

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Second Session — Eighteenth Legislature
8th Day

Tuesday, March 23, 1976.

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

On the Orders of the Day

WELCOME TO STUDENTS

MR. R. E. NELSON (Assiniboia-Gravelbourg): — Mr. Speaker, I would like to introduce to you and through you to this Assembly a group of Grade Eight students from the Assiniboia Junior High School and their teachers, Mr. Parkinson and Mrs. Spagrud. They are in the east gallery. I hope they enjoy their visit in the Assembly today and I will look forward to meeting them in the rotunda after 3:00 o'clock.

HON. MEMBERS: Hear, hear!

HON. W. E. SMISHEK (Regina North East): — Mr. Speaker, I would like to introduce to you and to the Members of the Legislative Assembly a group of 55 students who are seated in the Speaker's Gallery. They are from St. Anne School, from Grade Eight. They are accompanied here by their teachers, Mr. Ted Zurowsky, Mr. Bill Bernhauser. I certainly welcome the students to the Assembly and hope that their stay with us this afternoon will be pleasant, educational and a new experience. I will be meeting the students at 3:15.

HON. MEMBERS: Hear, hear!

HON. N. VICKAR (Melfort): — Mr. Speaker, I should like to introduce to you this afternoon and through you to the Legislative Assembly, students from Grade Five from the Annaheim School, accompanied by their teacher, Mr. Orville Thiessen and also accompanied by some chaperones in the names of Mr. and Mrs. Walter Sarr, Mr. and Mrs. Harold Pattenpous and Mr. and Mrs. John Lang.

I should like to wish the students good luck this afternoon and I hope they enjoy their stay with us. I will be looking forward to meeting with them at 3:00 o'clock in the rotunda.

HON. MEMBERS: Hear, hear!

QUESTIONS

Cutbacks in Hospital Staff

MRS. E. G. EDWARDS (Saskatoon-Sutherland): — I should like to direct a question to the Minister of Health. Acute care hospitals in Saskatchewan, both service and teaching hospitals have had severe cutbacks imposed upon them by the Saskatchewan Hospital Services Plan. In a recent report the University Hospital is cutting 82 full time positions, 41 of them nurses. Would the Minister of Health agree or explain to us with such severe staff reductions, will it not bring about the closure of hospital beds?

HON. W. A. ROBBINS (Minister of Health): — Hospitals, of course, are controlled by the local hospital boards and whether or not there are closure of any beds will be their prerogative. You are well aware of the fact that governments across the country are attempting to control their health budgets with costs rising very rapidly. You are aware of the situation in Ontario and we will just have to wait and see how this works out.

MRS. EDWARDS: — Mr. Speaker, while the hospital boards certainly manage their affairs within the budget allocated to them by the SHSP, there is only so much money and I think everyone realizes that staff reduction means one of two things. Would the Minister of Health tell me, will budget restrictions — would he condone the lessening of the standards of the quality of care or closing the beds, which does he suggest is going to happen?

MR. ROBBINS: — We don't suggest that either will happen.

MRS. EDWARDS: — A further supplementary question. Can he explain to me then how he expects fewer people, working less hours because the unions are going for a less work week, to do the same workload? Now it seems like an impossible situation to me, but can he explain how that can take place?

MR. ROBBINS: — I can give you a bit of statistics, Mr. Speaker, and I can give the Member who is asking the question a bit of statistics. The last fiscal year on which we have statistical data we have 220 separations per 1,000 in Saskatchewan from our hospitals. The average for Canada is 156.

MR. L. W. BIRKBECK (Moosomin): — Along the same line of questioning, was it the SHSP or was it the local hospital board that suggested the cutting back of the nursing?

MR. ROBBINS: — The local hospital board has control of their own employees.

MR. J. G. LANE (Qu'Appelle): — Mr. Speaker, by way of supplementary, will the Minister admit that the reason the local hospital boards are cutting back is because of the reduced grants from SHSP or a grant that does not match inflationary increases?

MR. ROBBINS: — Mr. Speaker, the grants are not reduced. Larger sums of money will be available this year than were available last year.

MR. LANE: — By way of further supplementary, you ignored whether the increase was going to match inflationary costs. Would the Minister not admit that the reductions that are going on are in fact a very sophisticated deterrent fee being placed by the Government opposite?

MR. ROBBINS: — No, I would not.

Travelling on Planes at Company's Expense

MR. E. F. A. MERCHANT (Regina Wascana): — Mr. Speaker, I wonder if it may be possible for the Question Period to go over a few minutes as Question Period began a few minutes late. I have noticed that Mr. Speaker is very good . . .

MR. SPEAKER: — Would the Member direct his question please.

MR. MERCHANT: — I wonder if the Premier would indicate whether the Government considers it appropriate for Government officials and Members of the Cabinet to travel on planes at the expense of private companies, to travel on the planes of companies that are owned by companies dealing with the Government or potentially dealing with the Government in relation to the potash industry as one of its customers?

HON. A. E. BLAKENEY (Premier): — Mr. Speaker, I think that question cannot be answered in the broad sense. I think each case has to be looked at on its own merits. I have many times flown in Government of Canada planes during the course of vigorous negotiations with them and I never felt that our negotiations were in any way compromised on that account.

MR. MERCHANT: — Mr. Speaker, I wonder if the Premier would indicate why the advanced plans that were indicated to the press as I understand it, and correct me if I am wrong, that you would go down on a CFI plane and come back on a Commercial Air plane? Why, if you do not consider there is anything inappropriate about it, did you change and come back by Commercial Air?

MR. BLAKENEY: — First, I never had any intention of coming back on a CF aircraft. I would be happy to explain the circumstances to the Hon. Member. In my judgement it was a wise idea to go and look at the CF operations in Florida. I met with their board, which comes from all over the United States and is a large board, about 50 people in all. The vice-president of their operations, their Florida operations is a senior executive of theirs. Their operations in Florida would have, I would think, a minimum investment of \$250 million and perhaps a great deal more than that. Their vice-president, as I was told, was returning to Florida in their aircraft, it was to be following a board meeting and the time was uncertain. It was to land at an airport which was not served by a commercial aircraft. The choice, therefore, was to cause very considerable inconvenience to our proposed hosts, by saying that we would go by commercial aircraft, land at another airport some miles away and asking whether they would mind picking us up and taking us to a destination we didn't know and so on, or alternatively, to go with them in their aircraft.

We decided to go with them in their aircraft. We paid for our own hotel bills; paid for our own way back and contrary to the reports you have received, there was never at any time any proposal for us to return with them.

SOME HON. MEMBERS: Hear, hear!

MR. R. A. LARTER (Estevan): — To the Premier, Mr. Speaker. With reference to the trip to the United States on potash, is the Premier aware that the United States ambassador to Canada spoke to the Canadian Club today and indicated they were not happy with the assurances given by yourself?

MR. BLAKENEY: — No, I was not aware. If I get any text of the United States ambassador's speech I will certainly attempt to respond to it. I know all Hon. Members will appreciate that while we attempt to formulate policies which will be acceptable to other governments, it is not the primary purpose of this Government to introduce policies which are acceptable to the US ambassador.

SOME HON. MEMBERS: Hear, hear!

Maintaining of any Foreign Currencies

MR. R. L. COLLVER (Leader of Progressive Conservatives): — I would direct a question to the Premier.

On Friday last I asked the Minister of Finance in this Assembly whether the Government of Saskatchewan or any of its agencies or Crown corporations maintained any foreign currency balances and his answer to me was, no.

My question to you, would the Premier not agree that in the light of widely fluctuating world currency values and in the light of proposed and ongoing negotiations between your Government and international companies, that the Government of Saskatchewan should maintain some hard currencies such as West German and US to maintain its flexible position in negotiations?

MR. BLAKENEY: — I do not agree with the Hon. Member that we should engage in currency speculation or currency hedging. It is a perfectly legitimate operation. It is just that we don't have any likelihood of exposure until we borrow money or enter into some transaction which has to be completed at some later date. It has been the custom, when we borrow money payable in a currency other than Canadian dollars, for us to set up an ongoing sinking fund and on an annual basis buy in the 'US pays' if I may use that term, if we had to meet the obligation at maturity in US dollars. In this way we hedged a 20 year obligation by buying some bonds for the sinking fund in each of 20 years and thereby averaging our loss or profit as the case may be.

I think this is a legitimate way to hedge and I don't think that under all the circumstances we are contemplating entering any other contracts at this time which require a greater measure of hedge. If we agreed to pay a large sum in American dollars or German Marks one year hence — if we entered into that sort of a contract — we would have to think of hedging right then but we are not now contemplating any such contracts.

MR. COLLVER: — Mr. Speaker, in the light of the Government of Saskatchewan's announced policy to borrow foreign moneys to obtain

potash mines and also in the light of the fact that the Government of Saskatchewan is dealing with foreign corporations, does the Government of Saskatchewan have any foreign currency experts presently engaged by any of its agencies, departments of Crown corporations?

MR. BLAKENEY: — I think I would have to say, yes, in the sense that the people who are in the Treasury and Debt Management Branch, now called the Investment Branch of the Department of Finance, spend a great deal of their life looking at currency fluctuations and bond prices payable in various currencies and they develop a good deal of sophistication particularly in consultation with the dealers with who they deal and who have to deal with Euro dollars and swaps and all of the other things of this nature which are a mystery to many of us.

MR. COLLVER: — Mr. Speaker, in light of the Premier's answer, and I presume the answer was, no, that there were no foreign currency experts, at least I gathered that. If the answer was, yes, would the Premier please enlighten us as to the name of the one or two of the foreign currency experts in the Department.

MR. BLAKENEY: — I don't know whether anyone likes to be called an expert, but I would say that Mr. Morley Meiklejohn of the Investment Division of the Department of Finance has considerable sophistication with respect to foreign currency fluctuations.

SOME HON. MEMBERS: Hear, hear!

Budgets of School Boards

MR. G. H. PENNER (Saskatoon Eastview): — Mr. Speaker, I should like to direct a question to the Minister of Education related to one that I asked last week.

Will the Government allow an extension in the date by which school boards are to have their budgets finalized?

HON. E. L. TCHORZEWSKI (Minister of Education): — I think the Member is probably suggesting amendments to legislation and we don't think that is going to be required, so at this point in time, no, we are not going to be making any changes.

MR. PENNER: — I wonder why, Mr. Speaker, if I may follow with a supplementary, that there will be then a certain amount of discrimination in that urban boards are able to get an extension simply by asking their taxing authority to do so, while rural boards will be unable to do that because of the number of taxing authorities that they have to ask?

MR. TCHORZEWSKI: — I don't think there is any discrimination as indicated by the Member opposite. I have not, in fact, had any requests from any rural boards to bring in such kind of an exemption up to the present time, because I think they all realize that

although it is going to be difficult and under the circumstances that they are able to meet the requirements as are required.

MR. PENNER: — A supplementary, Mr. Speaker. Is the Minister not aware of the fact that school boards in this province, one in Saskatoon, has already asked for an extension and has been granted it. The problem with rural boards is that if they have 15 or 20 taxing authorities to go to, to ask for an extension, they can't possibly have enough meetings in the time period between when the Budget comes down . . .

MR. SPEAKER: — Order, Order! I think the Member is putting the argument, I think, rather than asking a question.

MR. TCHORZEWSKI: — As I said earlier, there have been no requests for extension from rural boards or other boards and it appears to me, and I think correctly so, that the boards are going to be able to meet their requirements. The boards over the last several months have been working on their budgets and as I know the Member opposite knows, basically have most of the work on the budget completed. As soon as the Budget Speech is delivered tomorrow we will be getting in touch with all the school jurisdictions indicating to them what the grant levels are going to be in order that they can have them at the earliest possible time.

MR. W. H. STODALKA (Maple Creek): — Will school boards, if through some unforeseen difficulty are unable to meet the April 1st deadline, will there be any prosecutions or penalties imposed on those boards?

MR. TCHORZEWSKI: — There never have been and I don't see why there needs to be.

Municipal Road Load Limits

MR. R. H. BAILEY (Rosetown-Elrose): — Mr. Speaker, a question to the Minister of Transport. Since his recent announcement there has been an overwhelming opposition in the areas. Is the Minister prepared to reconsider the recent weight restrictions and possibly take a new look at his recent announced policy?

HON. G. MacMURCHY (Minister of Municipal Affairs): — Mr. Speaker, I am prepared to meet with those who are raising objections. I have not had any contact from all of these groups that are raising these concerns. I have had a request from the Saskatchewan Trucking Association and I will be prepared to meet with them.

MR. BAILEY: — Would the Minister not agree that in light of the opposition coming to it that it would be a wise policy to reconsider his recent announcement.

MR. MacMURCHY: — No.

MR. D. G. STEUART (Leader of the Opposition): — I should like to question the Minister concerning the brief he tabled yesterday. Is it not a fact that when asked a question in the House a couple of days ago as to why you made this announcement about specific load limits on the municipal roads, that you said it came as a result of a request from SARM contained in a brief presented to the Government last November? You subsequently tabled the brief. I have that portion of the brief referring to uniform weight limits on rural or municipal roads. I am sure you have read it. There is absolutely nothing in it that indicates that they asked for specific load limits.

Now this being the fact, was the Minister either confused or was he attempting to mislead the public when he went further than they obviously asked for and put specific load limits on?

MR. MacMURCHY: — Mr. Speaker, in response to the Member for Prince Albert I report to him as I reported earlier that the brief requests uniform load limits. When we indicated to SARM that we could see the possibility of implementing uniform load limits on municipal roads, we asked them what kind of limits they wanted. They then presented to us their copy of their policy booklet which I also tabled which indicates 32,000 and 50,000 pound load limits.

MR. STEUART: — Would the Minister indicate, I presume this is the book that he referred to, the convention resolutions?

MR. MacMURCHY: — No.

MR. STEUART: — You are not talking about the resolutions asking for licensing limits. Would you please direct me to the specific document where it asks for specific load limits of 32,000 and 50,000 pounds?

MR. MacMURCHY: — Mr. Speaker, I tabled the document in the Legislature. I do not have the document here.

MR. SPEAKER: — I think that it is within the rules of the Oral Question Period, one of the rules is that documents that are equally available to all Members are not to have questions asked on them.

MR. BAILEY: — A supplementary, Mr. Speaker. Did the Minister of Transport not receive a petition from the Saskatchewan Rape Grower's Association in regard to his recent announcement?

MR. MacMURCHY: — I have not received it on my desk.

MR. E. A. BERNTSON (Souris-Cannington): — Supplementary, Mr. Speaker. Would the Minister agree that the brief from the SARM asks for uniform load limits on municipal roads as well as the provincial highway system?

MR. MacMURCHY: — There are uniform load limits on the provincial highway system. We have two load limits, 110,000 on the primary and 74,000 on the secondary system. But their request was for uniform load limits on the municipal system just as we have it on the highway system.

MR. S. CAMERON (Regina South): — Mr. Speaker, a question to the Minister of Municipal Affairs. Is it not a fact that the resolution which the Minister tabled along with the brief presented to him by SARM was a resolution at that convention with respect to licensing requirements of vehicles mainly to go to 32,000 pounds for a single axle vehicle and 50,000 pounds for a tandem axle vehicle, a licensing requirement rather than a suggestion for that kind of weight limit on municipal roads?

MR. MacMURCHY: — I do not interpret that resolution that way.

Potash as Part Payment for Mines

MR. R. A. LARTER (Estevan): — Mr. Speaker, to the Minister in charge of Saskatchewan Potash Corporation. In light of the current negotiations with the potash industry, is the Minister not afraid if you were to pay part of the purchase price in potash, which was announced as part of your negotiations or talks with them that the potash companies would be given time to develop mines and bring more potash on stream, thereby protecting their existing markets?

HON. E. COWLEY (Provincial Secretary): — Mr. Speaker, I am sure that if we reached that particular agreement with a particular mine owner that we would be confident enough of our negotiations that we would not be afraid of that.

Howard Gowan vs RCMP in Swift Current District

MR. D. HAM (Swift Current): — Mr. Speaker, a question directed to the Attorney General. In light of the recent announcements by the Solicitor General of Canada about the matter I raised with you last fall regarding Howard Gowan of Swift Current, does the Attorney General have names of the RCMP officers who committed this cruel act?

HON. R. ROMANOW (Attorney General): — I am sorry, I didn't hear the question.

MR. HAM: — In light of the recent announcement by Warren Allmand, Solicitor General, regarding the matter I raised with you last fall or last session in reference to Howard Gowan of Swift Current. Does the Attorney General have names of the RCMP officers who committed this act?

MR. ROMANOW: — Quite frankly, I am having a great deal of difficulty understanding the question. The question is, do I have the names of the RCMP officers who committed this act? Sort of what act? The situation is as the Member will know, I don't

mean to be sarcastic or critical, I fully don't understand the question. The situation is as I understand it that there is a civil suit pending between Mr. Gowan and I believe the Attorney General of Saskatchewan is a party and I am not sure whether the federal people are third party or not in this situation. But that civil suit has been outstanding. As I understand it there were a series of things that took place which are the subject of litigation. I would be prepared to give the Member such information from the public file as he has. I have no objection to that. But I think you have to be a little more precise as to what the situation is.

MR. HAM: — Further supplementary. With respect, maybe this will help clarify the matter, Mr. Attorney General. Is there a lawyer in your department who is in charge of the case in Swift Current at the time of this, the RCMP and Mr. Gowan were involved.

MR. ROMANOW: — Is there a lawyer in my department or was there a lawyer in Swift Current who was handling the case?

MR. HAM: — Presently within your department.

MR. ROMANOW: — There is a lawyer presently within my department who has overall responsibility for the case.

Municipal Road Load Limits

MR. CAMERON: — Mr. Speaker, I want to return with the Minister of Municipal Affairs if I may to ask him whether in his indication to this House that the Saskatchewan Association of Rural Municipalities had requested these specific weight limits on municipal roads? He was relying upon this resolution:

That regulations be amended to provide for an increase in gross weight of single axle trucks to 32,000 pounds, and for tandem trucks to 50,000 provided the weight per inch of width of tire doesn't exceed 500 pounds.

Is that the resolution to which the Minister refers in relying upon SARM having made the request as you say they did?

MR. MacMURCHY: — Yes.

MR. CAMERON: — A supplementary in connection with that one, Mr. Speaker. Is that resolution not directed to the Department of Highways and does it not refer and request of the Department of Highways a change in licensing provisions and not with respect to weight limits on municipal roads?

SOME HON. MEMBERS: Hear, hear!

MR. MacMURCHY: — No. I think, Mr. Speaker, that the resolution is directed to the Government of Saskatchewan. When one takes into consideration the request for load limits which was put forward by SARM and the kind of load limits that they would like

to see, the two go together and on that basis we indicated to SARM last Tuesday that this was our intent to implement those load limits. The SARM as an organization have not said that they don't want us to implement those load limits. The people of the province have not said that they don't want us to implement those load limits. We have the trucking industry who has some concern. We have the Hon. Member's former employer who has some concern. We are prepared to meet with all those with concerns as we implement this policy.

I say to the Hon. Member that we have concerns and we should have concern as a government, along with SARM councils, with the kind of load limits we have on municipal system. I don't think we can stand to have heavy trucks beat out the roads in our municipal system because they are not built to stand the loads as indicated by the large semi-trailer vehicle.

SOME HON. MEMBERS: Hear, hear!

MR. CAMERON: — My supplementary and my questions are asked to determine whether or not this House was misled, they are not directed to the detail of the policy.

SOME HON. MEMBERS: Hear, hear!

MR. CAMERON: — Does the Minister have any correspondence or other written request apart from this particular resolution from the Saskatchewan Association of Rural Municipalities requesting those specific weight limits on municipal roads? Anything else?

MR. MacMURCHY: — I'm not sure that I have. I know that I have requests from SARM in briefs going back to 1972 for uniform load limits. I can provide the documentation for that. I indicated that we would want to sit down with SARM to develop a policy because there are obviously administrative problems in implementing such a program. That will be taking place in the very near future. And out of the discussion and I hope that we can have sensible discussion and out of the discussion we will establish our policy. We have only indicated an intent to establish a policy.

SOME HON. MEMBERS: Hear, hear!

POINT OF ORDER

Infraction of Rules in Question Period

MR. STEUART: — The Point of Order I want to raise is that on the question period we understood and this is an experimental — that the questions and answers were to be brief and they were not to contain speeches. We have seen a breach of the rules almost day after day, allowed by Ministers and not allowed . . .

MR. SPEAKER: — Order, order!

MR. STEUART: — I want to say . . .

MR. SPEAKER: — Order, Order!

MR. STEUART: — I want to say . . .

MR. SPEAKER: — Order, order!

MR. STEUART: — I want to say . . .

MR. SPEAKER: — Order, order! The Member for Prince Albert-Duck Lake. Order! Order!

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: — The Member for Prince Albert-Duck Lake has stated that there have been infractions of the rules with regard to this committee day after day. This is the first time the Member for Prince Albert-Duck Lake or any other Member has risen on this matter. The Member for Prince Albert-Duck Lake or any other Member has an obligation to this House and to the Speaker of this House to raise Points of Order when they occur, not days later. I think primarily every Member should keep that in mind. I am quite willing to listen to the Member for Prince Albert-Duck Lake's Point of Order with regard to today's question period. But I am not prepared to listen to his Point of Order with regard to another day's question period.

MR. STEUART: — The reason I didn't raise it before was that we rather hoped that this thing would balance out. But I am telling you now it is not balancing out. And I say that if it doesn't, it won't work.

MR. SPEAKER: — I agree but I am not familiar with the Member for Prince Albert-Duck Lake's Point of Order. I agree if it doesn't balance out the question period won't work. But specifically I want to know what the Member's Point of Order was.

MR. STEUART: — My Point of Order is, you allowed the Minister of Municipal Affairs to make two long speeches which he dragged in all kinds of . . .

MR. BOWERMAN: — Sit down!

MR. STEUART: — I won't sit down . . . I tell you one thing, the difference between myself and the Minister over there, at least I can stand up without upsetting the desk.

You allowed the Minister to make two political speeches on direct questions that were asked. That is my Point of Order and I say that this is going on too often to make this question period work.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: — I think the Members of the Assembly will have to agree with me, if they check the record of the oral question period, that there have been a number of political speeches on both sides of the House during the oral question period. I have been doing what I can to restrict the occurrence of political speeches during the oral question period. I require the co-operation of all Members.

When a Member asks a question wherein the answer is going to be of a subjective judgment, there is bound to be some discussion about whether a political phrase has been uttered or not. I would ask the Members to restrict themselves and on both side of the House. I don't think this applies to one side of the House particularly.

PRIORITY OF DEBATE

Municipal Road Load Limits

MR. CAMERON: — Mr. Speaker, before the Orders of the Day, I should like to beg leave under Rule 17 to move a motion asking for debate . . . Mr. Speaker, would you call the Attorney General to order please.

MR. SPEAKER: — Order, order!

MR. CAMERON: — I beg leave under Rule 17 to move a motion asking for priority of debate for the purpose of discussing a definite matter of urgent public importance and state the subject to be: The intention of the Government as expressed by the Minister of Municipal Affairs to impose specific weight limits on municipal roads with no assurance, (1) that the rural municipalities will have a discretion to issue permits for loads in excess of the limits as requested by SARM, (2) that public hearings will be held so that all interested parties may be heard prior to the implementation of such limits, (3) that the particular policy announced by the Minister has the support of SARM since SARM did not request the particular policy the Minister announced.

I so move, seconded by Mr. Lane.

SOME HON. MEMBERS: Hear, hear!

STATEMENT

Priority of Debate-Municipal Road Load Limits

MR. SPEAKER: — I have the motion before me. Order! And I now wish to make a statement about the motion. A notice with regard to this matter was proposed for priority of debate was received in the Clerk's office at 11:50 a.m. today for which I thank the Hon. Member.

I refer all Hon. Members to a ruling of the Chair on February 23, 1971 and I quote a section of that ruling as follows:

The fundamental principle underlying Rule 17 was to provide an opportunity within a proper framework of parliamentary procedure where none otherwise existed for the immediate discussion of any matter deemed to be of such urgency and importance that all of the normal or special business of the Assembly should be put to one side in order to provide complete right of way to a discussion of one specific particular subject.

I agree with the Hon. Member that the matter raised is of public importance and falls within the jurisdiction of the Provincial Government. The key question that faces me is whether

this matter is urgent enough to set aside the business of the Assembly in order to debate it at this time.

All Hon. Members will be aware that the Hon. Minister announced a proposed new policy at a Saskatchewan Association of Rural Municipalities convention on March 16, 1976, which is exactly a week ago. Since that time there has been plenty of opportunity to discuss this proposed policy, either during the Address-in-Reply Debate which has just concluded or in a substantive motion with proper notice. Neither opportunity was used.

All Hon. Members will note that the proposed policy does not have an implementation date. This Assembly is not faced with an exact deadline before which the debate on this matter must take place. In fact, this entire matter can be debated in the Budget Debate which will be before the Assembly the next week. Although the matter was proposed by the Hon. Member for Regina South and is of public importance, I rule under Rule 17 (6) that it is not of sufficient urgency that all of the normal business of the Assembly should be put to one side.

MR. LANE: — Mr. Speaker, speaking to your ruling. Are you saying, I think you are by implication, that this policy will not be implemented prior to the Budget Debate because you've said that we will have ample opportunity. I think you may be making a presumption in your ruling as to the date of implementation of the policy. We don't know when the policy will be implemented. I'm sure that comes from the Treasury Benches. But I think that that is a presumption that Mr. Speaker has made which frankly is not a proper assumption to be made unless Mr. Speaker has information that we don't.

MR. SPEAKER: — I think that the only information I have is the information that is readily available to all Members of the Opposition as well as to any Member of the House. Essentially it is this. The Minister in an answer to a question on March 17, 1976 in this Chamber stated:

That we want to sit down with them (meaning SARM) to discuss the possibility of providing permits under certain circumstances. Before we make any formal announcement or any specific announcement with respect to the time of implementation.

So I think it's clear from the Ministerial statement at that time that no time of implementation has been picked. Consequently I feel that there would be opportunity to discuss the matter.

MR. CAMERON: — Mr. Speaker, I rise on a Point of Privilege. I did not have the opportunity, Mr. Speaker, to give Mr. Speaker notice because it arises principally out of the answers given today by the Minister of Municipal Affairs.

The Question of Privilege, Mr. Speaker, is whether or not in all the circumstances the House was not in fact misled by the Minister in response to questions I asked and in response to questions other Members asked. The point is the Minister indicated in response to my question of March 17, a series of

questions, that this policy was being announced on the request of the Saskatchewan Association of Rural Municipalities.

SOME HON. MEMBERS: Hear, hear!

MR. CAMERON: — Mr. Speaker, I asked this question, would the Minister indicate to the House when . . . I state my Point of Privilege . . . would the Minister indicate to the House when the Saskatchewan Association of Rural Municipalities requested this particular policy and in what form did they request it? Mr. Speaker, the response the Minister made was, "They made the request to us in a brief and I can't remember the actual date, I think it was in November and it was in part of their brief." I asked that it be tabled and the Minister said he would table the brief, which was done.

Mr. Speaker, there is no provision in that brief referring to the specific weight limits.

MR. ROMANOW: — That's your interpretation of it.

MR. CAMERON: — That is not my interpretation. It is very clear that there is no such request in the brief, Mr. Speaker. Prima facie, therefore, I have raised the Question of Privilege as to whether or not the House was misled when the Minister indicated it was a policy which was devised at the specific request of SARM.

Mr. Speaker, to develop the point a little further, the Minister then indicated that there was a resolution which had been passed by SARM in 1975 and he tabled that, even though it wasn't requested, along with the brief. Mr. Speaker, if one examines the resolution that the Minister refers to, that resolution does not request the Government to establish those weight limits on municipal highways. That resolution, Mr. Speaker, requests a licensing change.

MR. SPEAKER: — Order! I respect the Member's right to raise a Point of Privilege and I gather as succinctly as possible, if I was to repeat it, it's this, that the Minister when making the statement on March 17, misled the House with regard to the intention of the SARM. If that is in fact the Point of Privilege the Member is raising I will look into the matter.

MR. CAMERON: — Yes, that, Mr. Speaker, is my Point of Privilege. I say that the resolution to which the Minister refers does not indicate that SARM made the request for the policy.

Secondly, Mr. Speaker, I direct Mr. Speaker's attention to an article which appeared in the Leader-Post only recently in which officials from the Saskatchewan Association of Rural Municipalities specifically denied having made that particular request to the Minister.

MOTIONS FOR RETURN

Return No. 13

MR. J. G. LANE (Qu'Appelle) moved that an Order of the Assembly do issue for Return No. 13 showing:

- (1) Whether the Government entered into any agreement with Cairns Homes Ltd. to maintain a certain level of housing or lot cost in the City of Regina. (2) If so; (a) the date of the said agreement; (b) copies of the said agreement.

He said: Mr. Speaker, prior to moving the particular motion with regard to obtaining copies of any agreement entered into between the Government of Saskatchewan and Cairns Homes Ltd. to maintain a certain level of housing or lot cost in the city of Regina, this as Hon. Members are aware is a motion that I introduced in the last session. I indicated at that time that perhaps the agreement that had been entered into between the two parties was something of a new approach and I think that certainly would be of interest to Members of the Opposition to obtain copies and certainly of interest to members of the general public, to attempt to determine what the Government opposite is doing in the field of housing and to attempt to determine whether or not this particular program that has been referred to publicly is a viable program, is a practical program or whether it is an experiment in government. It was indicated by the Premier at that particular time that they would certainly consider tabling the particular agreement. Shortly thereafter the House prorogued and we have not received the copies of the agreement. I'm sure that the Government has had ample time now since the last session to table the particular document and I am assuming that the Government will table the particular agreement.

Therefore, I move seconded by the Member for Morse (Mr. Wiebe) that an Order of the Assembly do issue for Return No. 13 as showing.

HON. G. MacMURCHY (Minister of Municipal Affairs): — Mr. Speaker, in response to the Member for Qu'Appelle, I indicated in the debate when the motion was before the Assembly prior to prorogation, while we would seek to accommodate the terms of the order that we did have some concern in the fact that the agreement is between the Housing Corporation and a private company, Cairns Homes Ltd. I have been informed since that time by the Housing Corporation that this agreement was signed on the basis that it would not become a public document. The Housing Corporation has been in contact with the Cairns people and they wish to keep it private.

Now in order to provide for the Member of the Assembly, the nature of the agreement, some of the key principles incorporated in the agreement, but yet try to keep the specific details confidential on behalf of Cairns Homes Ltd., I am therefore, going to provide the following amendment. The amendment reads as follows:

That all the words in the third line after agreement be deleted and the following substituted therefor:

(b) the nature of the key principles incorporated in the agreement.

I so move, seconded by the Minister of Labour (Mr. Snyder).

MR. LANE: — Would the Minister permit a question before taking his seat?

MR. MacMURCHY: — Yes.

MR. LANE: — Does the information that you are tabling include the cost limits that the allowable costs and the allowable selling prices or whatever specific costs are set out and prices that are set out?

MR. MacMURCHY: — Mr. Speaker, I don't have before me the information to be tabled related to this. I'm sure that if all of the answers aren't available in tabling the information that the Hon. Member can raise them when we're in Crown Corporations Committee.

MR. J. WIEBE (Morse): — Mr. Speaker, just speaking briefly to this amendment. We'd like to have a bit of an opportunity to study the amendment as presented by the Minister and I would beg leave to adjourn debate.

Debate adjourned.

Return No. 14

MR. J. G. LANE (Qu'Appelle) moved that an Order of the Assembly do issue for Return No. 14 showing:

(1) Whether the Government of Saskatchewan or any Crown Corporation purchased lands from the Central Mortgage and Housing Corporation in 1975. (2) If so: (a) the total acreage purchased; (b) the legal description of the lands purchased; (c) the cost per acre of the above purchases; (d) copies of any agreements evidencing such purchases.

He said: Again, Mr. Speaker, that this was a matter raised in the session that prorogued at the beginning of February. The intention as I stated at that time is to determine whether or not the Government of Saskatchewan has purchased any lands from the Central Mortgage and Housing Corporation. We do know that perusing the records of the Land Titles Office that lands have been purchased, but obviously not aware of certain details of the agreements. We do know that the purchase of the lands was approximately, at least in the city of Regina, approximately the same time as the Government decision not to proceed with the subdivision in the southwest corner of Regina, supposedly because of airport expansion.

We do know that that particular decision of the Government to prevent the expansion of the Westridge subdivision, has put abnormal pressures on housing costs in the eastern part of the city of Regina and in the northwestern corner and has in fact

restricted the development in the city of Regina to a direction that would be northwesterly and southeasterly.

The city has had many planning difficulties as a result of that particular decision. I indicated in the last session that I was of the personal opinion that the cancelling of that particular subdivision has placed an economic burden on lower and middle income families who had attempted to purchase homes in the eastern part of the city as their value immediately increased tremendously.

Again it was a question asked of this Assembly by myself prior to prorogation and again seemingly this is an inter-governmental purchase and I'm assuming that we will get the agreement setting out those particular purchases. Therefore, I move seconded by Mr. Wiebe the Member for Morse, that an Order of the Assembly do issue for Return No. 14 showing.

MR. MacMURCHY: — Mr. Speaker, just very briefly, I think that the Hon. Member for Qu'Appelle will recognize that there is a considerable difference between this question and the previous one since this is agreements between or purchases between the Housing Corporation, a provincial corporation and CMHC, a federal corporation and we are very pleased to table the information for the Hon. Member.

I was also, I must say, Mr. Speaker, very pleased to hear him identify his position with respect to the decision we took on the Westridge and on the Regina airport.

Motion agreed to.

RESOLUTIONS

Resolution No. 2 — Commends Saskatchewan Government Insurance Office

MR. M. J. KOSKIE (Quill Lakes) moved, seconded by Mr. McNeill (Meadow Lake):

That this Assembly commends the Saskatchewan Government Insurance Office for the following achievements: (1) in a period of stress that has led a number of insurers to withdraw from business in Saskatchewan and elsewhere in Canada, maintaining the lowest automobile insurance rates in Canada and at the same time meeting the reasonable requirements of all Saskatchewan residents, who need such insurance; (2) in recognition of the contribution made throughout their lives by the senior citizens of the Province and as a token of appreciation to them in this time of need making available to them at a substantial premium discount a policy of insurance described as the 'Pension Pak' which provides insurance against damage to their homes and contents by fire, lightning and explosion, sewer backup, theft and various other allied perils.

He said: Mr. Speaker, as a new Member of this Legislature I expected that we would have a hot and heavy debate on new government initiatives, such as potash and other controversial subjects, but what surprises me most is that we have presently

an attack against our well-established Crown corporation, SGIO.

Mr. Speaker, there are still some among us who are prepared to work at eroding the public confidence in SGIO and other Crown corporations and thus bring their demise. Mr. Speaker, the Leader of the Opposition, in either a moment of inattention of what he was saying or during a moment of truth, disclosed in this House that the former Liberal administration was prepared to scrap SGIO. And I want to quote what he said in the House in the last session.

Mr. Speaker, had we not inherited some Crown corporations we certainly would not have started them, that I freely admit when we became the Government. The private insurance industry came to us, sat down with us in an effort to talk us into selling or disbanding the Auto Insurance Plan and we took a look at it, but they would give us no guarantees that insurance rates to automobile users in Saskatchewan would not be raised substantially if they came back in, and so we turned them down.

Now, Mr. Speaker, one could accept this type of a policy from an old Liberal, but one would have expected more out of a new look Liberal, the Hon. Member for Wascana, the new Pat McGeer of Saskatchewan. But I am sorry to announce that he is following his old Liberal line — to get rid of Crown corporations — and so his criticism appears in the Leader-Post.

Because I like to be fair, I wondered why he would have such antediluvian attitudes. So I examined the family tree and I found it loaded with poison ivy, relatively speaking, he has deep roots in the Liberal Party, that branch out at all levels. Why, he has a brother-in-law who is presently trying to make Saskatchewan safe for the CPR and Cargill grain, and I suppose I need to say no more.

Well, perhaps, one should look a little deeper, so I looked in the dictionary and there it was for all to see — Merchant — a person whose business is buying and selling goods for profit.

SOME HON. MEMBERS: Hear, hear!

MR. KOSKIE: — And there are more fellow Members — a person whose business is buying and selling goods for profit, especially one who deals with foreign countries.

It seems to me, Mr. Speaker, this nefarious philosophy which he is propounding, no wonder that on that side he remains devoted to the interests of such companies as Allstate, Prudential and Gore Insurance. No wonder he rushes to the defence of those poor abused potash companies. Little wonder he rushes to the attack of any initiatives by this Government to make Saskatchewan a good place for people to live and not a safe hunting ground for the multinational corporations.

It seems to me, Mr. Speaker, if Mr. Merchant, the Hon. Member for Wascana, had his way, this Pat McGeer of Saskatchewan, he would have all of the people out of their cars and into our buses. Unfortunately for him that would be out of the frying pan and into the fire, for our buses in Saskatchewan are either part of our public transit system or else owned by STC. Unwittingly, he would be giving a great boost to these Crown

corporations, or perhaps he has some other devious plan to sell our public transportation facilities to Greyhound and thus in one fell swoop give the gears to Pat McGeer. Or perhaps, Mr. Speaker, this is a plot to save the passenger rail service in Saskatchewan and thus save the job of the Minister for rail line abandonment in the Federal Government.

Mr. Speaker, I did not realize until now how devious the Member for Wascana must be, for look, not only do we get rid of SGIO but in his plan, we make Saskatchewan safe for the CPR, the Greyhound buses, for private insurance companies and his brother-in-law.

SOME HON. MEMBERS: Hear, hear!

MR. KOSKIE: — Mr. Speaker, I am not sure if I listed them in his order of priorities, but the message, I think, is clear.

Mr. Speaker, in the hopes that there are some others opposite who do not have the closed and shuttered mind of the Member for Wascana, I should like now to deal in some detail with the basic information about the Saskatchewan Government Insurance Office, a corporation which has, for 30 years, served the people of Saskatchewan.

The Saskatchewan Government Insurance Office is a Crown corporation engaged in all facets of general insurance business. In addition, it is responsible for the administration of The Automobile Accident Insurance Act.

The corporation is organizationally designed with a Minister in charge, the Hon. Ed Whelan, who serves as chairman of the board, ten members of the public appointed board of directors, whose responsibility it is to set corporation policy. A General Manager, Mr. John Green, five executive officers and approximately 85 management staff to carry out the policies put forward by the board.

The corporation has a unionized staff employed. The work force consists of 750 persons. The agency force is composed of roughly 500 independent insurance agents.

Physically, the corporation's head office is located in Regina with service centres located throughout the province at Regina, Moose Jaw, Saskatoon, North Battleford, Prince Albert, Swift Current, Yorkton and Estevan.

Salvage divisions for the pickup and disposition of wrecked vehicles are maintained in Regina, Saskatoon, Moose Jaw, North Battleford and Yorkton. A recent new development, the Experimental Centre, is also situated in Regina.

The Saskatchewan Government Insurance Office is confined to writing risks only in Saskatchewan yet it is the sixth largest insurance corporation in Canada. It is the second largest domestic insurance company in the country, surpassed only by such giants as the Insurance Corporation of British Columbia, Royal Insurance, Lloyd's of London and Commercial Union and the Travellers.

The insurance office of this great corporation opened its doors for business on March 10, 1945. It sold its first policy

on May 1, 1945, and appointed its first agent on May 17, 1945. If one includes premiums written under The Automobile Accident Insurance Act, it was doing the greatest volume of business of any company in Saskatchewan in the year 1946, but had become the biggest underwriter of fire insurance alone by 1949.

It probably serves a useful purpose to attempt to isolate the reasons for this growth.

The appointment of local agents in every nook and cranny of the province, many of whom had no previous insurance experience, but all of whom were the repositories of a substantial amount of local confidence — the appointment of field staff to assist the agents, a monthly information bulletin directed to agents and the annual conventions and workshops, together with vigorous advertising which emphasized such slogans as 'Eighty-five cents out of every dollar stays in Saskatchewan,' undoubtedly played an important role, but the really important thing is that the concept of a publicly owned insurance business appealed to the imagination of the people in this province who really felt that it was their own business. Enough of the superior service of this corporation was apparent to all to form a good basis for sound public relations.

It will be recalled that The Saskatchewan Government Insurance Act came into being in the relatively austere conditions of war time and hard upon the heels of the great economic depression and accompanying drought.

The legislators were conscious of the disadvantages of a one-crop economy and of the neo-colonial status of Saskatchewan whose products were sold in an international, unprotected market and whose capital and consumer goods were purchased from eastern manufacturers in a protected market.

It was realized that under the then prevailing pattern, profits earned in the West by eastern business were re-invested in channels calculated to yield the highest return and that, apart from investment in some forms of agricultural undertaking and in the distributive system such profits would be invested in eastern undertakings in the insurance business. Premiums paid in Saskatchewan were by and large exported out of the province.

Such premiums were invested as the particular insurer might lawfully choose so that even though a portion of such premiums might eventually return to Saskatchewan to pay losses, such money had already served to achieve the private ends of the insuring companies.

Although there is some likelihood that the importance of reserves, that is, premiums collected but not immediately required to pay losses, in the insurance business, as a source of investment, was not fully appreciated at the time. There is little doubt that the retention and investment of premiums within Saskatchewan was seen as one of the sources for the kind of diversified investment necessary to provincial development.

Although complete documentation is not currently at hand, some understanding of the accepted position of the Government might be gathered from a report on the Study of Compensation for Victims of Automobile Accidents, prepared by a special committee of the Saskatchewan Government appointed to study the problem of compensation for victims of automobile accidents, which stated:

It is only with the foregoing in mind for a background that the status of the Government Insurance Office can properly be appreciated. It is not one more competing corporation. It is an instrumentality by which some part of the general objective may, or should be, achieved, to give insurance to the people for a price more nearly in line with its proper cost and to provide additional capital for investment in human beings as such in the form of more adequate social services.

It can be seen that while profit in the orthodox sense of that term was a worthy objective for Government Insurance, it was not profit per se that was so important, but the part that a Government Insurance Agency might play in the development of a broader economy and a more socially conscious provincial community.

Mr. Speaker, I want to turn specifically to the aspect of The Automobile Accident Insurance Act, which is supervised by the Saskatchewan Government Insurance Office. We are, perhaps, too close to the situation and too concerned with details to appreciate the great impact that the principles of The Automobile Accident Insurance Act has had, not only in Canada, but in various parts of the world.

The Hon. T. C. Douglas made a firm statement of policy that funds collected for the purposes of the AAIA are utilized only to defray the cost of losses and expenses. That all surpluses are retained for the future needs of the Act and that all deficits should be ultimately liquidated by higher premiums. This has permitted the office to deliver a larger share of premium dollars back to the consumer in claims payments. Currently, it is 81 cents out of every dollar collected. No other insurance company, to my knowledge, can make that claim.

SOME HON. MEMBERS: Hear, hear!

MR. KOSKIE: — In addition, Mr. Speaker, there is the benefit of settling the greatest proportion of claims in an atmosphere where hostility is not significant. It is interesting to note that many jurisdictions have researched and are adopting various forms of this type of legislation that has served the people of Saskatchewan so well for so long.

In its early years, the Insurance Office gathered a momentum that led increasingly to profitable monetary returns to the Government until the more recent unfavorable loss ratio. The success of the office is probably attributable to the fact that the policy upon which it was founded and the attempts to carry out those policies in practice, commended themselves to the needs of the Saskatchewan people.

The Insurance Office is responsible for a degree of stability that would not otherwise be attained. The distribution of income brought about by agents, commissions and staff salaries is not without economic significance. In 1974 over 1,200 persons and their families received somewhere around \$12 million in this way. Salaries and commissions amounted to 69 per cent of the expenses incurred by the Saskatchewan Government Insurance Office in that year.

Mr. Speaker, considerable support is given to municipal

government bodies by payments made in lieu of taxation to all municipalities where the insurance office has a place of business and in 1974 this amounted to \$179,000. In the same year \$1,550,000 was paid to the Provincial Government in the form of premium tax for general revenue purposes and \$550,000 under The Motor Vehicle Insurance Premiums Tax Act for the purposes of the driver training program.

SOME HON. MEMBERS: Hear, hear!

MR. KOSKIE: — Mr. Speaker, in 1945 the Saskatchewan Guarantee and Fidelity Company Limited, the Saskatchewan Mutual Insurance Company and a number of small mutuals wrote a limited amount of business in Saskatchewan.

The number of people experienced in the various skills involved in the application of the number of farm and private dwelling owners who need insurance would be precluded from obtaining it by the underwriting practices of other insurers.

Mr. Speaker, the following will serve to illustrate some of the differences in underwriting practices adopted by the insurance company office in contrast to the private sector.

1. The insurance office accepts vacant farm, small farm, feeder and community pasture livestock, large scale hog and poultry risks, and damage to cattle and sheep from dogs and wild animals. So far as we have been able to ascertain, the writing of such risks by other companies is an infrequent occurrence.
2. The Saskatchewan Government Insurance Office is one of the few companies which still underwrites mobile home fire risks. Of the companies which remain in the field the number is growing less and less because of the companies' business policy which presumably considers such risks to be undesirable, even though the need for the insurance is obviously present. The Insurance Office is also one of the few companies which will grant broad and all risk coverage on dwellings that are rented to others and coverage against loss from malicious damage or vandalism in the case of seasonal dwellings.
3. In the field of automobile insurance, taxicabs, vehicles in transit, motorcycles, and elderly persons, over the age of 70 not previously insured with the company, appear on the restricted list of most companies.

One only has to look at the treatment accorded young people in British Columbia, where people under the age of twenty-five who may have up to nine years of accident free driving will pay rates of up to \$1,100 per year. This kind of practice used by the new policy of ICBC has long been a feature of the private insurance plans. SGIO remains one of the few companies which does not discriminate against our young people.

SOME HON. MEMBERS: Hear, hear!

MR. KOSKIE: — Mr. Speaker, when we look at SGIO we should keep in mind the following:

1. SGIO is the sixth largest general insurance company in Canada, and is the second largest domestic company, and the only insurance company with head office in Saskatchewan.
2. SGIO is capable of writing any risk regardless of size and with competitive rates.

In taking a look at some comparative rates I have a rate comparison for British Columbia, Alberta and Saskatchewan. Now, the basic coverage on this comparison for British Columbia, Alberta and Saskatchewan is \$50,000 third party liability in both Alberta and British Columbia. \$35,000 third party liability in Saskatchewan. Accident benefits in collision in BC is \$200 deductible, \$250 in Alberta and \$200 deductible in Saskatchewan. Looking at the private passenger vehicles, we take the first example of 1973 Pontiac Sedan Laurentian and if we take the first example, no male driver under 25. The cost of that insurance of that 1973 Pontiac in Victoria is \$211, Medicine Hat is \$230, Moose Jaw \$169.

SOME HON. MEMBERS: Hear, hear!

MR. KOSKIE: — If we take that same vehicle for 1973, Pontiac Sedan with occasional male driver under 25 and let's look at those cities again. Occasional male driver under 25. Victoria \$290, Medicine Hat \$424, Moose Jaw \$169.

SOME HON. MEMBERS: Hear, hear!

MR. KOSKIE: — I should like to go through another example here. Take a 1970 Thunderbird. First of all no male driver under 25 — Victoria \$277, Medicine Hat \$273, Moose Jaw \$249.

SOME HON. MEMBERS: Hear, hear!

MR. KOSKIE: — One more example just so that it will stick in your memory.

In 1974 Ford Galaxie Sedan, no male driver under 25, Victoria cost \$228, Medicine Hat \$230, Moose Jaw \$181.

SOME HON. MEMBERS: Hear, hear!

MR. KOSKIE: — Let us remind people across the way, let's take an example of treatment to the farmers, let's take a farm truck. Let's take a 1974 farm truck, a one ton, 10,000 gross volume weight, 1974 Chev truck.

MR. SPEAKER: — I wonder if we could maintain the decorum of the House on both sides.

MR. KOSKIE: — I'm dealing with farm trucks. I'm dealing with a 1974 farm truck, I'm dealing with a Chev and it's one ton. Now compare these differences. Victoria \$267, Medicine Hat \$144, Moose Jaw \$89.

SOME HON. MEMBERS: Hear, hear!

MR. KOSKIE: — And I think that we should also, Mr. Speaker, take a look at a commercial truck, small business van, local delivery. A 1972 Dodge one ton — Victoria \$319, Medicine Hat \$238, Moose Jaw \$152.

SOME HON. MEMBERS: Hear, hear!

MR. KOSKIE: — Mr. Speaker, I was indicating the points that we should keep in mind. And certainly we should keep in mind the cost at which the insurance is given to the people of Saskatchewan. I think SGIO has nearly \$70 million in assets. Assets belonging to the people of Saskatchewan.

4. SGIO has the expertise of highly trained insurance technicians. Trained here in Saskatchewan and most of them if not all of them born here.

SGIO has a tremendous reputation recognized by Fortune Magazine, as having the lowest administrative cost of any insurance company in North America.

SOME HON. MEMBERS: Hear, hear!

MR. KOSKIE: — Mr. Speaker, SGIO is, and will be, a tribute to the people of Saskatchewan. It is our company, an integral part of our province. And, Mr. Speaker, I am pleased to be a member of the political party that had the vision to incorporate this company on March 10, 1945.

SOME HON. MEMBERS: Hear, hear!

MR. KOSKIE: — A company which since that time has had many insurance 'firsts' and which in this tradition of providing service for people, not profits for a few. People protection not profit protection. And in recognition of the contributions made throughout their lives by our senior citizens has designed the Pension Pak which provides a substantial discount for insurance against damage to their homes and contents by fire, lightning, explosives, sewer backup, theft and various other allied perils.

Mr. Speaker, as I said SGIO provides against all risks that could befall citizens of this province.

There is only one area where it does not provide protection and that is, Mr. Speaker, against that day when the Members opposite, the would-be robber barons, once more become the Government of our province. But SGIO does not need to provide that coverage, for, Mr. Speaker, there is little risk of that happening.

SOME HON. MEMBERS: Hear, hear!

MR. KOSKIE: — Mr. Speaker, I am proud to take this occasion that this Assembly commends the SGIO for the following achievements:

1. In a period of stress that has led a number of insurers to withdraw from business in Saskatchewan and elsewhere in Canada, maintaining the lowest automobile insurance rates in Canada and at the same time meeting the reasonable requirements of all Saskatchewan residents who need such insurance.
2. In recognition of the contribution made throughout their lives by the senior citizens of the province and as a token of appreciation to them in this time of need making available to them at a substantial premium discount a policy of insurance described as Pension Pak which provides insurance against damage to their homes and contents by fire, lightning, explosives, sewer backup, theft and various other allied perils.

Mr. Speaker, I'm pleased to move that motion seconded by the Hon. Member for Meadow Lake, Mr. McNeill.

SOME HON. MEMBERS: Hear, hear!

MR. G. McNEILL (Meadow Lake): — Mr. Speaker, in rising to this motion I feel it is an honor to be able to speak on this resolution particularly as it deals with one of the most significant areas of development in Saskatchewan. And that is one of our own success stories, SGIO.

Recently we have been subject to a barrage of attacks on Crown corporations by the Opposition. Their tactics are obvious enough, spread untruths and half concocted ideas around enough and hope the people will believe them. Well, like most misconceived tactics of the Opposition this one will also fail.

SOME HON. MEMBERS: Hear, hear!

MR. McNEILL: — These tactics will fail because the people of this province know that this is an Opposition grasping at straws. They attack Saskatchewan Crown corporations, corporations that are comprised of the people of this province working for the good of this province. Saskatchewan people know this, and, they know no finer example of a Crown corporation success story exists than the Saskatchewan Government Insurance Office.

SOME HON. MEMBERS: Hear, hear!

MR. McNEILL: — Mr. Speaker, when I read from the newspapers accounts of the insurance fiasco in British Columbia, I couldn't help thinking back to the Liberal years of Government in this province. Now, I realize these recollections are painful to the Opposition, so I won't belabor the point. However, the present Leader of the Opposition has already stated in this House that the Liberal Party and Government of the day had every intention of destroying and dismantling SGIO. Just as the Social Credit bunch in British Columbia are attempting today. Well, they were unsuccessful in the 60's for the same reason that any government which wished to dismantle SGIO would be unsuccessful today because SGIO provides not only superior service to that of private insurance companies but also at cheaper rates than the best of the rest in Canada.

Let us for a moment examine some provincial insurance rates

which will illustrate the point very clearly.

For example, a 1976 Ford Galaxie Sedan would cost \$270 to insure in Victoria, \$230 in Alberta and \$181 in Saskatchewan.

When SGIO was formed in 1945, it was a result of a particular experience, that experience was one of a province with a one-crop economy locked into an international market over which little control could be exerted. It was realized that profits created in the West by eastern and international business are re-invested in channels usually far removed from Saskatchewan or even agricultural. Such premiums it effectively channelled could assist in providing benefits directly to the province. The Government of the day, the CCF realized this, and, therefore, they created the Saskatchewan Government Insurance Office.

SOME HON. MEMBERS: Hear, hear!

MR. McNEILL: — As already indicated, not only do we have the cheapest rates in Canada but, SGIO provides numerous other benefits to this province. Let me briefly list some of these benefits.

Seven hundred and fifty people employed by SGIO as well as 500 independent agents. These people, Saskatchewan people, received over \$12 million last year in salaries and commissions, Mr. Speaker. Saskatchewan money employing Saskatchewan people.

SOME HON. MEMBERS: Hear, hear!

MR. McNEILL: — Ninety-one per cent of all long term investments approved by the Saskatchewan Government Insurance Board are made in Saskatchewan. These investments tied to the future of the province would very likely leave the province were it not for SGIO.

The headquarters of the agency is located in Regina and regional service centres are located throughout the province. These I know are a sore spot to the Opposition because they would sooner have them in Texas or Duluth or some other place.

Last year Saskatchewan Government Insurance contributed \$147,000 to municipalities in lieu of taxes; \$1,550,000 to the province as premium taxes and perhaps the most important, well over one-half million dollars in driver training education for young people in safety habits. This year due to a significant increase in accidents, the insurance scheme has found it necessary to increase rates by an average of 14 per cent. SGIO rates as the Leader of the Opposition knows, are based on the performance of Saskatchewan drivers.

Mr. Speaker, recently, the accident picture in Saskatchewan has worsened. For example, auto claims will likely increase by over 18,000 next year to 133,000. Furthermore, auto body rates have increased substantially in the past year and auto parts have risen at the rate of 20 per cent over the past several years. These factors, coupled with a double digit inflation rate have resulted in the increase in SGIO rates. Yet, in spite of this, and in spite of the many private companies being forced out of the auto business entirely, SGIO still has the lowest insurance rates in Canada.

SOME HON. MEMBERS: Hear, hear!

MR. McNEILL: — Now, Mr. Speaker, aside from the more obvious benefits and services provided by the Saskatchewan Government Insurance, the agency has provided numerous other less obvious but nevertheless important benefits to the residents of Saskatchewan. And I would like briefly to mention some of these:

1. SGIO accepts vacant farm, small farm, feeder, commercial pasture, livestock, hog and poultry risks and damage to cattle and sheep. These kind of risks are to a large extent written off by other companies.
2. SGIO is one of the few companies that still underwrite mobile home fire risks. Now this may not seem important, but it illustrates a fundamental difference between SGIO and private companies. Most private companies no longer underwrite mobile homes as they are considered undesirable. SGIO however, does because there is a need there.
3. In the field of auto insurance, SGIO doesn't indiscriminately write off such categories as taxicabs or the elderly. It may be economically feasible to do so and is done in other provinces, but not in Saskatchewan. In other provinces these so-called undesirables have no recourse except at inflated prices. In Saskatchewan, the insurance office has no such restrictions and premiums and adjustments are calculated to meet the risk of exposure.

Finally, I should like to turn to an area that illustrates like no other example, the difference between SGIO and private insurance companies in Canada. That, of course, is the recently announced Pension Pak.

In Canada today we see three distinct directions occurring in the insurance field. The first is one that most Members opposite are familiar with, that is the profit motive. I am quite certain that this is the only reason for the existence of private insurance companies and the businessmen in this House are quite aware of it. Consequently we see that some of the largest new buildings erected in most major cities in Canada bear the names of the insurance companies that erected them, erected on the profits made from their insurance dealings.

The second direction in Canada today is the present British Columbia experience. This alternative does not differ drastically from the first alternative I mentioned except that the collection of Liberals and Conservatives and used car dealers must first wreck the Government scheme before they can invite the private ones in. After that I'm certain that the large office buildings will be coming up in BC.

The third alternative is that followed by SGIO. I should like to quote from a study of a special committee of the Saskatchewan Government which I feel clearly demonstrates the role of the SGIO.

It is not one more competing operation, it is an instrumentality by which some part of the general objectives may, or should be, achieved, to give insurance to the people for a price more nearly in line with its proper cost and to provide additional capital for investment in human beings.

Only by espousing a philosophy of that kind can a program such as Pension Pak be introduced. I seriously doubt if the large international insurance firms would even consider such a program.

The SGIO provides services to those people in our society who are often least in a position to afford protection yet they suffer the same risks if not more than other people in our society. These citizens will receive adequate personal insurance coverage at a 30 per cent discount. Although this program could cost SGIO up to \$100,000 as well as reduced commissions to agents, it none the less provides an important social benefit to these people of Saskatchewan. The very people who are responsible for making this province what it is today, SGIO has shown a sensitivity to human need that very few private companies ever could or would show by providing broader coverage to senior citizens for about the same price they were formerly paying for basic coverage.

Before closing I should like to remind my friends opposite that every provincial government in Canada regardless of political stripe would gladly jump into the insurance field if it were not for the fact that their corporate friends would be upset with them and hold back probably some of their lucrative financial contributions. If it were not for that fact I am quite certain that all provincial governments in Canada would be in the insurance field.

I commend the Saskatchewan Government Insurance for maintaining the lowest insurance prices in Canada in these difficult economic times and at the same time for not overlooking the needs and requirements of our Saskatchewan senior citizens.

SOME HON. MEMBERS: Hear, hear!

MR. E. F. A. MERCHANT (Regina Wascana): — Mr. Speaker, I couldn't help but notice when the Member for Quill Lakes (Mr. Koskie) that he did what all of the Members do, they start out and they castigate and they move from Cargill to CP, to the multinational companies, the Crown corporations, building indeed the Liberal Party as they wish we were, and then trying to tear that straw man down, rather than trying to deal with the Liberal Party that they have got to deal with.

SOME HON. MEMBERS: Hear, hear!

MR. MERCHANT: — I am reminded indeed of a series of lines in Huckleberry Finn where Huckleberry is talking about Pap who drank a little and he said, nights Pap used to suck away on the keg until he got going pretty good and then he would curse all the people he disliked and he would curse them up and down one at a time and then he would curse them in general again just to make sure he didn't miss any as he went over them one at a time. And it seems to be what we continually hear, certainly from your backbenchers that is the predetermined view of what the Liberal Party is going to be and you build that up, a straw man, because they know how to destroy that, but they can't handle the real Liberal Party. That they don't know how to destroy.

SOME HON. MEMBERS: Hear, hear!

MR. MERCHANT: — Now what about that substance, if there is substance of the lengthy remarks that we have heard this afternoon, the lengthy remarks from the Member for Quill Lakes followed by what looked like a ditto sheet from the seconder. First of all SGIO doesn't have across-the-board the lowest rates in Canada, they are low, but they are not the lowest in Canada and by and large Manitoba is cheaper. The key significant factor that you repeatedly tried to dodge is the three cent subsidy. What company be it Gore or Royal or whatever wouldn't agree to very greatly reduced rates if in whatever province they had a monopoly in, they too could receive a three cent subsidy on every gallon of gas that is sold. It's not just ludicrous, it is a lie, to say to the public that we have legitimately low rates when everybody who is driving a car is subsidizing the SGIO rates in this province. It is a lie of the most blatant nature this Government continues to repeat over and over again in the hope that the people will believe that SGIO really is the wonderful Crown corporation that you present it to be.

Let me repeat, though we have said it so often that it is obvious that Members opposite at least are determined not to pick up the pattern, that Members on this side in these chairs, in the Liberal ranks have no particular objection to Crown corporations as a concept. We passed the Rubicon a long time ago over Crown corporations and we will stick with that position.

AN HON. MEMBER: — You've got to give people more credit for their intelligence than that . . .

MR. MERCHANT: — Now, Mr. Speaker, it is true that in these past four or five months you have heard from me and from other Members of our caucus not objections to SGIO or the way SGIO operates or the people operating it, but some very severe criticisms of the large increases that SGIO has been perpetrating upon this province in a time of restraint. In addition to the three cent subsidy that comes from every gallon you have now imposed upon the people of this province without a by-your-leave very massive percentage increases. Farm trucks, for instance, a one ton farm truck licensed for 100 bushels, a pretty standard kind of one ton truck that might be licensed, the increase on that, 89 per cent to the farmers. I heard the Member for Quill Lakes talking about the insurance rates that are charged in other provinces to young people. The insurance rates charged in other provinces because in other provinces they accept the fact that young people are involved in more accidents and they are not prepared to make the rest of the drivers subsidize the young for the political gain that the NDP seem to think they get by having older people subsidize young drivers.

The five point policy that this Government has enunciated which claims to be the new and proper way to base insurance rates and in part I agree with it; the five point policy says in one of the points somehow that automobiles cause accidents. We are told that if you drive a mustang you pay more insurance because mustangs get into more accidents. What's the Government really saying? The Government is really saying with that is that they are afraid to go to mustang drivers and properly surtax a mustang driver. They are afraid to bell the cat because you are afraid of the political overtones, so instead you

purport to sell a kind of automobile. It's ridiculous. A ludicrous suggestion. And that's the reason that in some areas sport cars particularly, foreign cars, there are increases of 46, 45, 48 per cent. Some cars indeed over 100 per cent. Now it is true that on the face of it, the insurance rates of SGIO are not high. That's because of the three cent subsidy. ICBC had low insurance rates, lower insurance rates than any private company would have had because ICBC was going broke and perhaps now we are really seeing the result of the steps that the Bennett Government was forced to take because of what it really was costing drivers in British Columbia. But previously they were paying for it out of the public purse. Paying for it as we are paying for it out of the public purse with a three cent subsidy because the Government is determined to make their Crown corporations look good whether they really are, in fact, good or not.

Now, Mr. Speaker, how does SGIO even do as well as it does? Well, for one thing, because those 500 dealers who, by and large, have good operations to be an SGIO licensed agent is a good product to market. How does SGIO deal with their agents? They flatly can tell those agents to write insurance that SGIO insurance whether that insurance is the best insurance to write or not. And you know that to be the case. You know for instance that SGIO does rather well under fire insurance, which by and large is higher than fire insurance of the line companies but the agents are encouraged to write SGIO fire insurance at the risk of losing the right to have SGIO in their shop at all. I suppose that is all right in a government way if I for instance had a Royal insurance operation out in the field, if I were writing Royal, I would be encouraging my agent to write Royal even if I could get him to write a Royal policy when it wasn't in the best interest of the buyer to take Royal insurance. But that is far different from a government enterprise which has a monopoly and in addition says to its agent, we want you to write the SGIO rate and write the SGIO insurance whether you are satisfied if it is in the best interest of the buyer or not. You know that SGIO does that.

You know that SGIO uses the power of the corporation and persuasion over its agents to have those agents write insurance in areas where if the agent were really looking out for the best interests of the buyer, the customer, he might well be writing the insurance for a line company.

Now, Mr. Speaker, I don't intend to go on at any length on this subject but I can't believe that Members of the quality of the Member for Quill Lakes, would attempt to say to this House and to the press that all you have to do is look at the insurance rates, that all you have to do is compare. And, of course, I don't think there is any doubt about the error of the comparisons. For one thing you don't compare cities to smaller centres. If they wanted to compare Victoria they should be comparing Victoria to Edmonton to Regina, not Victoria to Moose Jaw. If they want to look at Moose Jaw, they should be looking at Wainwright for instance and they should be taking off the massive subsidies that come from this Government. This building itself, as I understand it, has insurance written with SGIO. The Hon. Attorney General is nodding no, and that may well be. I remember that it was.

MR. ROMANOW: — Only once.

MR. MERCHANT: — I stand corrected. There was a time when this building and I used to think it was ridiculous when this building itself was insured with SGIO. Really a direct subsidy from the Government.

Now, Mr. Speaker, I propose to adjourn debate, but only to leave with the House the very clear point that the most significant error in the presentation of the two Members is that you have to look at the subsidy, the subsidy and the monopoly. They work hand-in-hand and they make the Crown corporation, SGIO look far better than it really is. I'm not saying that it's not a valuable member of your Crown corporations, but the rates are heavily subsidized by the public purse and the people of the province know it.

Mr. Speaker, I beg leave to adjourn debate, there are other matters that I may well want to bring before the House.

Debate adjourned.

Resolution No. 3 — Livestock Industry-Saskatchewan & Canada

MR. L. E. JOHNSON (Turtleford) moved, seconded by Mr. Thompson (Athabasca):

That this Assembly (1) urges the Government of Canada to immediately announce a price support program under Bill C-50 for cow-calf operators to provide some stability to the livestock industry; and (2) requests that the Federal Government begin discussions immediately with Provincial Governments to examine the feasibility of establishing a National Meat Marketing Agency.

He said: Mr. Speaker, I rise this afternoon to move a motion regarding the livestock industry in the Province of Saskatchewan, for that matter in all of Canada.

The motion which I intend to move is divided into two parts, both requesting the Federal Government to accept its responsibilities to the consumer and to the producer of meat in Canada.

Part (1) of this Motion refers to a price support program which reads:

urges the Government of Canada to immediately announce a price support program under Bill C-50 for cow-calf operators to provide some stability to the livestock industry.

One may ask why reference is made especially to the cow-calf operator? The reason is simple. As long as beef production is organized in a way that a specialized cow-calf operation sells feeder calves to a specialized feeding operation, the cow-calf operator will bear the brunt of the cost connected with the supply adjustment in the form of extreme variations in his income.

We must realize that until fairly recently the gyrations in the income of farmers did not significantly affect the farms. The family farm was largely self-sufficient and individual farmers insulated themselves from the effects of the market by

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not using a large number of inputs that had to be paid for in cash. Examples of this are equipment, chemicals and petroleum products.

Two, by maintaining a large vegetable garden, using their own products of beef and limiting the life style to that which they could produce themselves.

But conditions change and the farmer has changed to meet these changing conditions. In place of a largely self-sufficient farm, we find today highly mechanized and highly specialized farm units, no more insulated from the economics of the market than other areas of production. But we must recognize that other areas of production may slow down their production or stop the production of the commodity they are producing.

When we look at the cow-calf operator he is in a very difficult position indeed to attempt to tell the cow to slow down on the production of the calf. In reference to the cow-calf operators, one may ask why there is such an immediate urgency to a support program? The simple answer to this is that with a price support program for the cow-calf operator, we will be too far down the road to avert another long term shift in the pricing of beef.

The Federal Government does not have to rely on other sources for this and I will quote, for within their own departments they have already brought this to light. Agriculture Canada on the subject, Beef Outlook Summary, October 7, 1975 and I quote:

Consumers will be paying more for beef during the next few years because of the shortage of cattle, according to the Agriculture Canada report to be released in mid-October. The report issued by the Department of Economics branch says, that the immediate beef shortage will be the result of heavy slaughtering of breeding animals in late 1974, through 1975, and projected to carry on into 1976. Cows and heifers are being shipped to the slaughtering house by producers hard hit by low calf prices during this period of beef surplus. This reduction in the beef herd will mean a small calf crop beginning probably in 1976 and eventually a shortage of beef, two or three years hence.

With this type of report in its hands, the Federal Government should be looking towards some program that provides an adequate income to the farmer regarding the production of beef and that maintains a reasonable price for the product to the consumer.

Some may suggest that the Federal Government stop loss support on finished cattle will provide the proper support to the cow-calf operator. This is not true. The depressed beef industry does not adequately return a recognized production cost to the cow-calf operator.

When calculating out a reasonable return, including depreciation, pasture fees, lease fees, mineral, salt, bedding, the cost of producing a calf is easily in excess of 50 cents per pound. In fact if one looks at the Saskatchewan Department of Agriculture calculations they indicate that it is in the neighborhood of 70 cents a pound.

Mr. Speaker, now let me move on to the second part of the Motion.

MR. ALLEN: — That doesn't include you guys on that free land down there in the southwest . . .

MR. JOHNSON: — That's a point I hadn't brought up. I will read:

Request that the Federal Government begin discussions immediately with the Provincial Government to examine the feasibility of establishing a National Meat Marketing Agency.

Mr. Speaker, I should like to bring to the attention of this House some of what I feel are the major reasons for looking at the feasibility of establishing some form of federal marketing agency.

In the month of July, 1975, there was a price difference between Regina and Toronto on heifers of \$8.47 a hundred. In October of the same year, the price difference was \$8.92 a hundred.

If we were to look at feeder heifers over 550 pounds in 1975, during the month of October, the price difference between Regina and Toronto was \$13.44 a hundred. Granted, there is need for some variation to cover the cost of shipping these animals east, but the cost need be nowhere near the \$13.44 a hundred.

Farmers in the Province of Saskatchewan by not having the same prices that are paid in Toronto, some could receive up to a possible loss per animal of \$100.

One may ask if the production of meat in the Province of Saskatchewan is of significant importance to look at it. The answer is, yes. Livestock production is extremely important as a source of income for Saskatchewan farmers. For over a period of years, nearly 20 per cent of the farmer cash income has been derived from the sales of livestock and livestock products. An equitable and efficient marketing of livestock can affect the economic welfare of Saskatchewan in a significant manner.

Let's look at a situation from another aspect. The Federal Government is responsible to the consumer to ensure that there is a supply of meat available. Meat and meat products are very important elements of the Canadian diet. Meat is especially important for it contributes to good nutrition and, therefore, achieves a satisfactory standard of health in the population so that we may maintain a highly productive society.

Let us now move into discussion of the present marketing system. We must recognize the system that is presently there in order to see where a system, a federal marketing system could bring about improvements.

The present system performs a fairly complicated task of handling, processing, merchandizing, a group of very complex and highly variable, as well as perishable products. In many respects it is performing this task exceedingly well.

Mr. Speaker, you will note that the Motion asks that discussions begin on the feasibility. With that in mind I am going to point out some of the positions that the present market provides.

The producers are able to market livestock of a widely varying quality in a very sporadic manner to a large number of alternative channels and receive almost immediately a cash settlement. Although this cash settlement may not be what should be coming to the producer.

The loss from spoilage is very small. There are a large number of end products which are available. Sanitation is generally of a high standard. If one bars the situation of a world's fair in Montreal and the like of that. The products are usually attractively displayed. In other respects, however, the present marketing system is seriously deficient.

First of all it is inundated with misinformation for both the consumer and the purchaser. If the consumer is trying to maintain at the local market a buying practice which purchases meat of the same quality throughout, she is hampered completely by the names that are put on the different products. Grading practices and standards throughout the system are archaic. An improvement in this particular area is necessary before any marketing agency could be implemented. There exists inconsistent price relationships between different grades of the meat. This is pointed out in the heifer and steer prices. There exists as well, Mr. Speaker, extensive price discrimination that is paid to the local producer. When one attempts to use some of the services provided throughout the system, the service charges become unreal.

Studies to date, indicate that retail chain stores hold too great an influence on the pricing of beef. This is because of the nature of the present market. An example of this is what happened over the last couple of years. Because of the purchasing policy of most retail stores there has been a very large discrepancy between the price paid for steer and heifer carcasses. This discrepancy altered very quickly when one of the chain stores decided to change its purchasing policy. For the consumer trying to purchase the discrepancy had persisted for a long period of time.

The establishment of a National Meat Marketing Agency could encourage centralized cutting. The initial steps are already in place, which is called 'boxed beef'. This consists of breaking the carcasses into wholesale cuts, doing a partial trim, deboning and then vacuum packing and shipping in boxes. The main advantage in this is a lower preparation cost throughout the system. Less moisture is lost, resulting in better storage and plants. But a further refinement of this could take place where the centralized preparation of fresh meat could generate even larger savings. This would allow retail stores to order precisely the mix of retail cuts to cater to the preferences of their patrons. It would also allow for institutional meat users who require mainly rib and loin to purchase their supplies on the Canadian market rather than importing their requirements from the United States.

Once one has in place the system for centralized cutting it is possible to implement a program of carcass indexing for

both producer settlement as well as for the total handling of the commodity.

What is needed is a Canadian wide indexing system similar to one which has been in effect for hogs since 1968. While beef indexing would be somewhat more complicated, I believe that our society should be able to generate a functioning system.

This would solve some of the problems related to the price differences and therefore, provide the producers with a settlement that reflects the yield of his animal. This would also alter to some degree the large retail stores influence over the market whose unreasonable and inflexible buying specifications I have previously mentioned.

This entire motion is directed towards the Federal Government. It is I believe, directed towards the government body which has the power and the responsibility to implement a program. It is impossible for a provincial government to implement a marketing agency that would have a reasonable opportunity for success. Important elements of the marketing and pricing of livestock lie beyond the boundaries of the province and are primarily outside the local marketing system. Therefore, federal participation is indicated.

Mr. Speaker, there is one other item that I feel a National Meat Marketing Agency could provide. That is a structure that at any time in the future where we find it necessary to provide a subsidy to the beef system. We would, therefore, be in a position to do so under the same system as what was used for the hog producers in the Province of Saskatchewan. There are very few people who would say that that system did not work effectively. If they do, the major complaint would be that the system did not take into account the effects of moving hogs across provincial boundaries. A federal program would not have this particular problem.

I so move, Mr. Speaker.

MR. W. C. THATCHER (Thunder Creek): — Mr. Speaker, I've found the speech by the Member for Turtleford most enlightening the past few moments. It is always interesting to hear a point of view from someone obviously so knowledgeable of the problems in the cattle industry.

One of the great problems we have in agriculture today is many of our problems are created by non-agriculture people. I have always had faith that many of our so-called agricultural, complex agriculture problems, could be much better solved by a couple of farmers in their bib overalls in a pub rather than a sophisticated politician in a House of Commons or Legislature or a bureaucrat.

I think today we had a prime example of this and in the cattle industry today we have problems. We have a lot of problems. Some of them are caused by the cattle industry itself, some by government.

Then we have the prime example of what I just mentioned. In the Legislature, a sophisticated Assembly, we have a yo-yo stand up who wouldn't know the north end of a cow when she is heading south.

SOME HON. MEMBERS: Hear, hear!

MR. THATCHER: — And we wonder why we have problems in the cattle industry. For goodness sakes, we have to listen to this nonsense.

The Member spent some time telling us about consumers and how government should be moving to protect the supply of beef to the consumer so the supply of high quality beef will be maintained.

This Government has perhaps a situation unique to any government in Canada. You own 45 per cent of a packing plant. Now, I have never noticed Intercontinental Packers sitting at any auction mart, bidding abnormally high prices for fat cattle as they go through either an auction or a stockyard. I have never noticed Intercontinental Packers quoting a particularly low price to the retail trade.

The Member made some mention of the rip-offs that are going on by the food chains and by implication at least the packing companies. Naturally, of course, in his implication Intercon would be exempt from all this.

Mr. Speaker, I would respectfully suggest to you that it is very popular to accuse the chain stores of ripping-off consumers. And it is a very valid question to ask when the price is rock bottom to the producer, why is meat so expensive over the counter? I don't think you have to exactly be Einstein's brother to figure that one out. You have had exceedingly high wage settlements in the packing industry. And if you think that that is not a part of it, I don't suggest that is all of it, but certainly if you expect that it is not part of the cost you have to be kidding yourself. You have abnormally high interest rates. The costs of doing business, the cost of keeping the door open of any outlet, whether it is a retail grocery store, a chain store, or a retail anything, it costs a lot of money in this day and age. And, of course, the costs in between have escalated and I don't think they are making any rip-off. We had food probes galore a couple of years ago when beef was at record high prices. Mrs. Plumptre led her food probe and frankly, she really came up with very, very little. She came up with the odd incidental item in an isolated store here and there. But as far as finding any evidence of a national rip-off, if she discovered it, she certainly didn't present it.

But getting back to many of the real problems that we do have in the industry today. It relates to government intervention unquestionably. Regrettably, the cattle industry is the sort of business that the only reason a person should go into it is because he foresees a profit. He should never go into it because of a government program. He should never go into it because of a government incentive. He should go into it only if he sees profit.

Mr. Speaker, I think basically this Resolution is following the . . . Mr. Speaker, could I call for order please. I can't collect my thoughts.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: — I think it is incumbent upon all the Members to observe the common rules of courtesy when Members are speaking, even if it happens to be on the same side of the House that the Member who is speaking is on.

SOME HON. MEMBERS: Hear, hear!

MR. THATCHER: — Mr. Speaker, basically this Resolution follows the line of the National Farmers Union as proposed by their president, Mr. Atkinson.

The National Farmers Union is a very interesting organization. When things appear to be going reasonably well, you don't hear too much from them. In fact, virtually nothing. But when there is a problem, out they slither from underneath their rock to be the great saviours. When we have problems in the cattle business, the National Farmers Union's answer is to disgrace all of us or to bring shame to all of us in the industry. They camp on the grounds of the Legislative Buildings in Alberta. And every self-respecting cattleman disavowed them. They have tractor demonstrations on the main highways. And again, every self-respecting cattleman hangs his head because they pretend to be cattlemen.

They are a very interesting group because they say, we represent these farmers etc., and yet they won't release their membership. I don't know how many farmers they represent in this province. I have heard them say 10,000. I doubt if they do. If they do, I wish they would throw some of their names on the table, because I really question that they do.

They are an organization that will never be satisfied until Canadian agriculture resembles that of Mao Tse Tung's China.

MR. ROLFES: — I think they have resurrected Dave Boldt again.

MR. THATCHER: — Frankly, I am going to accept that one as a compliment.

Mr. Speaker, there is nothing magic about government intervention and we have seen basically the same resolution in the past Legislature. I think it is already on record. I have gone through the problems that we have with government intervention. But to the Member for Turtleford, I would suggest that before you conclude that there is something magic about government for the beef industry, take a look at CEMA, the Egg Marketing Agency and their rather sorry record in the past 18 months. Let's take a look at the dairy business.

Now you talk about the classic example of government intervention in a livestock enterprise.

MR. KOSKIE: — Are you . . .

MR. THATCHER: — Yes, I am. As a matter of fact a brother to one of your Cabinet Ministers. A couple of years ago, we had a shortage of dairy products, of dairy cows. Get into the business,

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he said. What is happening right now? Quotas are being chopped right here in Saskatchewan, particularly around the Moose Jaw area. I don't intend to comment on other areas because I am not familiar with them. But around the Moose Jaw area dairy farmers' quotas are being chopped substantially. By the Provincial Government in probably the most subtle manner. When there is a shortage of dairy products there never seem to be any problems on the bacteria counts from your provincial health people. The milk goes straight through, it is 100 per cent, no bacteria. It is wonderful. Then, as a surplus starts to accumulate, suddenly the provincial inspectors appear — happen to drop into the place a little more often. The bacteria counts in the milk start to rise. Suddenly the milk is turning bad. However, Mr. Speaker, that is neither here nor there.

I will have future comments on this Resolution, Mr. Speaker, when it comes up again, so at this time I would like to beg leave to adjourn debate.

SOME HON. MEMBERS: Hear, hear!

Debate adjourned.

MR. ROMANOW: — Mr. Speaker, tomorrow is a very big day, I think all the MLAs will want to get some rest in anticipation of this wonderful occasion. Accordingly I beg leave to adjourn the House.

The Assembly adjourned at 4:55 o'clock p.m.