the Premier expect to be able to run a \$1 billion potash industry when he isn't even aware of the negotiations that are going on by his own officials?

**MR. BLAKENEY:** — Mr. Speaker, that is exactly how I intend to run a potash industry. I have officials in whom I have confidence and they don't bring every little thing to me unless there is something for decision.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. BLAKENEY:** — There is nothing on the table for decision by the Government of Saskatchewan. I have hundreds of top officials, many of them are discussing many things. They are out there trying to get industry for this province. They may very well be trying to get a pharmaceutical industry and good luck to them. And if they are discussing with NovaPharm or any other pharmaceutical companies the possibility of getting an industry, I want them to do that. I don't want them to report every discussion to me but when something has reached the stage when I or my Cabinet colleagues should make a decision, I want them to report to me then and not before. That is how we run our Government.

**SOME HON. MEMBERS:** — Hear, hear!

#### **POTASH MINE AT SCOBEE, MONTANA**

**MR. E. C. MALONE (Regina Lakeview):** — Mr. Speaker, before the Orders of the Day, I have a question I should like to address to the Premier and I hope he will calm down by the time I ask the question.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MALONE:** — The question, Mr. Premier, deals with a report that was carried last night on the CBC news on television. The report I am advised indicated that a major potash mine or program was being started in Scobey, or near Scobey, Montana, which, as the Premier is aware, is just south of Saskatchewan. The reason for this program going ahead I am advised is because of the so-called uncertain and unhappy situation in Saskatchewan with the potash industry. My question to the Premier is, because of this mine going ahead and because of the fact that most of the customers for potash from Saskatchewan are in the United States, is the Premier now ready to reassess the position in connection with Bill 1 and Bill 2, reconsider the position and hopefully take the Bills from the Order Paper?

**MR. BLAKENEY:** — Mr. Speaker, the report I heard was a good example of what a news report should not be. I heard the comments of the CBC reporter, Peter Mansbridge, and they, I think, were fairly

Careful and accurate. It was what the editors, the news editors did with the report which caused the problem. Peter Mansbridge properly reported that C. F. Industries is doing some exploratory drilling around Scobey to find out whether or not it is possible to produce potash at a very deep depth, deeper I believe than at Belle Plaine. That is what C. F. Industries is doing.

The news editors in news selection somehow elevated a couple of exploratory holes into a mine. They further drew an inference that this was being carried on because of what has happened in Saskatchewan since the Speech from the Throne. In point of fact, it had been known to us before the Speech from the Throne and conveyed to us by C. F. Industries that they were doing drilling around Scobey. This is hardly news that people are drilling into deep depth formations in lots of places in Canada and in the United States. We are aware, indeed we were aware before we made decisions with respect to the Bills before this House that C. F. Industries was in the course of doing some exploratory drilling around Scobey. That was taken into account. I think that C. F. Industries doesn't put it any higher than that, it is an exploratory drilling program. I think they would be the first to admit and I think Mr. Mansbridge of the CBC would be the first to admit that the economics of extracting potash from these deep deposits is far from established. That's where the situation is today and that's where it was five weeks ago.

**MR. MALONE:** — A supplementary question then, Mr. Speaker. Does the Premier not agree with me that when the vice president of C. F. Industries, whom I understand made this statement, C. F. Industries is very closely associated with Central Potash, a potash company in Saskatchewan which sends most of their product to the United States? When the president of C. F. Industries says that one of the reasons that they are proceeding with this exploratory drilling is because of the uncertain situation in Saskatchewan, that it is very serious indeed? And that was not an editorial comment. I believe, Mr. Premier, that came from the vice president of C. F. Industries.

**MR. BLAKENEY:** — Mr. Speaker, the Hon. Member for Lakeview is obviously quoting from a different report than I am. I have Mr. Borst's statement here and it does not contain the words which he is attributing to Mr. Borst.

**MR. MALONE:** — Well, a final supplementary question then, Mr. Speaker. I didn't quite catch your answer, Mr. Premier, but if you indicate to us that you are aware of this exploratory drilling at the time, or before you introduced Bills 1 and 2, and furthermore if it becomes feasible as a result of this exploratory drilling to mine potash near Scobey, Montana, are you then prepared to reconsider Bill 1 and Bill 2?

**MR. BLAKENEY:** — The answer is, yes, we were aware of the exploratory drilling at Scobey before we introduced Bill 1 and Bill 2. And secondly, if it becomes feasible I think that is the time to consider it. We are not talking now about geological or mining feasibility, but about economic feasibility and I think we must take into account the fact that deep depth potash like that has never been mined anywhere in the world by conventional means. With respect to solution mining, one has to assess among other

things the very high and increasing costs of energy and one has to make some very careful calculations as to whether or not solution mining at that depth, at today's energy costs, can be made competitive with conventional mining.

### **AIR SERVICE BETWEEN WINNIPEG AND SASKATOON THROUGH YORKTON**

**MR. D. G. STEUART (Leader of the Opposition):** — I should like to direct a question to the Premier. It has to do with SkyWest and the withdrawn application of SkyWest and the possibility of an air service Winnipeg, Brandon, Dauphin, Yorkton and Saskatoon. In view of the importance of this suggested air line, this air service, especially to the large number of people in the Yorkton area, is the Premier aware that the Federal Government stands ready to put up about \$3.3 million, a couple of million dollars for air craft, \$600,000 for airport improvement, some of which will be spent in Yorkton, about one-half million for start-up assistance to the carrier whenever it is decided what carrier it will be, and another \$200,000 to monitor this aircraft route for some period of time until it has proven whether it can operate satisfactorily or not?

The Premier is aware I am sure, but I ask him if he is aware that negotiations have broken down and it appears to me and I question the Premier if he would have the same feeling about this, that part of it seems to be a conflict of personalities between the Minister in Manitoba, Mr. Evans, and Mr. Lang? The Government of Saskatchewan, I believe, and I ask for confirmation of this, were to put up about one-quarter million dollars, Manitoba maybe a bit more than that. Would the Premier look into these negotiations? My understanding is that Premier Schreyer is still interested and interested first in a public carrier, second if that has to be, a private carrier. My word from the Minister of Transport in Ottawa, is that while he does favor a private carrier, he has not shut the door to a public carrier, nor has the Federal Government. I am wondering and my question is: would the Premier in view of that importance of this to eastern Saskatchewan, that part of eastern Saskatchewan, look into the negotiations, confer with Premier Schreyer if he hasn't and see if the negotiations can be put back on track again before we lose this scheduled air service between Winnipeg and Saskatoon, through Yorkton, because I think that every step should be taken to try and reopen negotiations whether they are the fault of the Canadian Transport Commission, or Mr. Lang, or Mr. Evans. I don't know. I have listened to all sides and I think it is of such importance that I would like to see the Premier, and I request him to, contact Premier Schreyer if the hasn't and see if we can get negotiations back on track. I cannot fault Mr. MacMurchy, I say this quite sincerely. I have listened to his statements and I think they have been moderate. I think he has been disappointed and he has expressed it very sincerely . . .

**AN HON. MEMBER:** — Oh, Dave . . .

**MR. STEUART:** — I have listened to statements, my colleagues haven't listened as closely as I do.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. STEUART:** — They are too busy watching potash mines going up in Montana. However, I sincerely ask the Premier if he would become involved, or at least look into these negotiations, to see if this important air service could be - negotiations opened up again before it is too late?

**MR. BLAKENEY:** — Well, Mr. Speaker, I thank the Hon. Member for the kind words said on behalf of my colleague, the Member for Last Mountain-Touchwood. We have stood ready. This was not something which we initiated, these discussions, but in which we happily participated, because we were anxious to see this experiment tried. We underlined that it was an experiment, but we are prepared to have the experiment go forward and to put forward an amount of money, for a limited period but a significant amount of money, to see it tried. Our understanding, our clear and distinct understanding, was that the precondition was that the Federal Government would purchase the aircraft and lease them at a nominal rent. If that is not the case, then I think the entire economics are in grave jeopardy. We understand that that is not the case. We understand that the Federal Government has declined to indicate whether they would purchase the aircraft, and wish to put conditions upon the purchase which were not in the original arrangements. Now, again we may misunderstand it, but that is certainly our understanding of the current position. And that being the case, it looks as if the substratum of the negotiations is gone.

I certainly, at the request of the Leader of the Opposition, indeed in any case, I will certainly cause some inquiries to be made to see whether there is any ground for reopening the negotiations. My understanding is that the Government of Manitoba has taken a fairly firm line on this. We were, as was the Leader of the Opposition, hopeful that firm lines would not be drawn quite so rapidly in this particular case, but there are two other governments involved, and firm lines get drawn pretty rapidly. We can enquire further, but I don't know whether I can undertake to produce any results having regard to the fact that two other governments are involved.

**MR. STEUART**—A supplementary, Mr. Speaker. My understanding is very clear that the Government of Canada stands ready to purchase the aircraft as soon as they know that a carrier has been cleared by the Canadian Transport Commission; to say in effect, that we are not going to buy aircraft until we know there is a carrier approved to use it. I would agree with the Premier that if they do not put up the aircraft or subsidize this at the beginning, then the economics are probably very questionable. However, the report has come out to begin with, that the Minister of Transport, Otto Lang, has closed the door against the government carrier. My understanding in discussions with him is he has not closed the door, he prefers a private carrier, but he has not closed the door on a public carrier if all of the conditions of the CTC can be met. Would the Premier state whether the Government of Saskatchewan conversely, is totally opposed to a private carrier, if all things are equal, as against a public carrier?

**MR. BLAKENEY:** — Mr. Speaker, I don't think we have considered that issue, save only to say that our concern was primarily to get a service for customers, for the travelling public, and we were not as

concerned about whether or not the carrier was public or private, or whether the aircraft was of western-Canadian manufacture or not, although we acknowledge that as a legitimate objective. We were primarily interested in seeing whether this experimental service could be made sufficiently viable economically so that it could carry on. That was our primary objective. Others may have had subsidiary objectives, we had fewer of them than I take it other people had.

### **OTTAWA ANTI-INFLATION PROGRAM**

**MR. C. P. MacDONALD (Indian Head-Wolseley):** — Mr. Speaker, I should like to direct another question to the Premier, in the absence of the Minister of Finance. We can make you the star of the show today. Could you tell me, Mr. Premier, I am sure that you are aware that Ottawa has announced further progress in their fight against inflation of their anti-inflation program, and this is the third or the fourth announcement, progressively, in the last few weeks about their attempts to fight inflation, and the Premier and the Throne Speech indicated that the Government of Saskatchewan would be co-operating, and yet here, almost five weeks or six weeks have passed and we have had no specific announcement for the Government. Is it the intention of the Government of Saskatchewan to introduce an anti-inflation bill, are they going to come forward with this and inform the public of Saskatchewan just exactly what their intentions are? Because, after all, day after day their silence indicates that inflation is not being combated in Saskatchewan. I might suggest that if he did bring a bill before the House, that as the Rent Control bill, he might find that it would be very progressively passed and very rapidly. And this is not the condition of the House today. But is it the intention of the Premier and the Government to bring forth some specific, concrete proposals in the anti-inflation program and to indicate what Saskatchewan's fight is, or what they are prepared to do in this great battle?

**MR. BLAKENEY:** — Mr. Speaker, I am sure all of us watched the Prime Minister last night and watched the comments of other political leaders on the federal government program. I won't venture to repeat some of the comments made by the Leader of the Opposition in the Federal House or other political leaders about their assessment of the federal effort. I shall direct my attention exclusively to the question asked by the Member for Indian Head-Wolseley (Mr. MacDonald).

We are certainly desirous, and we have made as many statements as the Federal Government has, of underlining our desire to deal with the matter of inflation. In those areas which were exclusively under our jurisdiction, such as rent control, where we felt we understood what the federal program is, we have moved. With respect to other areas, such as the restraint of wages and salaries in the public sector, or our effort to assist in the control of incomes of professionals, we have, in our judgment, had to wait until the federal program was better known. I think last night was the first time anybody knew, with any degree of certitude, what the Federal Government was proposing. That is, assuming that one could digest 60 pages of regulations last night.

We have, I gather, received them. They didn't arrive last night, as someone had said that they were entrusted to Information Canada, to be delivered to us, and in the course of so doing, they shot the messenger. We never did quite receive the regulations but I anticipate we have received them today. I interrupt to say that I have just received a note from my staff saying that the regulations are still not here but we expect to receive them today from the Federal Government. It will take a little while to go through them. Having done that, we will know what we think we ought to be doing with respect to the control, or the restraint of incomes of professionals, or whether there is any role or function for us. And the next thing we have to consider is with some precision what we do with respect to the restraint of salaries and wages in the Saskatchewan public service.

We will not know until we get the regulations and find out what's in them, what is proposed by the Federal Government with respect to other employees. Only then will we know whether those regulations make sense to apply to the Saskatchewan public service or whether or not we will have to make some additions, modifications or subtractions in order to make them fit the Saskatchewan scene.

I think it is not rational for the Opposition to say that we ought to announce that we are prepared to adhere to regulations, and ought to have announced four weeks ago that we are prepared to adhere to regulations, which were not yet in print. I think that that is not the appropriate way to discharge our responsibility to the public. I think the appropriate way to discharge our responsibility is to get the federal regulations, study them, see to what extent they are applicable in Saskatchewan, see to what extent they need to be modified to meet our conditions, and then having reached some decision, report them to this House.

**MR. MacDONALD:** — I suggest there is one other appropriate way that the Government of Saskatchewan could have initiated some anti-inflation program. Would the Premier indicate whether the Government is going to provide some leadership with specific cutting of Government expenditure in the Province of Saskatchewan? That we cannot ask public servants, we cannot ask private industry, we cannot ask the rest of the province to co-operate in any anti-inflation fight, unless the Government is willing to provide some leadership itself. I think of cutting out superfluous programs; I'm thinking of cutting back on civil servants; I'm thinking of saying to the public of Saskatchewan whether they are going to have an increase in the Government expenditures in the coming fiscal year and what per cent it will be; I'm asking the Premier, is it not appropriate that tomorrow the Minister of Finance could get up, or the Government could get up and announce specific cuts in Government expenditures and show the people of Saskatchewan and the people of Canada that the Government of Saskatchewan is willing to show some leadership?

**SOME HON. MEMBERS:** — Hear, hear!

**MR. BLAKENEY:** — Mr. Speaker, I think we all know what the Federal Government has announced. The Leader of the Opposition, Mr. Stanfield, characterized it as a 'con job'.

**MR. MacDONALD:** — He may go back to the underwear business!

**MR. BLAKENEY:** — That may be. He goes back to the underwear business, if he does, an honest man. That may be a point to be taken into account.

We will certainly consider the proposal of the Federal Government. If this House really wanted us to come up with a proposal of lowering the assistance payments to the lowest income people in the province, such as the cuts in family allowances, if that was the desire of this House, we undoubtedly could come up with such cuts. There must be some poor people around Saskatchewan on whom the problems of inflation could be loaded. It may well be that we should scour our programs to see which unemployed people might get training paid for by the Saskatchewan Government and cut that program, as the Federal Government has done. It may be that we should introduce deterrent fees, particularly on the sick, or something like that, so that we could attack that particular group in society. It may well be, as the Leader of the Social Credit Party in Canada said, that we ought to so gear our program that the particular people hurt are the children, the young people, and those least able to look after themselves, those affected by the LIP program and the training program for the unemployed, by Unemployment Insurance, and by the family allowance program, and the like. Now I am not sure that that is a particular course of action which we should emulate. I believe that when we look for cuts we should look for genuine cuts that ask all people to bear the burden equally. I don't think the Federal Government has done that. I don't think they are asking the right people to share the burden. I suggest to you that at the appropriate time when our spending estimates are laid before this House, we will do a better job of asking people, the right people, to share the burden than has been done by that government which has asked those who are unemployed and those who have large families of children to bear the major burdens.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MacDONALD:** — A second supplementary, Mr. Speaker.

Is the Premier saying because he does not agree with all the Federal Government cuts, that then the Government of Saskatchewan will do absolutely nothing?

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MacDONALD:** — Is that what he is saying? Because, he doesn't agree with freezing family allowance increases, and maybe I don't either, but is that any excuse for doing nothing? Is that an excuse, for example, in not cutting our government advertising on potash, which is nothing but a propaganda program? Is that a reason for not saying that the top public servants will not get above ten per cent or whatever the wage and price guidelines are? Is that a reason or excuse for saying for example, that government programs such as government advertising and a lot of others as I'm sure the Premier will know, cannot be cut and frozen? Is that any reason for saying that the number of civil servants in the Province of Saskatchewan who now occupy every



office space in the city of Regina need not be frozen? Because he doesn't agree with what the Government at Ottawa does, please don't stand in this House and tell us that he will do nothing.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. BLAKENEY:** — Mr. Speaker, I think we made clear in the Speech from the Throne that we propose and are, in fact, taking steps to see the government expenditure in this province does not escalate rapidly. I am, of course, speaking of expenditures which might affect inflationary pressures. I am not talking about payment of bills which we may have, or the acquisition of existing assets, since neither can, by any standards, affect inflation.

I know that there are some people in this province, indeed in this House, who suggest that we ought not to take money for capital purposes, we ought not to spend money for potash, but we ought to spend it on senior citizens. Now this is very clearly inflationary. No doubt about that, to take something that would have purchased an existing asset, and spend in on an operating matter, is very clearly an inflationary expenditure. I know that Members opposite like to have it both ways, walk both sides of the street. They call upon us not to make any inflationary expenditures except that we should spend money on health, welfare, and education and all the others we've heard. But, we will be very careful and prudent in our expenditure, and I know that this will mean that some expenditures suggested by the Hon. Members opposite will not be able to be met. I hope we will be more careful and more prudent than the government which announces with some pride very recently \$1 billion will be spent on new planes and tanks. That was heralded by Members opposite as sound and progressive government, by the party that they represent in Ottawa. That is not my view of appropriate priorities and when the appropriate time comes, we will be announcing our priorities and we think they will be acceptable, not only to this House, but to the people of Saskatchewan.

**SOME HON. MEMBERS:** — Hear, hear!

## **MOTION**

### **WITHDRAWAL OF THE SNOWMOBILE ACT, 1973**

**HON. G. MacMURCHY (Minister of Highway Traffic Board):** — Mr. Speaker, I rise to ask leave of the Assembly to withdraw The Snowmobile Act.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MacMURCHY:** — Mr. Speaker, that's twice today, I don't know whether I can stand the applause from the Opposition.

But before moving the Motion, I might make a comment that despite the real efforts of this Government through the amendments of The Snowmobile Act to provide more protection for Saskatchewan citizens as a result of the recent Supreme Court ruling, those intentions have been misunderstood by the Saskatchewan public. I think it is unfortunate, unfortunate indeed that some of the comments that were made by people who

commented on the legislation tended to spread the misunderstanding with respect to this particular piece of legislation.

Our plans are to withdraw the Bill at this time. We have some amendments in mind which we think will strengthen the legislation and clarify the legislation. We want to take some time to discuss those amendments with SARM and SUMA, farm organizations and snowmobile associations. Hopefully we can reintroduce legislation and I think it is important that we do during this Session of the Legislature and to introduce legislation again when the public is better informed of our intention. That is our objective.

I, therefore, move, Mr. Speaker, seconded by my seatmate, the Minister of Health (Mr. Robbins) that by leave of the Assembly:

That the Order for Second Reading of Bill No. 8 - An Act to amend The Snowmobile Act, 1973 be discharged and the Bill withdrawn.

**MR. E. C. MALONE (Regina Lakeview):** — I should like to make a statement, Mr. Speaker, in reply to the Minister.

**MR. SPEAKER:** — Well I'll deal with that after I read the Motion.

Leave is granted. That an Order for Second Reading of Bill No. 8 - An Act to amend The Snowmobile Act, 1973 be discharged and the Bill withdrawn. The Member has asked if debate may ensue on the Motion, and I will refer to Beauchesne and Citation 383:

It is irregular to go into the merits of the Bill on a Motion that an Order for a Second Reading be postponed or discharged.

**MR. E. F. A. MERCHANT (Regina Wascana):** — On a Point of Order, Mr. Speaker.

**MR. SPEAKER:** — What's the Point of Order?

**MR. MERCHANT:** — I was only going to suggest, Mr. Speaker, clearly that may well be the case, but the Minister didn't just withdraw, but made a rather lengthy statement before withdrawing so the Minister was irregular in the way that that withdrawal was presented to this House. And I would suggest that that became a ministerial statement which could be answered by some Member of the Opposition.

**MR. SPEAKER:** — It's too bad the Member didn't bring that to my attention when the Minister was speaking, and I will consequently put the Motion at this time.

Motion agreed to.

**MR. S. J. CAMERON (Regina South):** — Mr. Speaker, I beg the indulgence of the Assembly

very briefly to make a brief statement in connection with the announcement made by the Minister, if I may.

**MR. SPEAKER:** — The Member has asked leave of the Assembly to make a statement in response to the Minister's statement.

**MR. CAMERON:** — It is strange indeed that one has such difficulty over here wanting to say something commending the Government.

I wish to say to you very sincerely that we did, as you know, twice request you to take this action in view of the confusion and bewilderment that clearly was abroad in connection with this Bill. We did it in a positive and responsible way and we think that you have responded in a responsible and positive way and I commend the Government for having taken our suggestion to withdraw the Bill.

**SOME HON. MEMBERS:** — Hear, hear!

## **STATEMENT**

### **SITTING HOURS OVER CHRISTMAS HOLIDAYS**

**MR. D. G. STEUART (Prince Albert-Duck Lake):** — Mr. Speaker, I rise to ask permission to read a short statement regarding the privileges of Members of this Assembly. I assure you it will be short and serious and I think it's important.

**MR. SPEAKER:** — Would the Member bear with me for a moment? Proceed. The Member for Prince Albert-Duck Lake.

**MR. STEUART:** — I refer, Mr. Speaker, to a motion that's now on the whites to be considered next Monday, concerning the sitting hours of this Assembly over the Christmas season. This motion, if passed, will cause the Assembly to sit through Christmas Eve on December 24, then force Members to return and sit on December 29, 30, 31, which is New Year's Eve, then return on Friday, January 2nd which I believe, I may be wrong, but I believe is a holiday for government workers, most of them. Mr. Speaker, this is the second motion in the last few days brought in by the House Leader which really suspends or changes the traditional ways in which the House does business this early in the Session.

**MR. SPEAKER:** — Order! I must ask the Leader of the Opposition if he's referring to the Notice of Motion which says on Monday, Hon. Mr. Romanow to move a resolution that when this Assembly adjourns on Wednesday, December 24, 1975, it do stand adjourned, etc., etc.,?

**MR. STEUART:** — Yes.

**MR. SPEAKER:** — I think that the comments would be out of order at this time because you are in effect getting into the debate of

something that is just a Notice at this time.

**MR. STEUART:** — I'm asking the indulgence of the House because I think it's important when the Government considers this that they know what we have to say, but I'm in the hands of the House because I think they would much sooner I made the statement, but I ask leave of the House to make it. It's a short statement on this.

**MR. SPEAKER:** — Is it the wish of the House to grant leave?

Agreed.

**MR. STEUART:** — Well, we know these things are being done by the Government in an attempt to force through the potash takeover bills with undue haste and before proper consideration can be given by all concerned, this enormously expensive and risky undertaking.

By forcing 61 MLAs to break the normal Christmas season and return to work, the Government is also forcing many staff members and the Press to do the same thing. I think over 100 families could be affected.

I say to the Premier that we in the Opposition are opposed to this unreasonable haste and pressure. So I make it clear that if this motion is proceeded with as it now stands, we will fight it as long and hard as we can and if we succeed in talking it out on Wednesday, December 24, it will force a sitting on Christmas and Boxing Day. We abhor the thought of this, but must make it clear to the Government that we will not be pushed around and we'll fight for the proper time to consider the very vital Bills 1 and 2, and if it means sitting, this Legislature, I suppose for the first time in history of any Legislature on Christmas Day, then so be it. We are prepared to take that.

**SOME HON. MEMBERS:** — Hear, hear!

**HON. A. E. BLAKENEY (Premier):** — Mr. Speaker, I think that the Leader of the Opposition asked the indulgence of the House and then, I think, abused it. He made very clearly, not a statement of the privileges of the Members, but a very highly controversial speech, containing in it the, I would say, determination, I won't use the word threat, the determination, of his Members to take a particular stance. He also, I suggest, presumed on some of the prerogatives of Mr. Speaker. I well remember, Mr. Speaker Snedker standing in this House and saying that we didn't need a motion that this House would not sit on Good Friday. I think the records will show that. On the grounds that we started our proceedings with prayers and that in his judgment it followed from the particular format of the House that the House would not sit on Good Friday unless directed so to do. He found them in the rules, and, Mr. Speaker makes the rules, and neither the Premier nor the Leader of the Opposition makes them, as interpreted by Mr. Speaker.

It may well be that Mr. Speaker would find the same logic would apply to Christmas Day. I don't know that. We can remember that incident, those of us who were here, and I think that logic might well apply.

However, if it did not apply and if Hon. Members felt that they would like to sit on Christmas Day, I am sure that Members on this side of the House are no more lacking in diligence, no more lacking in their desire to proceed with the public business, than are Members opposite. I think that our efforts to lengthen the sittings so that more Members would have an even greater opportunity to express their views on the important public business, have not met with a particular measure of success. Be that as it may. If the Members opposite, when the appropriate time comes, feel that they wish to resist a motion which might cause us to adjourn for Christmas, or to adjourn for New Year's Day, then that will be their judgment.

We, as befits our role and our responsibility, have put forward our proposals as to how the House ought to govern its business. We have no way of requiring the Opposition to do other than do what it thinks is best, having a regard to its duty to its constituency. We will act in the same way. If in the result it means, as the Leader of the Opposition says, that we sit on Christmas Day or on New Year's Day, then so be it.

This will not in any way deter us from proceeding in the way we think best, offering the House the opportunity to make judgments. We are not forcing the House to make any particular judgement, we are simply offering the House the opportunity to make judgements. I know that when this motion comes up on Monday, if it does come up, we will know the feelings of the Opposition and we can presumably proceed on that assumption. With that particular comment by the Leader of the Opposition I think we are perhaps in a better position to know what proposals we can make which will accommodate as many as possible of the Members of the House.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. R. L. COLLVER (Leader of the Progressive Conservatives):** — If I might also beg leave of the Assembly to answer the two statements made. It is our feeling on this matter that Christmas is a time for our families and Christmas is a time for reflection on the business at hand perhaps and perhaps on what we've done in the past and what we should be doing in the future. The challenges and dares that have seemed to arise in these brief statements made by the Premier and by the Leader of the Opposition that if one doesn't do one thing, one doesn't do the other, and so on and so forth, we do not feel are acceptable at this time of the year. We do not feel that Christmas for the families of the Members of this Legislature and for the other employees of the Legislature should be interrupted on this kind of an issue and therefore, Mr. Speaker, I wish it known by both the Members on my right and the Members opposite that the Progressive Conservative caucus will not sit in the Legislature whether or not it is in session on Christmas Eve, Christmas Day or the day following.

## **RESOLUTIONS**

### **RESOLUTION NO. 4 - FREIGHT ASSISTANCE ON MEAT PRODUCTS TO EASTERN CANADA**

**MR. L. M. LARSON (Pelly)** moved, seconded by **Mr. Koskie (Quill Lakes)**:

That this Assembly urges the Federal Government to fulfil immediately its commitment to provide freight assistance on meat and meat products moving to Eastern Canada in lieu of removal of the Federal Feed Freight Assistance Program, as part of a policy to reduce the unwarranted price spread between live cattle marketed in Eastern and Western Canada.

He said: Mr. Speaker, this Resolution No. 4 on the Order Paper deals I suppose in part with one of the old complaints and discriminations that have been faced by western Canada. It is of course, a discrimination of freight rates and their application. This is not a new complaint, nor is it one that will likely be resolved that quickly. Farmers and farm organizations have complained and brought this problem forward for a long time, with rather limited results. Livestock producers have also felt the effects of this anomaly and have complained.

Several sets of figures could be produced to substantiate and enlarge the complaint. The facts are that there is a marked spread between prices of cattle as well as of all meat products marketed in eastern and western Canada. A part of this problem is the Feed Grain Assistance Program. This freight assistance cannot technically be classified as a separate freight rate, since the railways receive regular freight on the grain they move. However, Mr. Speaker, the Federal Government subsidizes the livestock producers or their dealers who must submit claims, certifying that the full benefits of the subsidy have been passed on to the livestock or poultry producers who buy the grain for feeding.

Ironically, the subsidy program was implemented by the Federal Government by an Order in Council, as a temporary wartime measure in October, 1941. Its purpose was to enable eastern Canadian feeders and livestock and poultry producers to obtain western feed grains at reduced costs so that production could be increased to meet wartime demands.

Although the program started as a temporary measure, subject to parliamentary approval each year, it seems to have become a permanent policy. During 1973-74 the Federal Government spent some \$21 million, about 48.5 per cent of this amount going to the Province of Quebec. During this same period 2.89 million tons of grain and screenings were shipped from Thunder Bay to points East. Average subsidies in 1973-74 varied between 4.57 a ton for Ontario and 17.48 a ton for Newfoundland. Another example, to ship a bushel of barley in store, Thunder Bay to Moncton, New Brunswick would cost 38.87 cents by rail and 45.76 cents by a combination of rail and water. However, 29.28 cents of this cost is covered by the Federal Feed Assistance Program. Or, 64 to 77 per cent, Mr. Speaker, of the total cost.

Similarly, to ship to Victoriaville, Quebec, the program pays more than 55 to 63 per cent of the total freight costs of moving a bushel of barley. Whereas to Woodstock, Ontario, it pays from 31 to 38 per cent of the total cost.

In simple terms, the subsidy increases as you move east from the Lakehead. There is no doubt that this subsidy has been very favorable to eastern Canada, Mr. Speaker. There is no doubt that without the subsidy, Saskatchewan is in a basically favored position. However, with the introduction of the Feed

Freight Assistance Program, the economics of this whole matter alters significantly. They alter in favor of eastern Canada. This Resolution is asking recognition and changes in these and other factors related to livestock production and marketing.

It seems to me that a fair and equitable system of feed supplies, feed distribution, as well as freight costs and many other factors determine the objectives of livestock producers whether he be in eastern or western Canada.

I should like to comment on what the objectives of the livestock producer and the feed grain producer, in my opinion, ought to be.

Number one, it should be an equalization of freight rates, between livestock and feed grains. A guaranteed supply of feed grains in eastern Canada and western Canada at equal prices, adjusted for the costs of transportation and handling. Domestic prices, based on the competitive value of United States corn, to ensure livestock mean equal access to domestic and export livestock markets.

To the grain producer, the objectives ought to be, one, to receive the maximum price in export and domestic markets, based on the price of competitive grains. Two, the most efficient use of our marketing system and minimum price spreads between eastern and western Canada. Three, a marketing system that will eliminate the possibility of distressed prices occurring during periods of surplus or excess prices during periods of ample over supplies.

Now, Mr. Speaker, to what extent do current feed grain policies satisfy the requirements of the livestock producer and the feed grain producers? In regard to freight rates under an equitable rate structure, one would expect that the cost of shipping a beef carcass from western Canada to eastern Canada would be lower than the combined costs of shipping a feeder steer and the feed grain required to feed and finish this steer, in order to reflect the fact that cattle prices in eastern Canada are higher than in the West.

What in fact is the situation? As of May 5th, figures show that it costs some \$8.57 more to ship a steer from western Canada to eastern Canada and the feed grain to eastern Canada and finish him, than it does to finish him in western Canada. If this type of freight rate structure exists then the livestock cannot be finished in the regions of Canada where we have a natural economic advantage. As I have said, an examination of freight rates shows that we do not have an equitable rate structure. The cost of shipping carcasses, as I said, are much cheaper, \$8.57 in eastern Canada compared to the West. This creates a proposition that is intolerable for the western feed grain producer.

The second requirement of the livestock producer is a guaranteed supply of feed grains at equal prices throughout Canada, on the adjusted basis of the costs of transportation and handling. Before I deal with this I would like to emphasize that even if western livestock men could buy feed grains at the same price that eastern feeders can, they would still be at a disadvantage due to the level of freight rates on meats. However, at the present time not only does the western livestock man face the problem of higher rates on meat he also cannot buy

feed grains at the eastern Canadian price less transportation costs.

Under the open market system for feed grains, eastern Canada has access to grains at the futures market price. This means essentially that they can buy feed grains at the western Canadian street prices, plus the costs of transportation and handling from western to eastern Canada.

From August 1st, of last year until January 29, the average street price for open market wheat in Saskatchewan was \$3.20 a bushel. The average price for barley has been \$2.58 or \$2.59 a bushel. These prices, plus transportation of handling are what buyers in eastern Canada pay. If a western livestock man could buy barley at \$2.58 and wheat at \$3.20, he would still be faced with the competitive disadvantage which I have described earlier. My calculations show in fact that for a western livestock man to be competitive with the East, given the current freight rate structure, he would need to be able to buy wheat at about \$2.60 per bushel and barley at about \$2.10 per bushel. However, not only does he not have access to grain at these prices, western livestock men cannot even buy grain at the street prices. This is because of the fact that although farmers have sold about 50 million bushels of grain for delivery to eastern Canada at street prices, the bulk of farmers in western Canada market their grain through the Canadian Wheat Board. The price they place on their grain is not street price but that which they expect to realize for their sales through the Canadian Wheat Board normal channels.

Under normal circumstances one would not expect western grain producers to sell grain to their neighbors at a higher price than they sell to the open market. But this is in fact what is happening. There are a number of reasons for this.

I maintain that the combination of low initial prices, plus quotas placed on sales to the Canadian Wheat Board have forced grain into the open market at low prices. Feed grain prices in western Canada at present bear no relationship to the price at which the eastern Canadian market has been supplied.

Let's take the case of wheat. Feed manufacturing in Saskatchewan requires wheat in order to formulate poultry rations. However, when feed mills try to buy wheat from farmers in Saskatchewan, farmers are not talking about \$3.18 a bushel they are looking at the current export prices of something in excess of \$4.50 to \$4.75 a bushel for 3 CW wheat. As a result, Saskatchewan feed mills are to a great extent using imported American corn in their poultry ration.

One final point should be made. As I said about 50 million bushels of feed grains have been sold to the open market. But this was not sufficient, Mr. Speaker, to satisfy eastern market requirements, so the Canadian Wheat Board was instructed to sell an additional 25 million bushels of feed grain to eastern Canada. This grain was not sold at the export market prices but at the price determined by the futures market, thus, even those farmers who sold to the Canadian Wheat Board had a portion of their grain sold by the Wheat Board through the open market at significantly lower prices over what would have been obtained in the export market.



Earlier, I referred to one of the objectives of grain producers as being the right to sell at maximum prices on all markets and the need for an end to distress prices. The test, Mr. Speaker, of any feed grain policy is not how grain will be priced during the years of short supply or of abundant suppliers. Obviously any system, including an open market, can sell grain at a high price under conditions of short supply. The real test of current policies will be what happens to feed grain when there is a surplus. It is my contention that there is absolutely nothing in the present feed grain policies which will prevent prices from falling to distress levels and to the advantage of the eastern feeder producers. If we have a surplus neither the Canadian Wheat Board nor the open market will have the ability to clear the Canadian market at reasonable prices. Moreover, if quotas are imposed upon sales to the Canadian Wheat Board any surplus will come to bear upon the domestic or the open market. In this situation prices in the West will certainly fall. The only question is whether prices will fall only in the West, or whether low prices will be prevalent throughout Canada. I suggest that one possibility is that grain traders will continue to purchase as cheaply as possible in the West and sell at maximum prices in eastern Canada, thereby taking advantage of freight rate anomalies and whatever other instrument is available to them. This would result in unjustifiable profit-taking by grain traders and in my opinion no amount of regulations or policing will prevent this.

The two final topics I should like to comment on are on the effect of the open market on our grain handling system and the cost of marketing grain through the open market. The elimination of the Canadian Wheat Board authority places generally better advantage to the eastern feeder. And will continue to cause disruption and confusion in our grain-handling system. Non-board grains have consistently occupied a greater percentage of storage space than the marketings would justify. Grain companies buy feed grains and store them wherever they want and move them only when it is to their advantage. As a result, the Canadian Wheat Board export grain program is essentially designed to fit around the domestic grain movement. I suggest that this is one inefficiency that we cannot afford since our grain-handling system is already strained to the limits.

In regard to the cost of marketing grain, I think the critical facts are the price the producers receive in Saskatchewan and western Canada relative to the price for which feed grains are sold to the feeding consumers in eastern Canada.

In my opinion there is no possibility that the private trade will operate with lower marketing margins than the Canadian Wheat Board has in the past. If grain traders have an opportunity to make a profit by buying cheap on the prairies and selling at an excessive price in eastern Canada, they will continue to do so. The likelihood of this happening during surplus occurrences is very great.

Even under the present conditions of short supply marketings, the margins of grain companies are questionable. Some of you might be familiar with how the street prices are established in Saskatchewan. Let's briefly look at and review the situation.

All grains that are sold in eastern Canada are moved through Thunder Bay, thus, Thunder Bay becomes the central

pricing point for the Canadian domestic market. The futures contracts sold in the Winnipeg commodity exchange relate directly to the cash value of grain at Thunder Bay. But two points should be noticed. The cash price of grain in Thunder Bay does not necessarily bear any relationship to the price at which feed grains are sold to the feeders in eastern Canada. Once western grains have moved to the eastern terminals the owner of the grain can sell at any price he wants. Companies which purchase grain at local elevators in western Canada and move it to Thunder Bay collectively operate a price fixing system which ensures that no losses are incurred on grains purchased on the prairies.

Grain companies each have a representative on a body known as the Street Pricing Committee. This committee meets regularly and decides what the margin between the Thunder Bay price and western purchase price will be. Thus, the companies themselves are in the enviable position of being a buyer on the prairies and a seller at Thunder Bay with the authority to determine what the spreads between the purchase price and the sale price will be. At times the spread between the elevator price and the Thunder Bay price, which was as high as 42 cents for barley, the handling and transportation cost to Thunder Bay amounted to approximately 20 cents a bushel. In my opinion the operations of this committee amount to price fixing or a combine, and in other industries in Canada this would be illegal.

Finally, in conclusion, I made a number of critical remarks about the present feed grain policy as well as the freight rate structure. I do not wish to be only critical since there are alternatives to the current policies. This Government has consistently placed its Feed Grain Policy before the Federal Government and before the farmers of Saskatchewan.

In closing I should like to outline the essential elements of this policy. First, we need an equalization of freight rates between livestock and meat. Second, the Canadian Wheat Board should be retained as the sole marketing agency for wheat, oats and barley in Canada. Third, a single national feed grain price should be maintained based on corn competitive prices in the East and corn competitive prices less costs of handling and transportation in the West. Fourth, the Canadian Wheat Board should guarantee to supply feed grains in eastern and western Canada at this single regional and national price.

These are some of the problems that Resolution No. 4 addresses itself to. It will not essentially solve them all. It will not deal with these, the more major problems, but I urge that every Member in this Assembly address themselves to this very basic problem and this very basic anomaly that affects all of us, whether we are a farmer, a livestock producer, or what-else in western Canada.

I, therefore, move, seconded by the Member for Quill Lakes (Mr. Koskie) Resolution No. 4.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. M. KOSKIE (Quill Lakes):** — Mr. Speaker, I am very pleased to join in support of this Motion. Indeed, it is an honor for me on behalf of the constituency of Quill Lakes to speak up on behalf of the farmers involved in the cattle industry . . . The Hon. Member laughs. I want to say that I am a little surprised that some of those potential leadership candidates weren't jumping to their feet. I am surprised that the leading candidate for the Liberal leadership, the Hon. Member for Regina South (Mr. Cameron) isn't jumping up and supporting the cattle industry and the farmers involved in the cattle industry. But certainly, Mr. Speaker, I do expect that another Member of the Liberal caucus, the Member for Thunder Creek (Mr. Thatcher), a rancher and a very strong contender for the Liberal leadership will in fact stand up and support this Motion.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. KOSKIE:** — The thing is, I wrote this speech a few days ago and I had a couple of complimentary statements for a few of the Members over on the other side. I think I am going to have to change the ending of it. But I am nevertheless going to put it forward. What I was going to say and I was going to say it with some conviction, that there was a significant improvement in the Liberal caucus, made possible by the addition of many new Members. And in particular, was going to congratulate the Member for Wascana (Mr. Merchant) and the Member for Regina South (Mr. Cameron) for their contribution in the debate. I should like to advise the Member for Wascana that he has made a favorable impression. I note that in the Leader-Post, dated December 11, 1975, there is a letter to the editor which verifies my conclusion. This letter reads in part:

Mr. Merchant, who in my opinion is the most able Liberal in the House, performed exactly like a highly-paid lawyer in court, defending a millionaire client.

The most operative part here of this statement is, "Mr. Merchant, in my opinion is the most able Liberal . . .".

Now this statement might not be of any great significance if it were written by some long-time Liberal supporter or a friend, or a relative. But this statement was written by a well-known political analyst - many of you will know him - Mr. J. A. Rutherford.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. KOSKIE:** — What I want to say to the Member for Wascana, that if he can expand on this support, if he can get the support of Mr. D. A. McLeod, that he will be well on his way to achieving his goal.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. KOSKIE:** — As I said, this speech was written a few days ago and I want to change my opinion with respect to the Member for Wascana, and I am sure that this assessment of him by many no longer applies, because of the infamous speech that he made here last Wednesday.

I want to say, Mr. Speaker, that the cattle industry is encountering very difficult times. These difficulties are accentuated by a number of factors.

1. The 'boom and bust' shortage and surplus situation in the livestock industry. Today a surplus - tomorrow a shortage. It is predicted that in 1980 there will again be a shortage. I think farmers in the cattle industry are confused. Because this is the general prediction that by 1980 it will rectify itself. But reading in the Leader-Post today, they say by 1976 - maybe. But this certainly is a factor that of overproduction, then underproduction.

2. The second factor, I think that is causing the cattle industry some problems is the ineffectiveness of the Federal Government's beef stabilization program. Last year's deficiency payment for finished cattle was based on an average price of \$45.42 per hundredweight. This year's support price has been set at \$43.94 per hundredweight or \$1.48 below last year's level. This certainly at a time when they can ill afford a decrease in the stabilization program.

3. We have had a third freight rate increase within a ten month period. This is placing additional burdens upon producers at a time when they cannot afford such additional costs. The costs of moving livestock from the prairie region have increased to in excess of 85 per cent during the year. The Canadian Federation of Agriculture and the Wheat Pool have taken the position that direct assistance must be provided to the cow-calf producer. This assistance has not been forthcoming from the Federal Government.

4. The fourth problem that is encountered by the cattle industry is as set out in the Resolution. The freight rates on livestock and meat products moving to eastern Canada are inequitable in relation to the freight rates on comparable movements of feed grains. This inequity encourages livestock production in eastern Canada at the expense of the western breeder. Moreover, Mr. Speaker, the freight rate on shipping live animals to eastern Canada is more than for shipping slaughtered cattle to eastern Canada. The net effect, Mr. Speaker, is to depress the western cattle industry, and cause dislocation.

Mr. Speaker, as the Hon. Member for Pelly has indicated, the Feed Freight Assistance program is not really technically classified as a separate freight rate since the railways do receive their regular freight on grain moved. However, the Federal Government then subsidizes the livestock producers or their dealers who must submit claims certifying that full benefits of the subsidy have been passed on to the livestock or poultry feeders who buy grain for feeding. This subsidy program was implemented by the Federal Government as was indicated as a wartime measure in 1941. Its purpose was to enable eastern Canadian feeders of livestock and poultry to obtain western feed grains at a reduced cost so production would increase. This program started as a temporary program but it now seems to have become a permanent program. During 1973-74 the Federal Government spent \$21.16 million and about 48.5 per cent of it went into subsidizing grain to Quebec.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. KOSKIE:** — As you can understand, Mr. Speaker, grain moves by rail to Thunder Bay under statutory freight charges known as the Crow's Nest rates, and from Thunder Bay eastward either by rail or lake freighter under an agreement with the Federal Government to help offset the freight charges.

Meat and livestock are shipped eastward from the prairie provinces without the benefit of any freight assistance or fixed statutory charge.

An examination of freight rates show that we do not have an equitable freight rate structure. The cost of shipping the carcass, which can be obtained from a 1,000 pound finished steer from Saskatoon to Toronto under current freight rates, amounts to \$17.21. The cost of shipping a 450 pound feeder steer is \$14.58, this has increased since. And the cost of shipping 73 bushels of barley which are required to finish a 450 pound steer to 1,000 pounds is \$28.47. The combined costs of the feeder steer and the barley is \$43.05 compared to \$17.21 for the beef carcass. On this basis, it is cheaper to ship a carcass. However, eastern producers have a price advantage of 5.5 cents per hundredweight on finished cattle. If we consider the additional \$55 that can be obtained for a 1,000 pound steer in eastern markets, you can see that an eastern producer receives \$29.16 more than a western producer for each animal marketed. The irony is that the eastern producer is using both western calves and western feed grains to produce his livestock. The cost of this situation to Saskatchewan is immense and there is no possibility that an equitable feed grain policy can be devised until the freight rate problem is dealt with.

Moreover, Mr. Speaker, as of May 5, 1975, with the new increased freight rates, it has been calculated that it will cost \$30.92 to ship a 1,000 pound live animal from Saskatoon to Toronto. To ship this same animal dressed would cost \$39.35. In other words, Mr. Speaker, there is an advantage of \$8.43 per animal if shipped live.

This type of discriminatory freight rate results in most of our animals being shipped live to eastern Canada, and as a consequence deprives this province of developing any processing industry.

Mr. Speaker, all of the problems confronting our western cattle industry will not be removed by implementing the policy of this Motion. But it is I suggest, a step forward in providing some equity to our cattle industry. I really think, Mr. Speaker, that if we are to rectify in total the situation of the inequities to the western cattlemen that what has to be done is to change the government in Ottawa with the defeat of the Liberal Party and the election of a New Democratic Party.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. KOSKIE:** — Mr. Speaker, I am pleased to support the Motion.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. C. W. THATCHER (Thunder Creek):** — Mr. Speaker, I think that it was indicative of the Member for Quill Lakes' character for sitting down at the precise moment, I just put two peppermints in my mouth and I apologize for the delay. I know we had an admonition one day that we shouldn't chew gum, but I don't ever recall being told that we couldn't chew on the odd peppermint.

Mr. Speaker, I really wonder why - or I suppose I should say, I could wonder why we do have some problems in the cattle industry. The Member for Quill Lakes apparently being the prime spokesman to the cattle industry from the NDP, I guess I would have to say that we find that amusing. Besides being a lawyer, we all know that he is a very good political assassin. But today to see him standing up there and telling us what is wrong with the system of moving beef down there and the whole industry it really had to be amusing, particularly to anyone who knew anything remotely concerning the business.

Frankly, I am glad that he did stand up because the gentleman who moved this Resolution, after listening to him for 20 minutes, frankly I don't know what he was talking about. As I read this Resolution, I keep saying to myself it has got to say more than what it appears to say. You are obviously missing something and I sincerely hope that I am. After listening to two speeches, obviously I am not.

In essence, what this Resolution is saying, is let's put a subsidy on a subsidy. Add it up, anyway you want, but it comes out that way. Unquestionably the Member for Quill Lakes very definitely did outline a problem that we have known for years and that is that we are discriminated against in western Canada in our freight rates. You had some figures there, don't dispute them, no question about that. I am glad you did speak because I frankly couldn't understand what the Member for Pelly was trying to say.

In essence we are saying let's tack a subsidy on because the other guys get a subsidy down at their end. Frankly this feed freight assistance program that the eastern people have from Thunder Bay east has always been a source of annoyance to me. And I think it has been to all cattlemen in western Canada. While there has been no definite announcement from Ottawa, I am hopeful that the Minister of Transport is taking a very serious look at it.

I think before we get too overly critical of the Minister of Transport I think we should point out one thing and that is that recently we suddenly have an opportunity in western Canada that I don't think we have had for quite some time. And that is we have a western Minister having not only the Wheat Board but the Ministry of Transport under one portfolio.

**AN HON. MEMBER:** — Frightening.

**MR. THATCHER:** — Well, you can say that if you want at the back . . . I don't know your name, or your constituency . . .

**SOME HON. MEMBERS:** — Hear, hear!

**MR. THATCHER:** — Mr. Speaker, I think it is

fair to say that no one has been - on behalf of the cattle industry - nobody has been more critical of the Federal Government than I have at various times. They have upset me drastically as a cattleman. But nonetheless I am quite prepared to give this Minister the chance to put these portfolios to work. I think he has done some very creditable and commendable things with the Wheat Board, whether you like them all or not, they are new and innovative and many of them it is too early to pass judgment on. You are not going to be able to pass judgment on what he does in the Ministry of Transport next month, next year, or maybe not for several years. But the opportunity is there and I think at the very least each and every one of us owe him an obligation to see what he can do before we pass judgment.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. THATCHER:** — I firmly believe that one of the things that he has in mind - this is strictly speculation of my part - that is that I think he will take that feed freight assistance off the grains moving east from Thunder Bay. It is a silly thing but it is no sillier than putting on a counterbalancing subsidy on taking the meat products down there.

One of the great problems that we have always been plagued with in the cattle industry has been government intervention. And that is a long, long story. I suppose the most recent addition, or I suppose that is even ancient history, is the battle that the cattle industry had with the Federal Government over Bill C-176. It was a battle that crossed political lines for us in the business. We fought the former Minister of Agriculture, Mr. Olson, tooth and nail on that subject and believe me we did cross party lines on that subject.

I think things have perhaps improved slightly, they at least are not in the business the way the gentlemen across the floor would like government to be in. But, Mr. Speaker, I can say to you I think the vast backing of legitimate Canadian cattlemen that we have has had quite enough intervention from governments. I think if I were making that statement in any State Legislature in the United States I would think I would have an equally overwhelming support of the American cattlemen. Because the history of Government intervention in our business, going back into the mid-sixties, is a pretty sordid one.

I am getting in now to a speech that I had prepared for one of your Resolutions that comes a little later in the day, that is if it gets that far. But I guess, Mr. Speaker, I should say that I cannot support this Resolution. I think the intent of it is not all that bad and I mean no disrespect to the gentlemen across the way. I think it is a very foolish way to go about it. When you use one subsidy to attack another you're building a house of cards there that is verging virtually on the ludicrous. So for that reason, Mr. Speaker, I think I could say that we will not support the Resolution.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. S. J. CAMERON (Regina South):** — Mr. Speaker, I don't wish to speak at any length to this Resolution except to say that the Member for Thunder Creek said it very articulately, we do not think you attack a problem created by subsidies by simply adding another subsidy. One has

to get at the problem in more fundamental ways than that. There is no question but that there is a problem in the sense that our grain moves from the prairies to points in other parts of the country at a very low freight rate, which is the Crow's Nest rate, while livestock moves out at a much higher relative rate. Therefore, there is an inducement to draw the grain from the prairies to be converted to animals elsewhere rather than feed the grain to the animals here and produce the animals on the prairies. That is the problem.

The Canadian Cattlemen's Association and the Saskatchewan Stock Growers' Association would not endorse the solution which my friends opposite propose in this Resolution. What they say should be done is that we should be phasing out feed freight assistance at least in Ontario and Quebec, recognizing that in the Maritimes there is a special case to be made for feed freight assistance. They would say what we should do - and they are the most knowledgeable of all about it, as the Member for Thunder Creek has indicated, they are after all the cattle industry, they would say don't put a subsidy on top of a subsidy, but they would say let us at least begin by phasing out feed freight assistance in Ontario and Quebec. In that spirit and with that general notion in mind, I want to move an amendment to this Resolution.

I therefore move, seconded by the Member for Maple Creek (Mr. Stodalka):

That all the words after the words "the Federal Government" be deleted and the words "to abolish feed freight assistance in Ontario and Quebec" substituted therefor.

The essence of the amendment is to ask the Federal Government to do away with feed freight assistance in Ontario and Quebec.

**MR. E. ANDERSON (Shaunavon):** — Mr. Speaker, I should like to enter the debate on this Resolution. I do believe with the people who have spoken before me that a difficult and an unreasonable way to attack the problem is to add subsidies on a subsidy. Further, it distorts market and area advantages and as I have more that I should like to say on this I would beg leave to adjourn debate.

**SOME HON. MEMBERS:** — Hear, hear!

Debate adjourned.

#### **RESOLUTION NO. 25 - POSITIVE ACTION PROGRAM - PROMOTION OF WOMEN**

**MR. E. F. A. MERCHANT** (Regina Wascana) moved, seconded by Miss Clifford (Wilkie):

That this Assembly urges the Government of Saskatchewan to pass legislation establishing a "Positive Action Program" to encourage the employment and promotion of women within government ranks.

He said: It is rare, Mr. Speaker, that this House has an opportunity to deal with a Motion which very personally and very directly deals with thousands of people who comprise half of



the population of this province. We urge the Government of Saskatchewan to pass legislation establishing a Positive Action Program to encourage the employment and promotion of women within government ranks.

Our Government sets a very specific example in the employment of women. Unfortunately, the example our Government sets is a very bad one. In late September and early October, I began to approach various departments for information regarding the number of women whom they employed in administrative roles. I asked questions at the weekly press conferences and I also requested information privately by mail of the various Ministers.

The Press would do well to remember that when Cabinet Ministers opposite indicate to the House that they are prepared to give information, what they mean is, they are prepared to give all information if that information doesn't hurt. This wasn't the first time that I'd run into a stone wall in obtaining information. They were not prepared to give this information because it's embarrassing and letter after letter came back signed by various Ministers, indicating I could look to a certain sessional paper which didn't give the information at all and which I believe the Ministers knew didn't give the information.

Mr. Speaker, I am now fortunately starting to get the information from the various departments through questions which I filed in this House.

Ministers opposite and the Government taken together, I suggest, are embarrassed by the rotten job they are doing to further the legitimate aim of equality for women in our society.

You know, Mr. Speaker, the whole House saw the Attorney General when faced with a resolution from my colleague from Regina South (Mr. Cameron) over Part 2 benefits under The Automobile Accident Insurance Act the whole House saw the Attorney General downright embarrassed and he should well be embarrassed.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MERCHANT:** — He had good reason to be embarrassed to say everywhere that they go that this is a government that seeks to treat women as equals and then to deal as they do under that part of The Automobile Accident Act and also to deal with them as they do in government employment.

I suggest that the Government is downright embarrassed about the treatment of women in the public service and again they have good reason to be embarrassed.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MERCHANT:** — Equal pay for work of equal value and guaranteed equal job opportunities. Second, training programs aimed at increasing the opportunities of women in the work force, including special programs to make apprenticeship training available to women workers. Now, where did I pluck those wild-eyed principles? I'm quoting from Solidarity '75 the political program of the Saskatchewan Federation of Labour and it is that political program that the Government of Saskatchewan is ignoring.

Last year in the Speech from the Throne, the Government under a section which they called the Status of Women promised to move more women into management roles and get them into the public service.

**MR. PENNER:** — Did they do it, Tony?

**MR. MERCHANT:** — Didn't do it, and I'll come to that in a moment.

You will be amazed and Members opposite particularly by the numbers which I shall be quoting to you in a moment about the numbers of women now in management roles in the public service, over a year after that principle was enunciated in the Speech from the Throne.

The NDP platform stands for equal opportunity. Their promise in the 1975 New Deal, was a program that said that they would establish a Careers Opportunity Program and they haven't done it. The Government promised a program again in the current Speech from the Throne and I suspect that again it's just a promise as they made the promise last year. So much hokum to satisfy the women of this province.

I'm calling on Allan Blakeney, the Premier, to now make good on his oft-repeated pledges which have resulted to date in nothing but bad news for females. I say fulfil the promise to bring equality to females. I say this Government does nothing.

**MR. McMILLAN:** — They don't even have any female MLAs.

**MR. MERCHANT:** — No female MLAs, they don't run them in winnable seats. Fulfilment for female employees is to improve this minority situation, that was the pledge and the Government does nothing. Worse than doing nothing, Mr. Speaker, this government in many cases actually discriminates against women.

I charge that there have been instances of direct discrimination against women by the Saskatchewan Government in its hiring practices. Government should be leading industry in accepting women as equals in the workplace and in management. If our Government demonstrated to the private sector that there was a work pool available, if our Government could only see the light and know that there are people, capable people, available if the Government would choose to use them, then that good leadership, I suggest, would bring the private sector around and you would find a dramatic turnaround in the view that both the private and the public sector have in the way they deal with management and in the way they deal with females moving into management roles.

All that the Government of Saskatchewan has done to date is to pass equal rights legislation, but equal rights legislation is a Pyrrhic victory at best, if it's not followed by the availability of management positions.

The Government doesn't obey in any steadfast manner even its first step to obey the equal rights legislation, which it has passed. You know, business isn't exactly opening its

industrial arms to females, and government has to show the leadership in that area. Government must lead rather than command.

Mr. Speaker, I suggest that where any group is behind, we must strive doubly hard to advance their position. Women in government today deserve a little better than an even break. To do that, I propose a Positive Action Program which would be a drive within the government to bring women forward as an example to the rest of the economy.

There are six specific ways that positive action would work to help women catch up with males. Individual and group career counselling should be available within government. Don't just have the women coming in to the Positive Action Program, but have the program going to the women, in much the same way that we go to women with industry safety or health and welfare programs. Go to the groups, go to the employees both within and without government.

Second, a talent bank of qualified female public servants should be established. Without some tabulation of that resource that is available, the career placement officers are unable to know the people available for various positions. You know, simply the establishment of the talent bank, simply the judgment of the resources available, would be a significant step forward all in itself, even if none of the other programs within Positive Action came to fruition.

Third, provide management training which isn't in itself sexist orientated as our management training in large part is. Most of the upward mobility training courses are designed for men. A man and a woman, for instance, who join a department at the same time, they join with different skills, and they acquire different skills within the department. Two years, or five years go by; they have acquired different workable knowledge. The rungs of the promotion ladder tend to give the upward mobility training to men and deprive women of that upward mobility training which opens the avenues of advancement. The courses give the advancement.

Four, seek out and encourage appropriate women within the public service and perhaps elsewhere to seek advancement. Erica Jong wrote that women are their own worst enemies. To a limited extent in this area, certainly I accept her words. In employment, after decades of being passed over, there is a tendency for women themselves to take a backward step, to not come forward and say I'm more capable than that man, give me the opportunity for that promotion.

Five, an effective monitoring of job placement and advancement has to be set up, that's different from setting of numerical standards. Monitoring would tend to have an effect upon the Cabinet and upon the administrators of the Positive Action Program. Job placements should be monitored. Advancements should be monitored and the availability and numbers within management, within the management training courses should also be monitored. I believe that if the Government looked at the numbers, they would find that some of their administrators were most sexist in their decisions on promotion. Perhaps without even knowing themselves that they have a tendency within themselves to say no to a woman for some promotion. That they have a tendency within themselves to discriminate, perhaps not even a deliberate way.

Six, establish an effective internal consulting office available to the various branches of the Government and direct the branches of the Government to pay heed to a Positive Action Program within their own departments.

Some programs to encourage employment of females and advancement of females in the private sector have monthly or bi-monthly meetings. A Positive Action Program or the concept, is not particularly new, although it seems to have been ignored by the Government of Saskatchewan. Those meetings themselves have an effect on the people who show up. That they then find that they've had the numbers demonstrated to them again, and there is a tendency to make some progress just as a result of that departmental monitoring and consulting from the program.

You know, Mr. Speaker, though I have enunciated six areas, you can't divide an overall Positive Action Program into specific steps, but those are six areas which would, and should, receive the attention of a program once it is established.

We believe that Positive Action will uncork the deadened areas of employment which, for instance, have hired stenographers in the typing pool, while men may have joined a department earning less, and moved ahead of them after three or five or seven years, because the promotion ladders were available to men and not women.

Positive Action, I suggest, and I'm pleased to see the Minister, should go into an expanded and more meaningful women's bureau of the Department of Labour. I was concerned when the Speech from the Throne made some reference to a program and didn't seem to imply that that program would be a part of the Department of Labour where it properly belongs. I think that it should go into an expanded women's bureau. Though I certainly advocate the continuance of the women's bureau and think that that bureau performs significant functions now, by the same token I'm far from impressed with the emphasis placed on the women's bureau by the Government at this time.

Women's bureau investigators perform an almost identical function to that of investigators under the Department of Consumer Affairs. Yet the Consumer Affairs investigators earn more money, and as they move up the ladder of promotion and acquire seniority, so does the Consumer Affairs officer earn more money. It's built right into their pay scales. I don't know what could be more sexist than that, right within the Government.

The women's bureau which is supposed to be staffed by a director and two investigators has been allowed to fall in staff to a single woman bureau officer.

Now, Mr. Speaker, when I started addressing my thoughts to this House, I mentioned my requests for information and the reluctance of the Ministers, I found, to give me that information because that information was so damaging to the way that the Government is handling females in promotion roles. I now have the information which I requested from four departments.

The Department which appears to be least sexist of the four is the Department of the Attorney General, and in fairness to that department, I got the information in October when I requested it. It may well be that when the Attorney General talks about

open government, what he means is open government from his department, but he has a little more trouble convincing his Cabinet colleagues. In any event, the information was forthcoming.

I have the returns from four departments. Let me first discuss sessional paper no. 56. The question dealt with the number of males and females respectively employed by the Department of Highways earning various amounts of money. There were 80 females earning under \$7,500 and seven males in that very low area of earnings, a ratio of eleven and a half to one. You will find with all of the departments, that when we move out of that lowest ratio, men start to dominate. There were 1,836 males earning between \$7,500 and \$15,000 and 116 females. So that in the better earning area, the ratio of 11 to one, became an increasing ratio of about 16 to one. As with the other departments, however, the really telling returns had to do with earnings over \$15,000. I suggest to you that that's the area where one might truly describe the females or males in that price range as being true administrators. There were as of November 1, 1975, 138 males in the Department of Highways earning between \$15,000 and \$22,500, and wait for it - one female. There were, in the Department of Highways as of November 1, 1975, 27 males earning over \$22,500, and no females. No females to 27 males. Those, Mr. Speaker, are the top administrators.

Chronologically, the next return which I received was from the Department of Mineral Resources. There were eight males earning under \$7,500 and 49 females. There were 55 males earning between \$7,500 and \$15,000 and 27 females. There were 48 males earning \$15,000 to \$22,500, and two females. Again, over the \$22,500 range, 16 males and no females.

Sessional paper No. 59, the Department of Industry and Commerce. Two males under \$7,500; 36 females. Twenty-six males between \$7,500 and less than \$15,000; and 21 females. Twenty-four males earning between \$15,000 and \$22,500 - again the management roles; no females, a zero again and again. As with the other departments, the males have a shutout in the over \$22,500 level, 14 to nothing.

Now, Mr. Speaker, I mentioned that the Department of the Attorney General is better, and in fairness, let me put those numbers to you as well. I suggest that the Department of the Attorney General is somewhat better because there are professionals within that Department who come in with a couple of degrees and it's impossible to deal with them differently. I suggest indeed that the Department of the Attorney General doesn't demonstrate that the Government brings management forth to bring females up the management ladder, but even in that department sexist bias continues to exist.

As of October 1, 1975, there were 12 males earning under \$7,500, and 117 females; between \$7,500 and \$15,000 - 87 males, 133 females; between \$15,000 and \$22,500 - 53 males and six females; and over \$22,500 in the Department of the Attorney General - 57 males and six females. The other departments haven't given me the information, information incidentally which was delayed on the Order Paper for some days. But I'm sure that information will follow the pattern of these four Departments. I do, incidentally, have figures from December 3, 1974, which bear out the rather frightening nature of the figures which I have just cited for the House.

I've gone through Sessional Paper 78, of 1974-1975, and when you cull out the non-administrative positions, we find that there are only 170 in management roles, in the entire public service, including the departments just discussed.

Now for those purpose I've made an even lower figure, as a figure for management, and that's a figure of \$12,000 a year, and for the purposes of finding administrators, I've excluded professionals, who are usually stereotyped as females; teachers, nurses, and social workers. These figures, Mr. Speaker, cry out for a Positive Action Program.

As of December 3, 1974, 14 of the Government Departments had five or fewer women in a management role by the definition of \$1,000 in earnings per month or more. At that time the departments of Health and Social Services, which I would describe as sex-stereotyped in any event, accounted for the majority of the 170 females holding administrative positions.

As I said earlier, the Government, far from setting a good example, is setting a bad example. Even in the sex-stereotyped departments we find that women are not treated as equals for the purposes of promotion, even in the departments where they will be dealing with women beneath them, even in the departments when they will be administering other women in their work team.

In a study available in our library, the Legislative Library, done by Barb Byers and Doug Petersen, they point out that even in the Department of Social Services, which is principally female in the professional areas, females are not treated as equals for the purposes of promotion. Females overwhelmingly dominate in absolute numbers of social services workers and of social workers. Overwhelmingly dominate in both absolute and percentage numbers. Yet, it is the males, the male social workers who in turn dominate at the supervisory level. That study describes the real supervisory level as the Social Service Worker III, and I think that's a fair appraisal. Those real administrators only account respectively for 3.1 per cent and 10.4 per cent of the social service workers and the social workers. Within the Worker III level, we find that in one category of the Social Service Workers, men dominate by four to one, and in the Social Worker III classification by a ratio of slightly more than one and one-half to one. Even in a department where they are principally dealing with females beneath them, as their subordinates, males are chosen to take the administration roles and move to the Worker III level and higher salary. Now, I'm certainly not singling out the Department of Social Services for particular criticism. The Department of Social Services is doing a better job than the Government in general. But even that Department is doing a rotten job.

I suspect that the return from the Social Services Department will be as surprising, if not more so, than the other returns which I have discussed today.

Mr. Speaker, the Government of Ontario has an effective program to encourage the advancement of women in their public service. The Federal Government is considering such a program. The Government of Ontario has had their program in place for some years. Many universities in the United States particularly, have programs of this nature which are successful. Many of the larger businesses in the United States and Canada have programs and they are meeting with success.

I encourage the Government to make good its pledges, two Speeches from the Throne and the 1975 campaign platform; I encourage this House to pass the Resolution now before it, and encourage the Government to make good on the wishes of this House with a meaningful program which I hope will be in place by the end of the spring session of this Legislature.

Mr. Speaker, I am pleased to introduce the Resolution to this House and hope that after these two days which have been so clear of acrimony, that there will be no problem with the Government supporting an Opposition Resolution, and I move the Motion, seconded by the Member, who will follow directly, for Wilkie (Miss Clifford).

**MR. E. A. BERTSON (Souris-Cannington):** — One brief comment - two brief comments in support of this Resolution.

1. We in the Conservative caucus believe firmly that women should be promoted within the ranks, on merit.

2. If word ever left this Assembly that we did not support it, I would be a little reluctant to stay home on Christmas Eve.

**MISS L. B. CLIFFORD (Wilkie):** — Mr. Speaker, I am pleased to be able to speak on this Resolution urging the establishment of a Positive Action Program to encourage the employment and promotion of women in government ranks. I am particularly interested in this area for a number of reasons. One, because I am the Opposition critic for the status of women. Two, because I am one of the two women in the Legislature, but most important because I am speaking, as I'm sure you are, because I represent all of the members of my constituency, as you do, and we want to have the best legislation for all of them.

Mr. Speaker, my colleague has ably outlined that there is discrimination in hiring women in the provincial civil service. My other colleagues, and in particular the Member for Saskatoon-Sutherland (Mrs. Edwards) will be commenting and pointing out examples of this to you in the upcoming debate.

I think that it is the record of history that the proportion of women working in the civil service appears to basically have followed the labor pattern as a whole.

In researching for this Resolution, I found some interesting facts, and I have used in particular, a book by Catherine Archibald, entitled "Sex and the Public Service". As you may assume, it comes up with some valuable background information and useful proposals to initiate this positive program that my colleague has presented. I should like to quote three very short paragraphs that will indicate the development of this trend that my colleague has been speaking of. I use these quotes only to show you that this trend has been going on for a long time and it's about time that we do something about it.

The first recorded female public servants, for your information were a matron and a deputy matron in the Kingston Penitentiary. Both were appointed in 1870. Another woman was appointed as a lock laborer on the

Williamsburg Canal in 1871 and by 1885, 23 of the total 4,280 civil servants were women. More than one-third of them employed as third-class clerks in the postal department.

And, again, I just read this to you for your information, to show you a trend.

From the first, the Government of Canada adopted a principle of equal pay for equal work, which was not accepted in the United States civil service until 1923, nor in the British civil service until 1955, and as yet has not been developed in the Australian civil service, (but I presume with the new election of the new government, it won't be long in coming). In these years, however, women were promoted more slowly than men, as was indicated. The civil service lists of 1885, 1901, and 1911, make it possible to trace the employment and promotion of three female clerks in the Post Office department and some male workers who started the same time, class, level and salaries. From 1885 to 1911, the female clerks were promoted within their class only, and with an average salary of \$667; their male counterparts were advanced to another class and level with an average salary increase of \$1,000 over the same 26 years.

Mr. Speaker, I just present this to show you this trend has been going on, and unfortunately, is continuing. If I were to continue this quote, the next section would be - "The Problem of Women", and I have much more to speak upon this and at length, so, Mr. Speaker, at this time I beg leave to adjourn the debate.

Debate adjourned.

## ANNOUNCEMENT

### INTRODUCTION OF MISS LARTER

**MR. R. L. COLLVER (Leader of Progressive Conservatives):** — Mr. Speaker, my colleague and deskmate would beg leave of this House for a moment, if possible.

**MR. R. A. LARTER (Estevan):** — Mr. Speaker, I would like to introduce someone that is very close to me. I have my oldest daughter in the Assembly this afternoon. She just graduated from Gaulidette College, School for the Deaf in Washington, D.C., and our governments through the years have been supporting and promoting our School for the Deaf in Saskatoon, and she is probably one of the last Saskatchewan graduates of Gaulidette College because the school system has chosen to send the deaf people by the way of trade schools now, instead of the academic way, and she will probably be the last Saskatchewan graduate who will come out with a B.A. out of Gaulidette. After 18 years in boarding school, we are pleased to have her back home for at least a very short time. Thank you.

**SOME HON. MEMBERS:** — Hear, hear!



**RESOLUTION NO. 26 - CONVENE AN INDEPENDENT COMMISSION TO ENQUIRE INTO  
POLICIES AND OPERATIONS OF TOURIST FISHING CAMPS IN NORTHERN  
SASKATCHEWAN**

MR. R. E. NELSON (Assiniboia-Gravelbourg), seconded by Mr. Anderson (Shaunavon):

That this Assembly urges the Government of Saskatchewan to immediately convene an independent commission to enquire into policies and operations of tourist fishing camps in northern Saskatchewan by non-Canadian companies or individuals, in order to determine whether the rights of the residents of Saskatchewan are being protected.

He said: Mr. Speaker, in rising to move this Resolution, I first wish to explain to this Assembly some of the frustrations of an MLA in the Opposition side of this House, that they must go through when trying to get information from this Government. I don't know why anyone would play the games the Ministers have been doing, but possibly when I am finished, we may have a better idea just why they have been covering up and not giving some straight answers.

My secretary has been given wrong information from the provincial companies' office. Some time ago, Mr. Speaker, I asked a series of questions to do with the tourist fishing camp in northern Saskatchewan. I want to just look at a few of them and the answers that were given by the Ministers.

Question 62 - I asked the Minister of Labour (i) has the Department of Labour received any complaints or enquiries regarding non-payment of wages by Arctic Tours Incorporated in 1975, to date? (ii) If so, how many of the complaints have been received, from who have these complaints been received, and is any action being taken by the Department to recover the moneys owing to the employees?

On December 11, 1975, I received the answers. The answer was simply to the first question, No; and the other ones, not applicable.

I have here, Mr. Speaker, a copy of a letter on the letterhead of the Province of Saskatchewan, Department of Labour, Labour Standards Branch, dated October 15, 1975, addressed to a constituent of mine, and I shall read part of that letter to you:

Dear Sir: Regarding your claim against Arctic Tours, it is very likely that legal procedures will have to be commenced to recover any amount owing you. To assist us in preparing our case, and to avoid the necessity of your being called to testify personally, would you please provide us with the following message.

The Department also had copies of bad cheques issued by the company and these cheques had on them, Arctic Tours Incorporated, the same name as I used in the question. So, regardless of what the company was named, the question was valid. I thought perhaps the Minister had not done his homework, so I asked another written question of the Minister of Labour (Mr. Snyder):

Question 72 - Has the Department of Labour received any complaints or any enquiries regarding non-payment of wages by Arctic Tours Limited, or Arctic Tours, in 1975? If so, how many complaints have been received; (b) from whom were these complaints received, and (c) is action being taken by the Department to attempt to recover moneys owing to the employees?

The answers came back on December 17, 1975. Yes, to the first; 11 - to the second; former employees of Arctic Tours and one businessman who cashed cheques from former employees; and last, yes. The Minister must have had a change of heart and decided to give out a little information on my second try.

Mr. Speaker, another question I asked of the Government and was answered by the Attorney General, was:

(a) Have any criminal charges been laid against Arctic Tours Incorporated; has any investigation been undertaken into the operations of the company in Saskatchewan?

That was answered on December 11, 1975, and the answers I received were: No, there is no investigation being undertaken at the present time. I asked the same question again, just altering the name of Arctic Tours Incorporated to Arctic Tours Limited, or Arctic Tours. The Attorney General, unlike the Minister of Labour, was consistent. He answered his questions in the same way on the second answer on December 17th. Mr. Speaker, I am told by reliable sources, the RCMP Detachment at La Ronge and the RCMP Detachment at Mankota, have been, in fact, investigating the situation in northern Saskatchewan for some time, where a company issued bad cheques. I am not certain of the type of investigation, or if it would come to the attention of the Attorney General's department. I have here, some copies of just a few bad cheques issued by the company, and I should like to show them to you at this time.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. NELSON:** — Mr. Speaker, this is not one-tenth of the worthless cheques issued by this company that are in our country. The Minister of Northern Affairs, he sits across the way and chuckles and plays games while I ask these questions, trying to get information to assist in cleaning up this northern Saskatchewan mess.

**MR. McMILLAN:** — Is here today?

**MR. NELSON:** — No, he is not here today, nor are many of his - I think there are seven different Ministers involved in this. Yesterday I was able to find out from the Government they indeed licensed a company known as Arctic Lodges Ltd. The Minister said he also did not know whether or not the company was licensed to operate again next year. I am absolutely amazed at his ignorance on this subject, as well as his lack of action in the entire situation. The problem was brought to me by a constituent of mine, and he has been to the Government and did not get any action. This man, along with three of his family, went to northern Saskatchewan and worked this summer in a tourist fishing camp on Dewdney Lake in northern Saskatchewan. The camp was called Arctic Tours Limited and I have here a pamphlet or a

brochure, which has their name on it. This camp was resold this summer in the United States; the present president is one Tony Arrigoni of St. Paul, Minnesota. This individual was twice in the last five years, involved in bankruptcy in the United States, and I should like to know, Mr. Speaker, why has not this Government checked out this before allowing this type of people into our country. It concerns me very much, Mr. Speaker, while this Government chases American citizens that are good in the potash industry from our province, they allow this type of larceny to happen in northern Saskatchewan.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. NELSON:** — Approximately 45 native people worked in this camp, as did four of my constituents. Most of these people received very little for their wages. Many of the cheques did not have sufficient in the bank to cover them, and these are just a very few. The camp employed Americans, many of whom had no working permit. This company did not create good jobs, as has our potash companies. This camp was operated in 1975 by these people for the first time, and it was registered in Saskatchewan in June, 1975. The estimated total intake of this camp in 1975 ranges between \$600,000 and \$860,000. These people took most of this money back to the United States with them. Not like the potash mines that have been contributing healthy sums to the Province of Saskatchewan. I believe many laws have been broken and I suggest the Attorney General take some of his time from the rush to push the potash Bill through, to immediately look into the entire situation.

An unlicensed bar was operated six days a week, and the estimated turnover per day was between \$500 and \$600.

**AN HON. MEMBER:** — A bar?

**MR. NELSON:** — A bar. There were many cases of food poisoning, many of which led to hospitalization. Non-Canadians were employed without working permits and paid below minimum wage. There appears, in wages alone, to be outstanding over \$40,000.

A co-op store in Kinoosao is presently on the verge of bankruptcy because they cashed many of the cheques for native people, only to find out some months later, the cheques were not worth the paper they were written on. This store is not an affiliated store with the Federated Co-op, it has no insurance on its loss. The co-op store is owned by 75 local people and I am told by the store manager they have received a small loan to get through the winter, and if their losses are not recovered, they may have to fold the entire community and leave the area.

He was very pleased that I was looking into the matter. He has been very concerned over the poverty of the native people in his area who still have many worthless cheques that they are holding. Unemployment Insurance, income tax and Canada Pension Plan were not deducted from the employees' cheques, so many are forced to seek welfare.

Yes, Mr. Speaker, there are things this Government should do besides look at potash. Mr. Speaker, this company has left unpaid bills in our country, as well as many bad cheques. There

are bills of some \$50,000. One particular company with \$21,139.20. There are bills for \$5,000. Another for \$10,535.01, and I am getting many calls, daily, adding to this list. One female employee who worked in camp, apparently collected her fee on a cash basis, and did not accept cheques, and it is my understanding, she, unlike the potash companies, was able to leave the province with her assets intact.

**AN HON. MEMBER:** — What did she do for a living, Roy?

**MR. NELSON:** — Six days a week, and I can give you the cabin number as it was given to me. The entire situation should not have been allowed to happen.

**MR. McMILLAN:** — Was she licensed by the Government?

**MR. NELSON:** — I have not checked into her licensing, but I doubt if they would give me the license number. It is difficult enough to find other things that are more important.

While thousands of fish left our province, it would appear that we received little or nothing in return. There are heaps of garbage on an otherwise unspoiled island, and I am told at the present time there is a DC-3 airplane with a bulldozed ditch around it to hold it on that island. Many Saskatchewan people were left in hardship and embarrassment when they found the cheques they cashed were not worth the paper they were written on. Surely, if the Government has the power to expropriate potash mines, then why do they not at least ensure that a company such as this would be bonded to safeguard the citizens of our province?

**SOME HON. MEMBERS:** — Hear, hear!

**MR. NELSON:** — What, Mr. Attorney General, can be done for these unsecured creditors? What, Mr. Attorney General, can be done for the large number of native people who have been shortchanged over this company that you have allowed into our province. I am very disappointed in the NDP Member for the area that he has not done something to at least help the native people in his constituency. I would like to know, Mr. Attorney General, if you will look into this entire situation and let's get this terrible mess cleaned up.

I am told by people, that this company pulled out several days earlier than they expected. The guides from the camp were in with their cheques that had come back NSF, they wanted to claim their pay; the camp officials knew they were there, when they came in, they came in with plane loads of beer. They fed this on a free basis to the employees and they left immediately. They had the people intoxicated and lying all over the camp, and they pulled out and left this mess there.

This is not the only company in northern Saskatchewan, Mr. Speaker, that are leaving unpaid bills or NSF cheques. Another American company by the name of Tate Island Adventures, Southbend, Saskatchewan, has done this. The Government has not been responsible to the native people in northern Saskatchewan.

Our province and our people have been abused, Mr. Speaker, and I therefore, move this Resolution.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. ROMANOW:** — Do you want the Department or an independent commission to look into it?

**MR. NELSON:** — Mr. Speaker, the Attorney General has asked whether I wanted an independent commission to look into it or his Department. I would hope before any independent commission would ever be appointed or elected by this Government that he would get off his hands and get his Department off their hands and get this straightened up. It is a very serious situation and I don't think it is time for jokes.

**AN HON. MEMBER:** — They've been up there for quite awhile, you know . . .

**MR. NELSON:** — Mr. Speaker, may I comment on those remarks?

**MR. E. ANDERSON (Shaunavon):** — Mr. Speaker, I should like to speak to the Resolution. I believe that this is a serious matter in the North. I believe it points out that there are serious delinquencies in the Department of Northern Saskatchewan, which is in charge of the North, pretty well completely, and allows this to happen. There has been delinquencies by many departments, the Department of Labour, the Department that handles liquor permits and licensing, the Department of Health, the Department of the Attorney General.

**MR. ROMANOW:** — I have found that the Royal Canadian Mounted Police have been investigating this.

**MR. ANDERSON:** — Yes, I have found that the RCMP have been investigating this and I believe that investigations have been initiated, but the problem certainly has been there. The Member for Assiniboia certainly seems to be quite efficient when the Members of his constituency must come to him to get this matter brought into the public, when he can't get any action from the Attorney General's Department, which is set up to protect the citizens of this province under the law.

**MR. ROMANOW:** — When did the Member contact . . .

**MR. ANDERSON:** — He said it in his speech, it was about December 11th. I'll check it and prove the motion that I had on the Order Paper that the Department of Northern Saskatchewan certainly is not doing a job. The people in the North are being neglected. I don't know whether because they are too far away, or whether the Department heads have no interest because it is mostly native people involved, but it seems a sad situation when they cannot get recourse under the laws of this province, when a United States company comes in here operating outside of the law and then when our own citizens try to collect money, our co-op stores try to collect money, they can get no action from this

Government. I think that is very pitiful and I support this Resolution that we do need an independent committee to study this.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. BLAKENEY:** — Mr. Speaker, I want to add a few words. I do so, not because I have any objection to the Hon. Member raising what he regards as a serious issue in this House. I don't think any of us are prepared to disagree with him on that. I just want to add a few words with respect to some of the remedies which he is proposing, and some of the obligations which he feels should be assumed by a provincial government.

First, it is reasonably obvious that this is a private operation, a private business. This is a private enterprise carrying on a private business. The Hon. Member seemed to suggest that it was the duty of the Provincial Government to intervene on a sale of shares. He indicated that somebody had purchased shares in this private company, and that the somebody was a person who should not operate in this province, and that the Provincial Government should somehow have stopped the sale of shares. I want to say, that in our view it is not appropriate conduct for the Provincial Government to pass judgment on the sale of shares, the sale of shares to a citizen of Minneapolis, who may, or may not, have been an appropriate person to buy those shares.

The Hon. Member went on to say that the company had been registered in Saskatchewan in June of 1975. The registration of the company in Saskatchewan is a purely clerical act. I don't believe that the Provincial Government should be expressing any opinion as to whether or not a company should register in this province. We have never done it in the past, and for my part, I don't think we should start doing it now. In some provinces there is some discretion exercised. Under our type of Companies Act, forms are completed and a fee is paid, and the company is registered. It is not thought to be appropriate for the Minister, or anybody else, to exercise his judgment as to whether the personnel of the company are proper people, whether they have ever been bankrupt before . . .

**MR. NELSON:** — It is on what they do in Saskatchewan.

**MR. BLAKENEY:** — That's right. All. I am directing my attention whether or not there is anything wrong with the company being registered here in June of 1975. And, I am saying, nothing inappropriate was done by the government then, nothing inappropriate was done when the shares were sold. It is not up to the Provincial Government, either to stop the sale of shares, or to stop the registration.

The Hon. Member then suggested that employees of the company had no work permits. I hope he has raised this issue with the Department of Immigration. I hope he has sent his letter to the Department of Immigration, and I should like him to provide a copy for the Attorney General so that he will have it and the investigations can be integrated.

He has said that unemployment insurance was not collected. Presumably he has raised this with the Federal Government. I

hope he has, and I hope he will provide the Attorney General with a copy of his letter to the Federal Government, so that investigation can be co-ordinated. He has suggested that income tax was not deducted. I hope he has raised that with the Federal Government, and I hope he has said it by letter and he will provide the Attorney General with a copy of that letter so that investigation, too, can be co-ordinated.

He suggested that what ought to have been done is that that company should have been bonded. In hindsight, of course, it looks like a good idea. But, I for my part, don't want to see the Government of Saskatchewan bonding all the private companies in this province to see whether they pay wages. There are 10,000, at least, private companies out there. I, for my part, don't want to see them all having to file a bond to see that they meet their normal commitments.

**MR. NELSON:** — . . . outside the country.

**MR. BLAKENEY:** — There are many, many out-of-province companies registered in this province. I don't know how many, but it will be many hundreds. None of them are bonded with respect to paying their normal business obligations. Some of them may be bonded in their capacity as insurance dealers, or bonded in their capacity as car dealers, or bonded in their capacity of security dealers under The Securities Act. So far as I know, none of them are bonded in order to see that they honor their ordinary obligations. People who deal with a company in terms of buying and selling to it, take the ordinary risks of buying and selling. With respect to employees, efforts have been made in our legislation and in the federal legislation, to protect employees. Under The Wages Recovery Act and The Bankruptcy Act, employees have certain preferences.

In an individual case, it may not be good enough, but on the whole, I think it is better than to set up a great apparatus requiring us to take a bond from all the incorporated companies in this province, or alternatively all the ones that come from outside the province . . .

**MR. NELSON:** — What kind of companies?

**MR. BLAKENEY:** — Well, the suggestion by some is that this ought to be confined to tourist fishing camps. But the next time this same problem will happen with respect to some other type of business. In hindsight, of course, it is easy to pick out the class of business. Using foresight only I don't think we can choose so easily. If the facts submitted by the Hon. Member are true, it looks as if the operator was an unscrupulous operator. I want to say that unscrupulous operators are not confined to tourist operators. They may be found in many other areas of activity and in those cases their employees may not be paid.

I don't know whether implement dealers or car dealers are always honorable. But I say that if their employees are not paid, those employees do not have a bond to look to. People who deal with these people on some basis occasionally do have a bond to look to. But so far as I am aware, employees do not have a bond to look to. Whether they should is something which I ask Hon. Members to ask themselves; whether or not a provincial

government should get into the business of bonding 10,000 companies to see whether they pay wages. I question very much whether that would be appropriate.

In this case, indeed, the hindsight indicates that something ought to have been done. I think that as Members opposite have suggested that if we brought in a bill along the lines suggested we would be accused of waging a war on business.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. BLAKENEY:** — No one I think, suggests that if the facts outlined by the Hon. Member are true that they aren't very unfortunate. I gather from what I can find out that the Department of Labour is vigorously pursuing the matter of unpaid wages. Whether or not other Departments of Government should be pursuing other private enterprise aspects of the facts laid before us by the Hon. Member, I don't know. All I want to say is that the main problems that he complains about are: (a) unpaid wages, and; (b) NSF cheques.

The unpaid wages are, I understand, being pursued by the Department of Labour. The NSF cheques, on his own admission, are being investigated by the Royal Canadian Mounted Police. I am not saying that enough has been done. I am saying that the appropriate agencies appear to have the matters in hand. Doubtless, with all the clarity of hindsight, it would have been a good deal better to move a week or two, or a month or two earlier. But that is true of almost anything which will lead to an investigation by the Wages Recovery Branch, the so-called Labour Board of the Department of Labour, or by the Attorney General's Department, or the police. This is the nature of policing operations, they almost always come in too late to stop the offence.

I think on looking at this thing we can see that the facts, if facts they be, and I don't deny them, I simply do not confirm them, are most unfortunate but it appears that the appropriate agencies of Government are looking into these and it appears that a good number of agencies, both of the Federal and Provincial Government are looking into it. And I know that the Attorney General will be wishing to obtain the material from the Hon. Member so that all of the investigations can be co-ordinated in the most effective way and so that any remedies which may still be available to unpaid employees or unpaid holders of cheques may be pursued with the greatest vigor.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MERCHANT:** — May I ask a question? Mr. Premier, I have no preamble except to note that at your convention the Saskatchewan Federation of Labour seemed to have two-fifths of the convention on its side against the anti-inflation program which led me to believe that you might be interested in the approach that the Saskatchewan Federation of Labour takes. I have no particular view yet, but part of their program for labor is that legislation should be established which would protect unpaid employees of an employer who goes bankrupt or claims he is unable to pay his employees. I take it then that I may take your message back to the SFL to say that that is out and the



Government would certainly never pass that kind of legislation.

**MR. BLAKENEY:** — I am not sure that the SFL or I would be satisfied with the Member for Wascana (Mr. Merchant) as a messenger.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. BLAKENEY:** — I will undertake to take my own message to the SFL and not have them strained through the sieve of the Member for Wascana. He should look at what happened to the messenger in the old Greek legend. Perhaps that is what should happen to him, I don't know.

The other point is that I think that a number of steps might well be taken to protect employees who suffer losses due to the fact that their employer cannot pay because of bankruptcy. One of the clear ones is to attempt to give some manner of preference over other creditors. I was suggesting that the method of comprehensive bonding of all the corporate employers was not an appropriate way. It was too big a hammer for relatively too small a fly and we could achieve the results with less difficulty. That was the message that I sought to convey to this House.

**MR. G. McNEILL (Meadow Lake):** — Mr. Speaker, I should like to speak on this Resolution.

Mr. Speaker, I am shocked that a Motion like this would come from people who are supposed to be sponsoring and fostering free enterprise. I am not sticking up for Arctic Lodges or Tate Island, but anybody in this House who would stand up and discredit a group of people of honorable businessmen like the Northern Saskatchewan Outfitters, is a disgrace to the House. And especially a man who has never been in the North and knows nothing about the North, just to get some cheap political hay, that is all he is trying to make.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. McNEILL:** — It is a shame. It is a shame for both you and a shame for your seconder to stand up in this House and try and make some cheap hay to the Press. I hope the Press takes this down.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. McNEILL:** — Mr. Speaker, this Resolution places all northern Saskatchewan outfitters and operators under suspicion and that is a dirty shame because there are lots of honorable men. It threatens them with a government order inquiring into all their operations and into their businesses, because the Hon. Member seeks information on the activities of one or so outfits. Instead of him going through the proper channels which is the Attorney General's office and others to do it, he brings it to the House to try and get cheap political hay. At the expense of honest men.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. McNEILL:** — Here again they are supposed to be the champions of private rights. I have been in the North longer than you have. I know what goes on there. You haven't been up there, if you have it hasn't been for over a day, nor has your seconder. I think my friend from Shaunavon was talking about being a logger, but probably the only logging he did was to cut some willows on the south border.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. McNEILL:** — You know these champions are calling upon the powers of the Government to convene an independent commission to inquire into small business people. If you want to inquire into people's business state those you want to inquire into, don't take in everybody else in the North.

Mr. Speaker, I was president of the Northern Saskatchewan Outfitters for three years and also vice-president for two years. I have been on their executive ever since the association was organized.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. McNEILL:** — Mr. Speaker, I know pretty well all, or all of the outfitters in northern Saskatchewan. And just because there happens to be one or two bad apples in the barrel we are not going to stand here and condemn the rest of the honest workers.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. McNEILL:** — I can't vouch for the record of the operators individually, but I find them to be honest upright people. I believe, Mr. Speaker, that it is totally unjustified that a Resolution of this kind should place a cloud of suspicion over good operators and fine northern businessmen.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. McNEILL:** — Mr. Speaker, if this Member has a problem with an individual he should name that individual and name him in the House and not again try to make a bunch of political hay at the expense of some good people.

Mr. Speaker, I am going to phone my friends in the North to get some more information on this thing. At this time I beg leave to adjourn the debate.

Debate adjourned.

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