

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fifth Session — Eighteenth Legislature
3rd Day

March 8, 1978.

The Assembly met at 2:00 o'clock p.m.

On the Orders of the Day

WELCOME TO STUDENTS

HON. E.C. WHELAN (Regina North West):— Mr. Speaker, through you I would like to introduce to all members of the House, about 50 Grade 12 students from O'Neill High School in the constituency of Regina North West. They are seated in the Speaker's Gallery and I understand their teachers, Mr. H. Berezny and Mr. Hudson are with them. We plan to meet with them later on. The members I am sure, join me in welcoming them.

On behalf of all members, we are pleased that they are interested in the proceedings and we hope that their stay here with us today is informative and educational.

HON. MEMBERS: Hear, hear!

INTRODUCTION OF GUESTS

HON. H.H. ROLFES (Minister of Social Services):— Mr. Speaker, on behalf of the Premier, I have been asked to introduce two young people who have joined us in the House today. They are seated in the Speaker's Gallery I believe, Fay Allerly, who lives at Alice Minto's Family Home on 8th Ave., and Wes McKay, who lives at the Montreal Crescent Group Home, are a part of Ranch Ehrlo's operations in the Regina area.

Fay and Wes are part of the hard working staff that produces the magazine called "Ehrlo", and I think everybody is familiar with it. They have just recently returned from Vancouver where they interviewed Peter Gzowski of "90 Minutes Live", and Edmonton, where they interviewed the Attorney General of Alberta.

I am sure that you will want to join with me in welcoming them here today. I hope that they enjoy their visit with us.

HON. MEMBERS: Hear, hear!

QUESTIONS

Cable TV

MR. J.G. LANE (Qu'Appelle):— I would like to direct a question to the minister responsible for Cable TV hardware. There seems to be some conflict in the statements made yesterday. You indicated in questioning by myself that there had been one or two prototypes of converters that they are not 100 per cent satisfactory, and I see a press comment today which would indicate from the General Manager of Sask Tel that in fact, the converters are expected to be supplied commencing April 1.

First of all, would you give us the following information about the converters: the costs to be paid by Sask Tel which will subsequently be passed on, the guaranteed life span of those converters, and the source of those converters and who is supplying them, and when will the application for approval be made to CRTC?

HON. N.E. BYERS (Minister of the Environment):— Mr. Speaker, when approval was given to the CPN to become a competitor for this type of service it was known that a converter would have to be developed. Sask Tel has made (inaudible) with a number of firms but they are working mainly with one firm that we believe has the most expertise in this business and it is a firm in eastern Canada. I don't have the name of it at my fingertips. That firm has manually produced a number of converters. At the present time Sask Tel is testing five or six of the prototypes that have been hand produced for this purpose. They will have to be approved by the Department of Communications before they can be used. We are reasonably satisfied at this time that they will be satisfactory. They are being tested for a number of technical matters. The company making them has agreed to deliver to Sask Tel by the 31st of March or very early in April 300 handmade converters. If these prove to be satisfactory the company will need some time to gear up production. If they do prove satisfactory the company expects that in the initial stages they could produce in the order of 500 a week gearing up to production levels of approximately 1,000 units per week.

In addition to this, Sask Tel has also arranged with SED systems to design a filter that, if successful, can be attached to a conventional converter that is already on the market. Therefore, at present the prospects for obtaining converters or filter converters from at least two sources looks very promising.

With respect to the cost for converters it will be in the range of \$60 per piece and it will be borne initially by Sask Tel. Cost will be borne initially by Sask Tel and the cost will be recaptured in the monthly rates which CPN will be charged by Sask Tel for carrying the CPN service.

With respect to the guaranteed life span of the converter, I am not able to give the hon. member that information. I really didn't expect that he would expect to receive it because a satisfactory converter is still in the process of being developed. All efforts are being made to develop a converter that will . . .

MR. SPEAKER:— Order, order!

MR. BYERS:— . . . that will permit the Saskatchewan . . .

MR. SPEAKER:— Order, order, order. One supplementary.

MR. LANE (Qu'):— My question was originally very short I might add, Mr. Speaker. By way of supplementary, you have indicated that in fact the converters and the filters are of a highly speculative nature, that in fact there is nothing certain about the government's position with CPN. Can the minister advise us that if the 45-day deadline which was granted for CPN or for the converters and filters to be installed, if the 45-day deadline is not reached that in fact Sask Tel will honor its agreement with the conventional cable operators to give channel capability on channels 2 to 13 and in fact force CPN off the air? Will you support that move and in fact force CPN and get out of this whole cable mess that you are causing, which looks a mess based on some pretty poor planning on the part of your government?

MR. BYERS:— Mr. Speaker, I want to assure the hon. member for Qu'Appelle and all members of this House that Sask Tel and the government of Saskatchewan is sparing no efforts to contact the best people in the business to develop a converter magic box and I suppose that is what upsets the hon. member for Qu'Appelle, to attempt to provide

converters and filters that will be necessary so that both cable television and CPN service can be provided to a great number of people in Saskatchewan at the earliest possible time. We will continue all our efforts in that regard regardless of the frustrations and the smoke screens which the hon. member for Qu'Appelle may cast about from time to time.

SOME HON. MEMBERS: Hear, hear!

More CPN Hook-ups than Cable Regina

MR. C.P. MacDONALD (Indian Head-Wolseley):— In the hope to expedite a little time I am now going to direct a follow-up question to the Attorney General. Mr. Speaker, I would like to pursue this matter as quickly and briefly as I can because there is a great deal of confusion. Would the minister or the Attorney General tell me who is responsible for this negotiation? Is it a fact that there are approximately between 3,000 and 4,000 hook-ups in the city of Regina with CPN and approximately 2,000 with Cable Regina?

HON. MR. ROMANOW (Attorney General):— I don't know either figure, Mr. Speaker.

MR. MacDONALD:— Would the minister then follow up? Would the minister also admit that CPN now is only operating on one channel but their contract was signed for five channels and that only some of them have been hooked up since October? The only charge that they are able to make, they cannot now issue a monthly charge because they don't live to their contract and therefore the only charge they have made is the initial hookup and the one month advance and they have not had a monthly charge since that time because they are not able to live up to their contract. Is that a fact?

MR. ROMANOW:— Mr. Speaker, the contract that the hon. member refers to made reference to a sampler channel for CPN's operation, which sampler channel is the channel that CPN has been using now for some several weeks and some several months. It so happens that on the conventional cable there is fair capacity even given the CRTC licence and extra channels. There is an accommodation as between the two parties.

The subject charges that are to be taking place are something which are to be determined or has been determined by the contract. I don't have it in front of me. As between Sask Tel and CPN on the one hand and Sask Tel and the conventional cable operator on the other hand.

MR. MacDONALD:— Let me ask the Attorney General a further question. Supposing the 45-day agreement whereby between the accommodation in Saskatoon and Moose Jaw and the pirating that is going on in Regina by CPN over Cable Regina, suppose now the filter or the converter which have not been tested, not been perfected, are no longer available, or not available at that time? Will the Minister indicate whether or not, in order to prevent the piracy of CPN over Cable Regina or the conventional operator, that the government will withhold the funding of \$2.6 million until there can be some assurance that the taxpayers' money will be protected and can he tell me what is the liability of Sask Tel, who signed agreement with two operators and is unable to provide the service for one and he is permitting the piracy of the other?

MR. ROMANOW:— Mr. Speaker, with respect to the liabilities I make no comment other than I am sure that Sask Tel is fully familiar with its legal liabilities and is fulfilling

the obligations and responsibilities according to the liabilities as it so determines. If that is in error then either of the parties or both the parties have the full option to take Sask Tel to court and liabilities will be determined in that regard.

With respect to the \$2.6 million guarantee and on the assumption that the equipment isn't available in 45 days or some reasonable time after the end of 45 days, that, Mr. Speaker, is a totally speculative question. I am confident, as the member in charge of Sask Tel indicates, that we will have the hardware in place in order to provide two alternative services, something that the opposition parties don't want. I realize that, but I am confident that the hardware will be there. If it isn't we will come to that bridge and cross it when we get there.

Personal Income Tax Cuts

MR. R.L. COLLVER (Leader of the Conservative Opposition):— Mr. Speaker, I would like to direct a question to the Premier in the absence of the Minister of Finance, since I am sure that the Premier is fully aware of all of the information that the Minister of Finance presented to this Assembly yesterday, certainly in the main.

Would the Premier not agree that when the Minister of Finance stated yesterday that there will be a personal income tax cut of \$52 millions in his speech, that in the Estimates which indicates the government's assessment of the anticipated revenues from personal income taxes, that the taxpayers of Saskatchewan would have to pay \$13 million more? Would the Premier not agree that those two statements are diametrically opposed?

HON. A.E. BLAKENEY (Premier):— I would not agree that they are diametrically opposed nor would I agree that the member for Nipawin has properly quoted the Budget Speech. I recommend that he get someone on his side who can read and who will be able to point out to him that the minister says that compared with the tax structure which was there the year before, the cuts amount to a cut of \$52 million over what would have been paid had the old structure remained.

MR. SPEAKER:— Order, order. I will take the next question.

MR. E.C. MALONE (Leader of the Liberal Opposition):— If you could bring about order, Mr. Speaker, I would like to direct a question to the Premier in the absence of the Minister of Finance and I wonder if the Premier has with him the estimates for 1979. I would like to direct the question in connection with the revenue to accrue to the Saskatchewan Heritage Fund. The Premier will note that some \$461 million is expected in that fund this year and my question is, does that amount include the amount that remains at this time within the old energy fund and if so, could the Premier give me an approximate figure as to how much that amount is. I may say that I have been trying to get this information from the Minister of Finance's office for the past few days, however I have been unable to obtain it.

MR. BLAKENEY:— I am sorry to say that I do not have the breakdown of the figures of the Saskatchewan Heritage Fund with me and I can only ask the hon. member to put the question on the order paper.

MR. MALONE:— Supplementary question then, Mr. Speaker, would the Premier not agree with me that without the details, he can still answer the question in a general way, that what the government has done in this year's budget is taken from the energy fund

the amount of money that is remaining there and putting also into the Heritage Fund all moneys that accrue through oil, gas, potash taxation, and stripped away from those moneys that were to accrue in an energy fund, the sum of \$293 million and put those moneys into general revenues. At the time when the energy fund was originally established it was always assumed that that money would be used for energy purposes or for long range purposes.

MR. BLAKENEY:— Mr. Speaker, I have to point out that the payment of dividend to consolidated fund of \$293 million which the member refers to is out of the gross budgetary revenues listed on page 112 of the estimates. That includes very significant sums; let us say \$108 million as an estimate for potash, which never was in the energy fund; significant sums for uranium, perhaps not so large but between two and three million dollars which never was in the energy fund. It also includes significant sums for oil, namely regular royalties and bonus bids which were never in the Energy Fund. The only money which is going into the Heritage Fund which went into the Energy and Resources Fund is the Bill 42 money, and as all hon. members will know, the members of the Liberal Party caucus feel that that money should never have accrued to the people of Saskatchewan, and if they had had their way, the amount of money which would not have accrued to the Energy and Resource Development Fund, because Bill 42 would have been repealed, was \$545,617,000.

Power Increase — Recreation Centres

MR. R.H. BAILEY (Rosetown-Elrose):— Mr. Speaker, I would like to direct a question to the Minister in charge of the Saskatchewan Power Corporation. Yesterday in this House it was mentioned that there were some guarantees given, and because they originate from your department, I direct this question to you, Mr. Minister. It was mentioned there would be no increase in natural gas beyond 8 per cent to private residents or private dwellings. At that particular time, no mention was made to institutions. Mr. Minister, there's one institution in which I'm particularly interested and my question is that of the curling rinks and skating rinks across Saskatchewan, and there are hundreds of them, maybe into the thousands of recreation centres. Mr. Minister, can you at this time ease the peoples' minds out there, who are operating these institutions with a great deal of difficulty with these increased rates, where the biggest cost is power and natural gas — can you guarantee them this time that they too can be considered as part of the protection of not more than an 8 per cent increase to the community skating rinks and recreational centres across Saskatchewan?

HON. J.R. MESSER (Minister of Mineral Resources):— Mr. Speaker, in the Budget Address yesterday assured that there would be no increases beyond 8 per cent to residential customers, the Saskatchewan Power Corporation has not at this time determined what the increases may be to other consumers of gas in the province of Saskatchewan but I would like to remind the member that this government has already undertaken to ease those increases for such institutions as he identifies, curling rinks and other community centres like that. The Department of Culture and Youth now has a very significant sum of money that it provides in the way of grants to offset or ease those increases that, even though they are legitimate, are less than those that are going on outside the province of Saskatchewan.

MR. BAILEY:— I'm sure that your answer, Mr. Minister, will follow very sadly on the ears of many people out in rural Saskatchewan. As a member from rural Saskatchewan, are you not aware that many of our recreational centres, curling rinks, skating rinks in those towns of 300 will be closing their doors next winter if they're going to face an increase

in power in excess of 8 per cent? Are you not aware of that?

MR. MESSER:— Let me tell the hon. member what I am aware of. I'm aware that in the provinces of Manitoba and Alberta, probably the richest energy resource province in Canada, has higher rates. If I may convey to him, for example, in Red Deer, not only for electricity but for natural gas and there is no such program in that province, that Conservatively governed province, to offset those increases to the instances that he made mention of.

SOME HON. MEMBERS: Hear, hear!

Heritage Fund

MR. MALONE:— Mr. Speaker, again on the Heritage Fund, would the Premier be prepared to say to me now, is there any portion of moneys that are still remaining in the Energy Fund, and is there to be any proportion of moneys collected this year that would normally go into the Energy Fund if it was to continue? Have any of these moneys been transferred into general revenues, into the consolidated fund, and if the answer is yes, can the Premier tell me approximately how much?

MR. BLAKENEY:— Mr. Speaker, I doubt whether this is the time to enter into a long and detailed discussion of the Heritage Fund but the facts are that on page 113 you will note that there is \$116 million more going into the Heritage Fund than will come out of the Heritage Fund this year; i.e., that is the amount by which the Heritage Fund will increase and that is approximately the amount by which the Energy and Resource Development Fund was increasing in a given year. There is no significant difference in the amount of money being out of resource revenues for budgetary purposes, at least in percentage terms.

A look at page 8 will indicate that last year we took out of resource revenues, for current expenses or budgetary expenses, \$234 million. This year we are taking out \$293 million. I concede that to be a significant increase, but on the other hand the money coming from oil and some other resources is also increasing significantly.

I think we can sit down and work out all of these to show you that in each year, last year for example, we took in perhaps \$350 million from resource revenues to \$375 million and we put \$234 million into current revenues and \$100 million plus into the continuing Energy and Resource Development Fund. This year we are going to take \$293 million for current expense and leave \$116 million to grow with the fund. Those are the figures. We can discuss them at length somewhere else, but there is no substantial change in philosophy. We are still taking the resource revenues into a pool. We are pooling them all instead of just oil. We are taking out a large portion, perhaps three-quarters in all of the funds for current revenues and we are leaving perhaps one-quarter of the gross for ongoing capital expenses.

MR. MALONE:— Supplementary, Mr. Speaker. The Minister of Finance has arrived and perhaps he would care to answer this question if the Premier does not wish to do so, but is it not correct that after the end of this fiscal year, '79, there will be less money left in the Heritage Fund than at the present time remains in the Energy Fund? That is, according to your Budget, \$116 million will remain in the Heritage Fund.

MR. BLAKENEY:— Nonsense!

MR. MALONE:— I am just asking a question. If you would just let me have the floor for a minute I would appreciate it. Is it not true there will be less money in the Heritage Fund after the 1979 fiscal year than there is now in the Energy Fund, and is it not also true that in a desperate attempt to try to balance your budget you have robbed the money out of the Energy Fund and the Heritage Fund, and that the money instead of going to be used to buy potash mines as in the past is now going into ongoing government expenses so you can try to balance your budget?

HON. W.E. SMISHEK (Minister of Finance):— The answer is no, Mr. Speaker.

MR. R.L. COLLVER (Leader of the Progressive Conservative Party):— A question to the Minister of Finance. Can he justify to this Assembly, the apparent discrepancy in the statement made on page 12 of his Budget Address by which he says, and I quote "Saskatchewan taxpayers will pay \$52 million less than in 1977," and on page 8 of the summary of estimated budgetary cash inflow he says, "Saskatchewan taxpayers shall pay \$13 million more in 1978 than 1977."

MR. SMISHEK:— Mr. Speaker, that question doesn't surprise me. It exposes the depth really of the hon. member's knowledge of revenues and expenditures and the taxation structure. Now, Mr. Speaker, I can tell the hon. member that in fact this year after the cut in taxes we are going to be using last year's base. There is a cut of 17 per cent. Now the truth is that the incomes of people have risen in the province . . .

SOME HON. MEMBERS: Hear, hear!

MR. SMISHEK:— If people's incomes have risen they will be paying less income tax in percentage terms; the fact is that we will still be collecting more revenue. I think it's a good thing. It shows the prosperity of the province of Saskatchewan, the higher levels of income the people are getting. I believe it's a good thing.

MR. SPEAKER:— Order! I think the minister is debating the issue rather than answering the question.

MR. COLLVER:— I have a supplementary. Do you not agree that either we do not have a \$52 million tax saving for the taxpayers of Saskatchewan or we have an additional \$52 million to add on to his \$40 million deficit? We can't have it both ways. Either \$52 million is not saved or it comes off the revenues. We can't have it both ways. Would the minister not agree with that?

MR. SMISHEK:— No, I would not agree with that.

Heavy Oil Plant at Lloydminster

MR. A.N. McMILLAN (Kindersley):— I have a question for the Minister of Mineral Resources with respect to the potential development of a heavy oil plant at Lloydminster. I would like to know in view of the fact that this government feels that the development of that industry would create a facility which could process 100,000 barrels of heavy crude a day, if the minister could give me some indication of where he expects that supply of heavy crude oil to come from?

MR. MESSER:— The former Minister of Mineral Resources says, "out of the ground," and that is probably the short answer but I'm sure that will be a surprise to the member

for Kindersley. Mr. Speaker, let me say that the 100,000 barrel capacity of the proposed upgrading facility has always been a concern not only to the province of Saskatchewan Department of Mineral Resources but the federal government and the private industry that may be involved. It is a very significant quantity of oil. We certainly don't have the means of recovering that capacity at this particular point in time. It would only be attained by increasing the tertiary cover levels very considerably. We have a \$16.5 million project under way, shared jointly between the federal and provincial governments trying to improve the technology in regard to tertiary recovery. We also through Saskoil are undertaking to enhance or improve the primary and secondary and tertiary recovery means through that Crown agency. We, therefore, have talked and I have conveyed to the members of this House and the general public about an upgrading facility perhaps which would work on a tandem concept in that it would start off with a 50,000 barrel per day upgrading facility with the infrastructure designed for 100,000 barrels plus. That way we would have some greater confidence in that we wouldn't have a facility that wouldn't be able to acquire the product in order to make it operate at its maximum.

MR. McMILLAN:— Supplementary question. In view of the fact that your potential goal at this point then is only a 50,000 barrel a day facility and the current maximum production in Saskatchewan per day is between 40,000 and 50,000 of heavy crude, I would like to ask the minister at this time what percentage of that 50,000 barrels a day current production have you received in commitments from the private companies or Saskoil, that you are apparently trying to enter into an agreement with, to form this heavy oil plant?

MR. MESSER:— Mr. Speaker, let me correct the member, it is not the target or the figure of 100,000 barrels per day, it should not be interpreted to mean that is the barrels of production set by the government of Saskatchewan, that is what the industry has introduced to Saskatchewan as a target. Further, he should be corrected in assuming that our target is now 50,000 barrels. I am saying that we are working on a tandem concept which would start phase one with perhaps, it has not been finally decided, with perhaps a 50,000 barrel per day upgrading facility with provision for a 100,000 barrels per day plus at some later date. It is further obvious that all of the oil will not be coming from the province of Saskatchewan. Some of that will have to come from the province of Alberta as well even though Saskatchewan has 65 to 70 per cent of the type of oil that the facility would upgrade. I think that it would be inappropriate, Mr. Speaker, at this time, to undertake to convey to the House the barrels committed by the various interested parties.

MR. McMILLAN:— One final supplementary to the Minister of Mineral Resources then. In a more general sense, I would like to ask you what percentage of fiscal involvement your government hopes to enter into with respect to this heavy oil consortium at Lloydminster? Do you intend to take a minority role with respect to the three major partners, private industry, provincial government and PetroCan or the federal government representative or do you intend to try to achieve a majority financial share of that operation?

MR. MESSER:— It is not our intention to undertake to achieve a majority interest in the undertaking. We have said that we would be willing to involve ourselves directly in the upgrading facility. There are a number of potential partners, I believe six or seven in number at this particular point in time. It is a case of first coming to an understanding with those parties and then deciding what level of participation the government of Saskatchewan should involve itself with in regard to that facility. I might also convey to

the hon. member that the federal government has also said that they would undertake to participate and to this point in time we don't know what level of participation they will finally decide on either.

Government Priority To CPN

MR. LANE (Qu'Ap):— Mr. Speaker, a question to the Minister of Sask Tel. In light of the cable TV and your particular problems in trying to prop up CPN, will you admit that in fact you are giving a priority to the hookup of CPN subscribers to the detriment of conventional cable subscribers in the province of Saskatchewan; and will you in fact withdraw your orders to try and prop up CPN by giving a priority to their hookups, as I say to the detriment and would you also explain how a situation so duplicitous as yours can arise when you give Sask Tel agreement giving channel capabilities two to thirteen to the conventional and then at the same time make an agreement covering the same things to CPN to try and prop them up in a temporary period of time?

MR. BYERS:— Mr. Speaker, the situation whereby separate wires, inside wires are needed for CPN and conventional operators was certainly not of our doing. That was a ruling of the CRTC. Sask Tel is proceeding to hook up both CPN and cable customers on as near to an equal basis as possible. There is no priority being given to either group of customer. The cable operators do have some expertise in installing the inside wire and in some cases they are acting as the contractors for Sask Tel to install the inside wire for the cable operators and therefore the assumption of the hon. member that somehow there are favorites being played is simply not correct.

With respect to the accommodation or the temporary shared use of the VHF spectrum as it is known, the cable licensees in both Moose Jaw and Saskatoon have agreed to let the CPN continue operating one channel of service on a channel in the VHF spectrum because it is not required at this time by that licensee. It is fully understood that this is a temporary accommodation. I am told that the CRTC is aware of the terms of this temporary accommodation and Sask Tel has been advised by CRTC that it is entirely acceptable to the CRTC and therefore I fail to see the basis for the great concerns expressed by the hon. member for Qu'Appelle.

SECOND READINGS

HON. R. ROMANOW (Attorney General) moved second reading of Bill No. 1 – **An Act to amend The Infants Act.**

He said: The main thrust of this bill, Mr. Speaker, is to ensure that the Courts in this province shall have regard only for the welfare of the child in determining who should have custody of a child in case of a dispute. A second feature of this bill is that it removes certain — in our judgement — discriminatory features of the present Infants Act as it is set out.

I'll deal first with the issues relating to the custody of children. The Law Reform Commissions of Canada and the provinces have given much time, study and thought to the question of custody. For example, the Law Reform Commission of Canada undertook a major review of custody laws and in 1975 published its report entitled 'Studies on Divorce' which in a large part, deals with the custody of children upon divorce. I might mention in passing that the co-author of this report is my present Deputy, Dr. Richard Gosse, and he has had a major input into this aspect of the problem and of course, a major input into the preparation of this bill.

Right now, the provisions of The Infants Act relating to custody, in our judgment, need revision. Besides being discriminatory, which I shall discuss later, the statute law does not reflect the law developed by cases to award custody according to the best interests of the child, or according to the welfare of the child only. Quite obviously, this must be the paramount concern of the courts and of our society. We considered the issue important, in fact very important, important to be enshrined in legislation. In addition, it is felt that the decision to award custody is such a difficult one that guidelines should be developed to assist the courts in making the very important decisions involved. At the outset, the bill provides that the Court of Queen's Bench has the power to make an Order regarding the custody, care and upbringing of an infant. Clearly, this ensures that the court must consider the care of the whole child, not just the placing of the child.

The bill directs the court, in making a custody award to have regard only for the welfare of the infant and only for that purpose consider the physical, psychological, social and economic needs of the infant. The guidelines in the bill direct the court to consider:

1. The quality of the relationship that the infant has with the parents to whom custody might be awarded.
2. The personality and character and emotional needs of the infant.
3. The capacity to be a parent of the person seeking custody, the home environment he can provide and the plans that he has for the child's future.
4. The preference of the child, depending on the age and the maturity of the child.

But, Mr. Speaker, what remains paramount is the welfare of the child. The other ways in which this bill changes present statute law relating to custody are as follows:

1. After an application has been made to the court, a judge of the court may make an order providing for the interim custody of the child, pending the final disposition of the matter in court. It is intended that this should be done as expeditiously as possible. Therefore, the procedure is by way of Notice of Motion or, in the discretion of the court, by an ex parte application.
2. The court is also given the power to provide for the division and sharing of parental responsibilities. In effect, the court can award joint custody where the situation warrants such an award.
3. This bill also ensures that the court may alter, vary or discharge a custody order only where there has been a material change of the circumstances.
4. The bill also clears up the law with respect to whether a putative father can apply for custody of a child. Subsection (10) of section 2 provides that the court has jurisdiction to hear an application whether or not the parents were married to one another when the infant was born.
5. It is also made clear by this bill that a child who is committed to the Minister of Social Services or who is the subject of proceedings in that behalf cannot be the subject of proceedings under this act.

Mr. Speaker, I think that these provisions significantly clarify some of the problems

which have related to the question of awarding of custody.

I would like now to deal with some of the discriminatory features of The Infants Act that are removed by this amendment.

I would like to advise that the removal of the discriminatory sections is proposed as a result of a recommendation made by the office of the co-ordinator for the status of women to the Minister of Labour and it is a further fulfilment of this government's commitment to ensure that as best as possible our legislation is nondiscriminatory.

The basis of the discrimination to which this amending act addresses itself is sex. Subsection (1) of section 2 directs the Court of Queen's Bench to consider "the wishes as well of the mother as of the father." This, by implication, recognizes the right of a child at common law to the custody of his children and is untenable in a society that recognizes that it is the suitability of a person to be the parent which governs and not the sex of the parents.

Sections 7 and 47 purport to preserve the common law right of the father of an infant to determine the religious faith in which the infant shall be educated. This is not only an arbitrary rule which discriminates against mothers, but it also prevents a court from dealing with religion according to the welfare in the best interest of the child.

Subsection (3) of section 22 provides that in the absence of a written agreement and of an order to the contrary, the mother of an infant shall have custody until the infant reaches the age of 14 and thereafter the father has the custody of the infant. It assumes that custody can be determined on the basis of the sex of the parent and assumes inherent child-raising ability according to the sex of the parent. This subsection has also been a source of confusion in the law of custody and, also I think, a source of dissatisfaction in this province in that numerous counsel have seen fit to argue that this rule creates a rebuttable presumption that custody is determined according to the age of the child.

Finally, at common law, a discriminatory doctrine exists which dictates that the custody of a child of tender years should be given to the mother of that child. This principle, sometimes harmful not only to the child but also the father, is gradually being whittled away by the decisions in the courts. There is an evolution in the law by the court decisions as slow as it may be. However, to ensure that there is no doubt that this amending act does not countenance the tender years doctrine or discrimination on the basis of sex, subsection (4) of section 2 forms part of the amendment and provides that "no presumption shall exist as between parents that one parent should be preferred over the other on account of his or her status as a father or mother."

Quite clearly if the major principle of the bill is to consider the welfare of the child then whether the obligations of raising the child should fall on the father or on the mother must be left to the discretion of the court based on the evidence which is submitted to this court in such a dispute.

Now, Mr. Speaker, my department understands that this bill is a very important bill and we have undertaken discussions with some of the leaders of our church community and social welfare community and child welfare community to obtain their impressions of the proposed amendments. For example, we have consulted with the Right Reverend Michael Peers, the Bishop of Qu'Appelle and the most Reverend Charles Halpin, the Archbishop of Regina, who, I believe, have given their support to the thrust of this

legislation.

In addition, the Law Reform Commission of Saskatchewan is considering the whole issue of children's rights with a view to recommending changes in the law relating to all aspects of children, not just those aspects with which we are dealing with today.

The Law Reform Commission will be considering such issues as representation for children in custody disputes; the role of psychiatrists; counsellors and social workers in custody cases and the overall reform of children's law. It is felt that it is necessary to move now with amendments which appreciably change the law of custody to ensure that the benefit of the study that has gone into custody law is received at this particular time.

Mr. Speaker, to sum up, I wish to advise that this bill in addition to removing sections of The Infants Act which discriminate upon the basis of sex, ensures that where there is a family breakdown it is only the welfare of the children that matters in determining who should have responsibility for their custody, care and upbringing. That's the very genesis, the very thrust of these amendments, concern for the welfare of the child. Such a legislative statement, I think, will be welcomed I hope by members of this House and by the general community; also by those individuals who are especially concerned with the condition of the family in preserving as best as possible the condition of the family in modern day society. I move second reading of this bill.

MR. S.J. CAMERON (Regina South):— I want to make some preliminary comments and I'll come back at a later stage if I have leave to adjourn to make some additional comments. It has always been the law in the province, I remind the Attorney General, that in respect of the issue of custody of children, the welfare of the child has always been the paramount consideration in those applications. This law is not about to change anything in that respect. What you have here is a bill, Mr. Speaker, that I suggest to you is drawn in again in a vacuum. It is drawn by people who have a theoretical appreciation for the facts in these issues but who have precious little appreciation for the practical situations that arise.

Always we see in pieces of legislation of this kind a drift in this direction and all members on that side of the House seem to welcome it so often and that's a kind of neutralization of the sexes, as though you can somehow sterilize some differences that do exist in the sexes. A mother has very different instincts to children, especially in their tender years, than a father. The law, as it now stands, gives to the child, his welfare or her welfare is the principle matter in these issues of custody. But the law currently gives to a mother an edge in respect of an application for custody up to the age of 14 years. After the age of 14 the law tends to give an edge to the father in respect of the custody of the child, but always with the welfare of the child being a paramount consideration.

Now the Attorney General suggested in his speech it is a desirable end to kind of neutralize the sexes in this maternal respect, as though a father had the same maternal instinct of consideration for children in tender years as the mother does. I put to you that while I may sound old fashioned in that respect that that is not the fact. I believe that the law to be that a mother, when the child is of very tender years ought to have a bit of an edge in seeking the custody of the child, all the while the welfare of the child being the principal concern.

What I want to come back to is some other aspects of the bill, it is silent in respect of the interests and concerns and appreciations of the parents. You will know that the court is

not to take into account the wishes of the parents. The parents are totally excluded. I think that that's a principle that is wrong. The welfare of the child should be, as it has always been, a paramount concern. The interests of the parents in the question are very much germane to the question and the bill is silent on what role the parents are to play. It doesn't give the court the power to take into account the interests of the parents. You will see that in the bill.

Another aspect of the bill is it does not give to the court a power which the court has always had and which I suggest to you it should still have and that's to take into account the religion of the child.

MR. ROMANOW:— It does!

MR. CAMERON:— It does not. The bill is silent in respect of the religious upbringing of the child.

What it says is is that the child's physical circumstances, psychological circumstances, social circumstances are all to be taken into account. But it doesn't refer specifically to the religious upbringing of the child. That's a question which arises in a vast majority of custody cases and that consideration should remain in the law and I'm sad to see that this bill removes it and I will be making more of that at some later stage.

Now with those few introductory comments, Mr. Speaker, I would beg leave to adjourn the debate.

Debate Adjourned

HON. G.R. BOWERMAN (Minister of Northern Saskatchewan) moved second reading of Bill No. 2 – **An Act to amend The Northern Saskatchewan Economic Development Act, 1974.**

He said: Mr. Speaker, I am pleased and honored to move second reading of the Bill No. 2.

Amendments to this act I believe, is a testimony to the significant developments which have taken place in northern Saskatchewan since the formation of the Department of Northern Saskatchewan. Most hon. members are aware that the northern part of our province has had physical and economic development standards which were far below those acceptable in southern Saskatchewan and I suggest that that is still the case.

We set out in 1972 to improve the northern housing conditions, to provide employment, to change the transportation systems, to improve the communication process and to establish local government, and to ensure that northerners had a role to play in the economic development of their part of the province.

Mr. Speaker, these amendments deal with two important areas. Firstly, providing legislative authority and secondly, the additional funds required so that we may continue with the progress which was started in 1972. This act will allow the Department of Northern Saskatchewan to respond to the ever increasing demand for cottage lots in northern Saskatchewan while at the same time and for the first time, the allocation of the developmental costs to the recreational property user will be in such a way that that cost of development can be allocated to that user. This past year there was a draw for 109 recreational subdivision lots in the Whelan Bay subdivision. At the time,

over 900 applications or individual persons applied for those 109 lots. This is not only true with respect to Whelan Bay, it is also true in virtually all of the recreational subdivisions that have been opened to date. For example, in the Weyakwin Lake subdivision, (I believe it was 120 some lots in the first subdivision that was opened there), there were more than 900 applications for those. Before the subdivision was finally opened, another 80 or so lots were added to it and the final applications I believe, exceeded 1,200 persons.

When we opened La Ronge for individual recreational leases and lots on some of the islands in that area, there were again something over 1,000 applications for those recreational leases. Up to this point in time all capital improvement costs incurred by the government for surveying these recreational subdivisions, for building access roads into them, for the development of streets and other facilities, could not adequately be reflected in the charges for lease rental fees. In other words the lease rental fees which would be collected from those who would go into those recreational subdivisions could not adequately reflect the costs that the lessees would reimburse to the government. Therefore public funds were subsidizing a very select few who were fortunate enough to be drawn from a large list of recreational lease applicants.

With the proposed amendments provided for in section 4 A subsection (5), the department may now recover in a more reasonable time period, the development costs from those who benefit the most, the lessee. It is one of the places where the user-pay concept is valid.

The new northern awareness and the recreational potential is resulting in an increasing public demand for more recreational development throughout the North.

The amendments to section 9, subsection (3) — increasing the economic development advance account — provide the department with an ability to respond more adequately to the demand which is being placed upon northern activities.

I am sure that all members understand that the Statutory Advance Accounts are a revolving operating account and represent an advance on working and operating capital only. Mr. Speaker, these amendments will not only provide for the additional construction of recreational cottage lots and the charging back of actual costs to the producer, but additional employment in this sector of our economy. The increase in the Economic Development Advance Account will not only provide the funds required for the development of additional cottage lots in northern Saskatchewan but it also needed to help meet the increased demands of the Economic Development Loan Fund. I think it's doing well.

Mr. Speaker, since this program was established a number of years ago there have been 493 loans approved and dispensed by the Economic Branch of the Department of Northern Saskatchewan, totalling \$5.2 million dollars or slightly over that. These loans have created over 500 jobs in northern Saskatchewan for northern people. The demand for additional funding continues to increase as northern people develop economic opportunities for themselves. At this stage of development we cannot expect northern people to utilize the traditional economic system when only three communities in northern Saskatchewan have the benefit of banking facilities and very few have the usual kinds of collateral required for bank-type loans.

One could ask then where these people are expected to secure the capital which they will require to get involved or establish themselves in small industrial-type

developments. This government has recognized and foreseen this problem a number of years ago and took action to ensure that the residents of northern Saskatchewan would have a means through which they could secure the funds needed to allow them to participate in the development of their region. Mr. Speaker, this amendment will provide additional funds to the loan program so that we can continue to respond to what we believe to be an important need.

The purpose of the amendment to subsection 4, Section 9, is to allow the department to make payments to the consolidated fund for losses which may occur in the Economic Development Advance Account during any fiscal year. In the year following that in which losses were incurred, members are aware that surplus funds in the advance accounts that may have occurred at the year end are recovered by the Treasury and it is often difficult to have the accounts properly assessed so as to make adjustments before the year end.

With the requested increase in the Economic Development Advance Account and the resulting increased activity it will be necessary to allow for the payment of losses from one fiscal year to the following fiscal year's allocations. This adjustment brings the regulations for the payment of loss in line with those used in the Northern Construction Advance Account and in the Northern Housing Advance Account.

Mr. Speaker, our attempt to ensure that northern people are involved in the development of their region has not only taken the form of providing certain grants to northern people, but our government has adopted a policy of providing employment opportunities within the public service to qualified northern residents. One area where we have been most effective in executing this policy has been in our Capital Construction Program where we have often had over 50 per cent, and at times over 80 per cent, of all employees being of native northern ancestry. Mr. Speaker, over 90 per cent, the member for Athabasca says, and on some projects I believe that's true. Mr. Speaker, the amendment to subsection 3 of Section 20 provides an additional \$20 million for the construction of housing in northern Saskatchewan. It will not only allow us to continue to improve the quality of housing to northern people, but will also allow for the continued provision of employment opportunities in this very active sector of the northern economy.

The Department of Northern Saskatchewan has spent a great deal of time providing training to northerners in various aspects of the construction industry and at this point in time I'm proud to say that over 575 new homes have been constructed in northern Saskatchewan through the DNS Northern Housing Program and that negotiations have been completed with the CMHC for the construction of an additional 300 homes over the next two years. That's a far cry from the days when 20 or 30 houses per year were all that could be mustered. The hon. member for Prince Albert-Duck Lake, however, says that we are spending too much money in the North. He's quoted in the paper as saying that, and I've never had the member answer, although I asked him to do so: I really never had the answer of whether he said that we were spending too much money in housing or not; but I wouldn't mind him giving the Tory position with respect to that. Mr. Speaker, subsection 3 of Section 15 is amended to increase the Northern Construction Advance Account by \$7 million. The purpose of this amendment, as the others, is to ensure that the Department of Northern Saskatchewan has the resources needed to continue with the development of public services in the North, as we have done up to now.

I would like to review, Mr. Speaker, just some of the activities which have been

undertaken through the use of this fund since 1973.

In 1973 a total of \$154,000 was expended for the construction of air fields at Beauval and the repair of an air field at Buffalo Narrows.

MR. WIPF:—

MR. BOWERMAN:— No, they were flying in the other way, according to the member for Prince Albert-Duck Lake (Mr. Wipf). In 1974-75 an expenditure of \$267,000; 1975-76 \$360,000 and in 1976-77 an expenditure of \$487,000 which provided airport facilities in Ile-a-la-Crosse, in Cumberland House, in Portage LaLoche, in Camsell Portage, in Patuanak, in Wollaston Lake and Stony Rapids and major improvements to other areas.

Members across the way seem to make light of the proposals and the efforts to bring to the people of northern Saskatchewan some of the amenities of life which we consider for ourselves to be necessities and they continue to do this. Again, I would like the members opposite, when they have the opportunity, to stand up and exactly tell this House where they stand with respect to development in northern Saskatchewan. They are anxious to get on their feet when they can't. They always do that.

Mr. Speaker, this work represented over 800 man-months of labor in northern Saskatchewan and the figures for road construction from this Advance Account system are also equally as impressive. Let me comment on them.

In 1973-74 an expenditure of \$791,000 for 17 miles of all-weather road and 50 miles of various other kinds of roads; in 1974-75 an expenditure of \$2.6 million for 55 miles of all-weather road and 23 miles of various other roads; 1975-76 construction costs of \$3 million for another 48 miles of all-weather roads and another 26 miles of various other kinds of roads in the North; 1976-77

MR. McMILLAN:— Corduroy roads!

MR. BOWERMAN:— Even corduroy roads are better than the ones that you were able to build from 1967 to 1971. In 1976-77 another \$3 million for 100 miles of all-weather roads and 18 miles of various other kinds of roads in the North.

Mr. Speaker, that represents 220 miles of all-weather roads and 117 miles of other kinds of roads and it represents over 6,000 man-months of employment in northern Saskatchewan.

What the objective of the exercise has been is to have provided for the North some of the access to those communities which have been isolated since the beginning of this province, for the people in those communities to have access to the remainder of the province and to have the opportunity for goods and services to come into those communities at a cost, which is reasonable and acceptable, to be borne by them.

Mr. Speaker, I suggest that the record speaks for itself with regard to that. Not only the record, but the evidence of what has taken place in those communities, for anyone who has been closely associated with them over the past number of years will know that in fact a great and considerable amount of work has been done.

Mr. Speaker, I could go on but I will just summarize a few of the other activities which have been undertaken through the Northern Construction Advance Account.

In addition to the air fields and road access which we have provided, and I believe it is true to say now that with exception perhaps of one of the communities — Dillon — on the south side of Peter Pond Lake, all other communities will have road access by the end of 1978.

SOME HON. MEMBERS: Hear, hear!

MR. BOWERMAN:— I think this is commendable not only for the government and its determination to succeed in this area, but I think it is commendable for the persons who have been involved as members of the staff.

With regard to the Northern Construction Advance Account, I want to indicate, as well, the efforts to expend funds through this Economic Development Act has provided not only facilities and services and communications for people in the North but indeed it has provided for them, in their own communities, many of the amenities which most communities of equal size in Saskatchewan would accept as being necessities. Municipal facilities, for example, between 1973 and 1974 and 1976 and 1977 over \$3.4 million worth of activity was undertaken, which provided about 1,200 person or man months of employment for the building of fire halls, community halls, municipal offices and community centres. Mr. Speaker, in public utilities, from April 1, 1974 until the end of 1976-77, \$9.5 million were expended on public utilities; sewer and water systems, the incorporation of high-line electricity or electricity being taken in by overland for the development of lagoons.

I want to repeat this. In communities of 2,000 population where there were absolutely no facilities for a sewer and water facility for fresh water or for portable water, drinking water, no facilities whatsoever, \$9.5 million were expended on public utilities. Included in this cost of the establishment of the utilities we additionally provided for 5,328 man months of labor in an area where the response to social services was extremely high, where unemployment ranged up to 70 per cent, 80 per cent in some communities. The money involved in the establishment or providing of public utilities also provided for a large number of man months employment.

With respect to educational facilities, it hasn't been that long ago, Mr. Speaker, that we observed press reports and statements, public statements being made by teachers and by local citizens in the various communities throughout the North, statements and criticism about the educational facilities in the North. There is no question about the fact that their statements and their criticisms were valid; absolutely no question in fact that they were valid. If one wonders and one has to wonder, living in Saskatchewan as long as most of the people in this Legislature and to recognize and comprehend the fact that where you have a community of 600 students or 400 students or 200 students, the school facilities were just totally unacceptable; absolutely totally unacceptable. In the wintertime, the overflowing of septic tanks, for example, would back up underneath the floor of the school and heave the floor in the school, that kind of situation did exist. We have heard criticism from across the way, particularly from the member for Prince Albert-Duck Lake (Mr. Wipf) criticizing the expenditure of funds. Maybe he'll tell us whether he criticizes the expenditure of funds with regard to the improvement of the educational facilities in the North. I hope he will when he stands up.

Let me tell you, Mr. Speaker, for the same period of time from April 1, 1974 to the end of

the 1977 fiscal year, over \$11 million were expended on educational facilities in northern Saskatchewan. Mr. Speaker, this represented close to 6,000 man months of employment with regard to the construction of schools. Not only did it provide employment but it has provided for a standard of educational facility in the North which more equally and favorably compares with what we are doing for ourselves in the southern part of the province.

At least in communities now where there are 400 or 600 students they do have facilities for recreation. They do have facilities for classroom services. They do have some of the kinds of classrooms in terms of their home economic classes, in terms of other kinds of classes which are special that never before in the history of the province were they able to have.

May I make this additional comment. The record will show that those who dropped out of school because of the very poor kind of system which functioned in the North are now being found to come back to school because they want to improve their educational level. Indeed it is a compliment, I believe, to the program of the government as well as it is a compliment to those students who, in fact, are preparing themselves for better jobs and a better future in the North.

Mr. Speaker, I could go on for the list of improvements to the public and private facilities in northern Saskatchewan is almost endless. In no other province or in no other territory in this country have such substantial improvements been made in such a short period of time. Mr. Speaker, I am proud of the work of the Department of Northern Saskatchewan and the approval of these amendments will ensure that the necessary funding and the authorities will continue with this development program into the 1980's. It is evidence of this government's continued commitment to the people of northern Saskatchewan. I therefore move second reading of this act, An Act to amend The Northern Saskatchewan Economic Development Act, 1974, with pleasure.

SOME HON. MEMBERS: Hear, hear!

MR. G.N. WIPF (Prince Albert-Duck Lake):— Mr. Speaker, I was interested to hear the minister on his brag sheet speaking and I would like to clarify a few things for you, Mr. Minister, and that is — or challenge you — to show me at any place that I have ever criticized the housing in northern Saskatchewan, the road building in northern Saskatchewan, the education system in northern Saskatchewan or the building of airfields in northern Saskatchewan. These I have never criticized. However, I have come out and criticized the waste and mismanagement and inefficiency that operates within your department. As an individual who has spent ten years in the North myself, I realize and recognize that a lot of things that you said here today are true. We needed better roads up there. We needed a better education system up there. We needed better housing in the North. However, I believe that there is a vast amount of money being wasted in the North, and mismanagement, and that the people are not getting the employment that should be getting the employment.

The member said there were 90 per cent of the local people employed, I believe on one job. There are probably other jobs Mr. Minister, where 90 per cent of them come from out of the northern administration district territory. They come in from Alberta, from Manitoba. I believe the DNS concept when it started was good. Get the northern people working, get them to do something for themselves. Last fall when you came up with a statement in Prince Albert that the outfitters association were telling the

northerners to hang onto their hats because you are going to have more social upheavals in the next ten years than they have ever seen in the history of northern Saskatchewan. These are planned social upheavals. I believe that you have got to have a look at that area and let the people know what you are planning, include them. You have set up a committee, a ministerial advisory committee, and you are supposed to be listening to them. However, in the next statement that I read in the paper that you make is that some things have happened too fast, there won't be hardly any consultation and hardly any debate with you over some of the plans that are going to come in.

As I said last spring, the DNS is a good concept up there. We have always backed that concept. I have backed that concept. But I don't back the mismanagement and the inefficiency of your department. I think through the Budget Debate we will reveal some of the inefficiency and maybe some of the graft or whatever you call it, the rip-off or whatever it is.

AN HON. MEMBER:— How about the flying gravel?

MR. WIPF:— The what? The flying gravel, the flying gravel to that school with the rolling hallways. Right.

I was a little surprised when you admitted that your lease rental fees were not realistic for the cottage owners that were up there and that you have started to believe in the user/pay concept. Maybe it would be a good idea if you start using the user/pay concept a little more in the housing and the heavy subsidies that we have for the people who are working for the DNS, making a decent wage and we are subsidizing those housing projects. I don't talk about them in La Ronge alone, in the housing, in the apartments and in the trailers. We will be bringing some of that out probably later on.

There are, as you know, some cottage lots there. But some of the residents who have been there for a long term are having trouble getting long term leases. We have referred back and forth and I'd hope to see that this area gets cleaned up a little bit in the near future.

I asked you a question you wouldn't answer when you were on your feet. You mentioned that communities with a population of over 2,000 which have received sewer and gas, how many communities in the .. or sewer and water, well sewer makes gas .. well you know that is pretty common up there. How many of those communities do exist in the North with over 2,000 population? Were you referring to a town or a large community, which was it? The only ones I can think of are probably La Ronge and Uranium, City — Creighton.

MR. BOWERMAN:— That shows you how familiar you are . . .

MR. WIPF:— Maybe you can write them out and I'd ask you to write them out and tell me which other towns up there have 2,000 people in them or more. I would be pleased to hear that.

AN HON. MEMBER:— Tell us how . . .

MR. WIPF:— Well that will be easier for the member from up there to answer because I believe that right within your family are the people who clean out the sewer and water tanks. You talk about overflows and stuff like that. There was a little bit of a problem with the health department in Buffalo Narrows or Ile-a-la-Crosse last October.

AN HON. MEMBER:— Was that a government contract?

MR. WIPF:— Yes, a government contract. Because of overflows the health nurses were complaining. Under the Northern Saskatchewan Economic Development Advance Account, section nine, this started out at \$5 million in 1974 and it has increased to \$15 million. Now, you want \$15 million. It has increased \$10 million in the last several years and it changed the original bill here that shows the way the money was spent in the following year's financial report by the Minister of Finance and not in the same fiscal year that it was spent.

You talked about the loans and the question I would like to ask, we asked it last year, how is the repayment of some of these loans doing up there? Are you still writing off \$200,000, \$250,000 and \$20,000 and, of course, we will get around to that probably in Budget too where you can tell us how you are doing in that.

The other area in northern construction advance account, it started out at \$12,000, in 1976 it moved up to \$21 million and now you are up to \$30 million. I realize that the DNS has a large volume of construction equipment at this time and if some more of this construction work, I feel, was tendered out we would see that we wouldn't have to spend so much of this money. It wouldn't be so expensive to do. We wouldn't be able to probably drop cats in muskegs and just write them off and carry on, we wouldn't have this money tree sitting out there.

Last fall I read into the record here a report on how the DNS handled their equipment and even the writers of the letters that I read were DNS officials and they were a little upset at this. I believe if they were concerned, these senior personnel of the DNS, then we should all be concerned about this, the lack of training and the lack of knowledge, I suppose, in this. The lack of care for the equipment.

The other section in the Northern Housing Advance Account, this went up dramatically. You are asking for \$45 million there in the advanced account for housing. At the average cost up in the North it would probably cost you \$80,000 per home. That advance account itself could build you 562 houses and I challenge that you wouldn't be doing that, you haven't done it. In those last three years you only built a few more than that. But there is an extra \$45 million that you are asking for and I use an average cost in the North of \$80,000 a home. You could pick yourself up 562 right out of that advanced account there. I have never been against northern housing — try and twist, Mr. Minister, it doesn't work. We are against pork barrelling. I think one of the reasons that you need a big advance account is because of your cost over-runs. I asked about these last fall in a question and I didn't receive it and I can imagine why he didn't give me an answer, because he didn't want to show the cost over-runs. Yes, I've got it on the paper again. You refused to answer it the last time so we'll put it on again. (... interjection...) That's right.

In 1974 — the Attorney General says I'm a muckraker it's all fine and dandy to spend the taxpayers' money and have cost over-runs doubled as far as the government is concerned and the Attorney General is all for that. It doesn't matter about how much tax money you're spending. I think it is our job to kind of watch if you guys aren't watching. In 1974 these total advance accounts were \$25 million, today we are asking for \$90 million. Mr. Minister, I wouldn't be so concerned about these things if there were not so many over-runs and so much mismanagement and inefficiency. And if your budget did

take \$60 million, \$70 million, \$80 million and you did \$60 million, \$70 million, \$80 million worth of work and produced something for it, we would be all better off. We have an advance account here now of \$3,000 per capita in the North which isn't too bad, it's not too bad I guess.

Well, Mr. Minister, last year you had in the advance account at the last session, your advance account asked for \$51 million and today in these three advance accounts we have an additional \$40 million or \$90 million which works out to roughly an 82 per cent increase and again I say if there wasn't so much mismanagement and inefficiency as your own people have put in literature which I have read into the Legislature here, we could probably support that budget but it is just too much and once again I say that if you had more efficiency and not so much inefficiency it would be easy to support this but as it is I just can't support this bill at this time.

MR. McMILLAN:— Mr. Speaker, my comments will be brief before adjourning debate, it may not be so brief during Estimates at a later time. I am sure not nearly as temperate as they are liable to be this afternoon.

I would like to only state that after being in the Legislature even for as little time as I have and been associated in this indirect way with the Department of Northern Saskatchewan, one cannot help but get the impression that each and every amendment or piece of legislation that comes in with respect to the DNS is in fact a simple attempt to place another small jewel in the crown of the emperor for northern Saskatchewan. When I read these amendments and the explanatory notes that go with them and then listen to the rational and just comments of the member to my left, I can't help but think that that in fact is the case, that every step that is being taken with respect to work in the DNS in the last few years, every legislative regulative step that has been taken has been done in many instances with little financial discretion and little care taken to see that the taxpayers' money was well spent. That, of course, becomes our main concern when dealing with amendments of this type which, in effect, allow the Minister for Northern Saskatchewan to spend more and more and more money and apply more and more of our financial resources in Saskatchewan to the North.

I would be, I think, particularly interested in talking to some of the Minister's close personal friends from northern Saskatchewan, former members of the Northern Municipal Council and certainly some of the present members, who I am sure he holds very dear to his heart. I can't help but think that they would have some enlightening comments about not only this specific amendment as it is coming into Legislature, but activities in an overall way in northern Saskatchewan. I want you to know that there is absolutely no truth to the rumor that your nomination will be contested by the likes of Lawrence Ewe? And Frank Batete? And the list could go on and on and on. I want you to know I don't, on a regular basis, rely on them to provide me with any of the information or ammunition that I like to bring up in this House to give the public an indication of just how poor a job you are doing as Minister for Northern Saskatchewan. However, this time I may not be able to resist the temptation to contact these gentlemen and get, at least, their informed opinion about the amendment that is coming before the House so that I might be better prepared to try and give you some of the insight that you will need in the next few years if you are to clean up the mess in northern Saskatchewan.

I look forward to the opportunity to respond at greater length to this bill and I beg leave to adjourn debate.

Debate adjourned.

HON. E. KAEDING (Minister of Agriculture) moved second reading of Bill 4 — **An Act to amend The Agricultural Societies Act, 1966.**

He said: Mr. Speaker, The Agricultural Societies Act was designed to provide for the formation, organization and authorization of agricultural societies in Saskatchewan.

In essence, the agricultural societies exist to encourage improvement in agriculture and agriculturally related activities and have long been an integral part of the fabric of rural society.

In keeping with this government's commitment to preserve and strengthen our rural institutions, a number of amendments to the agricultural societies is proposed. Each of these amendments has been approved by the Saskatchewan Agricultural Society Association, which is the umbrella organization for agricultural societies within the province and by the director of agricultural extension in the University of Saskatchewan, who is responsible for the administration of the act.

The initiatives for such amendments has come from the Saskatchewan Agricultural Society Association. This organization has expressed concern that the act is badly out of date and that a number of items relating to administration, authorized activities, organization and liquidation require updating.

Basically the proposed amendments are of a housekeeping nature and serve to bring the wording of the act in line with presently accepted standards of practice and programming respecting agricultural societies.

Specifically these amendments legitimize sponsorship of programs such as farmers' markets, establish a minimum geographical proximity of a new society to an existing society, eliminate minimum numerical requirements for farmer numbers and reduce the minimum age for membership in a society from 18 to 16 years.

A number of agricultural societies, many of which were established more than 70 years ago, no longer possess their original certificates of organization and copies were not retained by either the Department of Agriculture or the University of Saskatchewan. Agricultural societies have requested documentary evidence of their original organization and continued existence in order to qualify for certain tax exemptions to which non-profit organizations are entitled. A new certificate has been drafted for this purpose.

The insertion of a new subsection will provide that a minimum of 30 miles distance is maintained between agricultural societies to help ensure their viability while providing a better geographical distribution. However, the minister will be able to exercise discretion in circumstances where the organization of a new society within 30 miles of an existing society is not unreasonable.

An amendment reducing the age at which a person may become a member of an agricultural society from 18 to 16 is designed to provide for the involvement of younger and more active individuals. Deleting the requirement that 75 per cent of members of the families of bona fide farmers and residing on farms, results from the unenforceability of such a provision and a recognition that the willingness of individuals

to establish an agricultural society should be the primary consideration.

Mr. Speaker, there are a number of other housekeeping amendments which I will not go into. I simply believe that these changes are necessary and I urge all members to support these amendments. Mr. Speaker, I move second reading of this bill.

Motion agreed to and bill read a second time.

HON. E. KAEDING (Minister of Agriculture) moved second reading of Bill No. 5 — **An Act to amend The Agricultural Incentives Act, 1973.**

He said: Mr. Speaker, I had the privilege of addressing somewhat lengthy remarks when this bill was introduced at the last session. However, since the House was prorogued before the bill received final assent, it is again being introduced for your consideration. It is not my intention at this time to repeat much of the detail that was put forward at that time. I will simply restate some of the more pertinent facts for your consideration.

Since the inception of The Agricultural Incentives Act or Farm Start as it is known, in 1973, almost 3,000 farmers have taken advantage of this program to increase their livestock enterprises or to undertake new enterprises. The total dollars approved to these individuals is over \$77 million. Of this amount over \$55 million has been disbursed in loans and almost \$12 million in grants. With this money these new and expanding farmers have purchased approximately 100,000 head of beef breeding cows, 9,000 dairy cows and 12,000 breeding sows. As well as being involved in such varied enterprises as PMU sheep, poultry and beekeeping.

The interest rates for those loans are now tied at 3 per cent below prime for the first five years and 1 per cent below prime for the remainder of the period, which has meant an effective rate of 7 per cent and 9 per cent, respectively, in the past year. In the last couple of years loan activity has dropped off somewhat mainly due to a lack of optimism in the beef sector. However, that activity is beginning to pick up and Farm Start estimates that there will be at least 550 expansions this year. Because of its unique design, Farm Start has been able to accommodate some of the severe economic stress in the beef sector. The act provides that in years of inadequate returns part or all of the payment may be postponed until such time as revenues become more adequate. Under this provision many clients have taken advantage of payment schedules as low as 40 per cent of regular payment. This feature has helped to sustain many hard-pressed producers. It is encouraging to note that although these terms were offered to all clients, 40 per cent met their full payments according to their contracts, while 50 per cent opted for the minimum payment. We are confident that as prices for livestock improve the largest percentage of these loans will again be paid on schedule.

Another indicator of success is in the hog industry. In April of 1977 Farm Start had 276 active hog producers, many of which were substantial units; these are not the inners and outsiders in the industry. Twenty-five of these were established to market over 1,000 hogs per year per unit. The Hog Marketing Commission figures show that only 52 farms in the province produced over 1,000 hogs annually. This indicates that Farm Start is having a major impact in maintaining the numbers of hogs in the industry.

Loans and grants are also being made in the irrigation district; 40 per cent of farmers have received some assistance from Farm Start. As you know, Farm Start has also

administered under The Agricultural Incentives Act other programs that the government has asked it to assume. In 1974 it gave out almost \$35 million in advances to cow-calf producers who were reeling under the impact of disastrous market prices for beef. In 1975 it gave out almost \$42 million in advances in a renewed cash advance program. In 1976 a total of 29,000 cattlemen received a total of over \$80 million in assistance from Farm Start, almost \$50 million of which was in the form of loans, while \$30,874,000 was in the form of outright grants. Certainly these grants were appreciated by the farmers at that time.

I think you will agree that it is important to have the legislative authority to continue to provide assistance under the long term loan and grant program and also to be able to handle emergency programs such as the beef industry assistance program.

Section 29(1) of The Agricultural Incentives Act limits the amount of borrowing powers of the corporation for all capital purposes to \$150 million, principal outstanding. It is now estimated that by 1982 the amount outstanding under loans on a long term loan and grant program may be \$150 million in loans, and that it will top \$200 million by the year 1986. In 1979 the amounts outstanding in loans on the long term loan and grant program is estimated to be approximately \$87 million. With the roll over provision under the cash advances from the 1976 beef industry assistance program the total outstanding under The Agricultural Incentives Act may be dangerously close to the \$150 million limit. Now is the time to make the change. I recommend that we make the change now to increase the capital constraints under The Agricultural Incentives Act 1973 from \$150 million to \$225 million. This change will enable Farm Start to continue to deliver the high degree of service expected of it by our rural population and to handle emergency programs that may from time to time prove necessary. I would ask, Mr. Speaker, that all members of the House give this program unanimous support. I move second reading of this bill.

MR. J. WIEBE (Morse):— Mr. Speaker, possibly some of the remarks which I made in the previous session apply again as well to some of the remarks I am going to make today in regard to the re-introduction of this particular bill. At the conclusion of my remarks it is my intention to ask for leave to adjourn debate, much for the same reason that I asked for leave to adjourn the debate in the previous session. There are a number of questions which I asked regarding Farm Start loans throughout the province of Saskatchewan. I have yet to receive the answer to those questions, with the conclusion of my remarks on this particular bill in second reading until I have had an opportunity to have a look at the answers to the questions which I posed.

The main idea of this particular legislation as I understand it from the Minister of Agriculture is to provide more dollars to extend the Farm Start program. The basic concept of Farm Start, I can agree with the minister, is good. I think possibly where we disagree is in the philosophy in which the Farm Start program is handled. The government has decided to use taxpayers' money, government money in order to facilitate the Farm Start program, which, if they intend to continue on with the program, requires a bill such as the one we have before us today to increase the amount of taxpayers' dollars available for the program to \$225 million. Our position has been and it still remains the same, we feel that our credit unions and our banks throughout the province of Saskatchewan can better and just as well serve the goal behind the Farm Start program as does using taxpayers' money. Our feeling is that the government of Saskatchewan can put its credit behind each and every individual farmer, using the same regulations and criteria as set out under The Farm Start Act to allow that individual to obtain a loan through the government, allowing those same criteria to

apply if the individual applied to any bank or credit union in the province, and thus enable that individual to obtain those funds because they do have the backing of the government of Saskatchewan as a co-signer to that particular note.

Grants could still be made available to each and every individual and a subsidy program could be made available to the banks directly and not to the individual farmer in regard to a reduction in the interest rates. Part of our reason for this is that we do have the financial institutions available in the province. We believe that it is not up to the government of Saskatchewan to be in the money lending business, when that money in other words could be used for a much better purpose.

MR. BOWERMAN:— You want to support farmers?

MR. WIEBE:— Yes, we want to support farmers as the member for Northern Saskatchewan asked, and if he was listening and not asleep he would have realized that the first five minutes of my remarks clearly indicated our support for the farmers in this province and it varies not one iota from the policy established by the members opposite. The only difference is that we would apply a free enterprise philosophy to the application of that program as compared to the members' opposite philosophy in regard to that program and both programs, Mr. Speaker, would accomplish the same, if not more than what this present program does.

First of all it would enhance the business presently being enjoyed by our credit unions in the province of Saskatchewan to allow them to handle the financial facilities of the farmers in this province instead of the government handling those financial facilities. Let me point out where we would differ in regard to spending \$225 million. Instead of tying up that kind of money and that kind of interest, that kind of operating cost in a program that could be handled by our banks and credit unions in this province, that money could much better be directed towards increasing the amount of dollars that this province spends on research in this particular province. One only has to look at what is happening to the College of Agriculture and he can realize where the dollars in this province are needed. We could accomplish both goals, Mr. Speaker, Mr. Minister, Mr. Member for the Department of Northern Saskatchewan by taking the philosophy of our party in regard to the application of these funds.

As well, Mr. Speaker, the member mentioned loans and grants to irrigation. Loans and grants to irrigation apply only under a loan for this particular Farm Start loan, it does not apply in terms of grants to all people throughout the province of Saskatchewan. I had hoped that in the Budget which we heard yesterday a fairly substantial amount of money would be available to farmers outside of the Outlook area for irrigation grants and programs. Again the government is only paying lip service to that particular request. As well, to emphasize the need for dollars at our universities in regard to research, one only has to look at what the Budget said yesterday for agriculture in regard to research, very, very small, a drop in the bucket. And yet for some reason the government opposite is proud of that Budget. An increase of a little over \$3 million.

Let's look at that Budget for example, a little over 3 per cent of our provincial budget is being spent on agriculture, 3 per cent, and yet I think something like \$250 million — pardon me — \$215 billion of agricultural products were sold in this province last year. Compare that to the amount of money — and I will be dealing with this further when we debate this particular Budget next week on how the government is, in effect, shafting

the farmers in the province of Saskatchewan. The farmer, in effect, contributes a much larger percentage of the dollars towards this provincial government and receives very few in return. Pardon me for diversing a bit from this particular bill, Mr. Speaker. I would like now to get back to Bill No. 5, An Act to amend The Agricultural Incentives Act, in the province of Saskatchewan.

The member opposite also talks about a hog subsidy. A subsidy for the hog producers in Saskatchewan. Now, I don't know whether that came under the Agricultural Incentives Act or whether it didn't. Mind you, my hogs graded so high that I didn't receive much of that particular program. I got it out of what I produced. While we are talking about a hog subsidy program, let me say as well, that that particular subsidy program was put in for one reason only — for one reason only — and that was not to help the hog producers in this province. That, Mr. Speaker, was put in because we are drawing close to an election. The government members opposite realized that if they didn't do something to cushion the blow to hog producers in Saskatchewan, their compulsory Hog Marketing Commission would have possibly elected much fewer members than we see over there right now.

But, in the same breath, let me say, Mr. Speaker, that the present program which was introduced by the members opposite, I must congratulate them on it and say it is a much better program than any kind of handout which they gave to the hog producers in this province prior to that. It's an insurance program. It is based somewhat similar to the Grain Stabilization Bill, which means that hog producers are buying an insurance premium to protect their particular livelihood in the future and it is not going to be a drain on the taxpayers of this province. But I must reiterate that the only reason why that subsidy program was given to hog producers in this province was two-fold. One, because the Hog Marketing Commission was rammed down the throats of hog producers in this province. Secondly, because we are drawing close to a provincial election and something had to be done to cushion the possible effect that may happen in that regard.

Mr. Speaker, I am talking much longer on this particular bill and areas surrounding it than I had expected. I beg leave to adjourn debate.

Debate adjourned.

HON. E. KAEDING (Minister of Agriculture) moved second reading of Bill No. 6 — **An Act to amend The Saskatchewan Farm Ownership Act, 1974.**

He said: Mr. Speaker, in proposing amendments to The Saskatchewan Farm Ownership Act, 1974, which will further limit the activities of non-residents of this province in the market for Saskatchewan farmland. The Saskatchewan Farm Ownership Act, 1974 was designed to limit the amount of Saskatchewan farmland which could be owned or acquired by non-residents of the province and by non-agricultural corporations. Non-residents are presently limited to the ownership or acquisition of a maximum aggregate landholding valued at \$15,000 for municipal assessment purposes. Non-agricultural corporations are limited to the ownership of 160 acres of Saskatchewan farmland.

Mr. Speaker, when this act was originally passed it was felt that these limits would provide an effective deterrent to the non-resident investor-speculator and to the large non-agricultural corporations. I am pleased to report that the act has provided that deterrent to the large non-agricultural corporations. On the other hand, Mr. Speaker,

three years of experience in administering The Farm Ownership Act have shown us that non-resident interests have, and continue to purchase, large tracts of Saskatchewan farmland in spite of our act.

Let me give you an indication, Mr. Speaker, of the magnitude of non-resident purchases up to the end of September, 1977. In the 1976 calendar year, individuals residing outside of Saskatchewan purchased a total of 173,773 acres of farmland in this province. From January 1, 1977 until the end of September, 1977 non-residents purchased an additional 122,000 acres. Mr. Speaker, in the period from January 1, 1976 until the end of September, 1977, non-resident interests gained control of 295,864 acres of farmland in Saskatchewan. These figures clearly indicate that the limitations of The Farm Ownership Act were no longer providing an effective deterrent to the non-resident investor-speculator both because of the high maximum limits of the act and because of certain loopholes which made it possible for individuals and groups of individuals to circumvent the provisions of the act.

As an example, let me refer to a situation which arose last year in the Cupar area where a group of Toronto individuals acquired approximately 4,500 acres of prime agricultural land. This was accomplished by having each of several individuals acquire title to land holdings just within the \$15,000 limitations. Given the facts of the situation it became obvious that these individuals were accomplishing exactly what the act was intended to prevent. This also points up the fact that the problem of absentee ownership is no less serious because the owners happen to be Canadians as opposed to being non-Canadians.

Similarly, Mr. Speaker, non-residents, predominantly West German interests, have also acquired approximately 7,500 acres of good farmland in the Riceton-Lajord area and there are further indications that some Italian interests are moving into the Carnduff area.

Mr. Speaker, the demand for farmland by non-residents was obviously on the increase. Combined with the increase in non-resident purchases in Saskatchewan another factor came to light. Both Manitoba and Alberta have now introduced restrictive legislation. Alberta has placed a 20-acre limitation on foreign individuals and foreign-controlled corporations. Manitoba has placed a 160-acre limit on non-Canadian residents and a 640-acre limit on non-farmers. In the absence of a more consistent limitation in Saskatchewan, Mr. Speaker, legislation in our neighboring provinces would surely have channelled, particularly the foreign demand for farmland, into this province.

I am very disturbed however, Mr. Speaker, to hear that the new Tory Government in Manitoba is seriously considering the removal of this very vital protection from the farmers of that province. It appears once again that they are going to throw the valuable farm lands of that province open to the land speculators and non-resident investors whose unrestrained bidding will force prices of the limited land resource of that province far beyond its productive value. This will make it even more difficult for young farmers in that province to obtain an adequate land base. One should not have been surprised at that reversal of policy however when one looks at the composition of the task forces being set up in that province by their Tory government to redirect that government's policies. Almost to a man, Mr. Speaker, these task forces are made up of executives of investment companies, insurance companies, real estate companies and multinational corporation executives. Not much room there, Mr. Speaker, for farmers and workers to determine their future.

Mr. Speaker, given the obvious trends towards increasing non-resident ownership of this province's most valuable resource, it is little wonder that the people of rural Saskatchewan have voiced their concern. In August of last year I had the opportunity of meeting with the representatives of the Saskatchewan Association of Rural Municipalities, the Saskatchewan Wheat Pool, the United Grain Growers, the National Farmers' Union and the Saskatchewan Federation of Agriculture to discuss the question of farmland ownership. These organizations were unanimous in recommending that the provisions of The Farm Ownership Act should be amended to further limit the activities of non-residents in the market for the Saskatchewan farmland. In response to the pressures from the major farm organizations and in response to the increasing demand by non-resident interest and in response to the passing of more restrictive legislation in Manitoba and Alberta, I am proposing that the provisions of The Farm Ownership Act be amended as follows:

1. Effective September 15, 1977 non-resident individuals who are not closely tied with the farm operation or farmland as a result of being born or raised on the farm, or have parents or brothers and sisters or aunts or uncles who are closely involved with the farm operation, would be limited to the ownership or acquisition of an aggregate landholding of 160 acres or one-quarter section, whichever is the greater.
2. All exemptions and exceptions provided for in the original Farm Ownership Act will still apply in the new amended act.
3. The maximum level of fines for violators of the Act will be substantially increased to provide an additional deterrent.
4. The amendments will provide the Farm Ownership Board broader investigative powers in order to ensure that the provisions of The Farm Ownership Act are being complied with.
5. The amendments will provide The Farm Ownership Act with the authority to grant exemptions to non-agricultural corporations which acquire land for farming purposes where the acquisition is not inconsistent with the intent of the act. For example, where a shareholder has more than one occupation but intends to make farming his principal occupation at some time in the future, or where a religious or an educational institution acquires land which it will not otherwise be permitted to acquire.
6. A new section 20A places the onus of proving whether a person or a corporation is a non-resident person, or a non-agricultural corporation, or it does not have a land holding in contravention of this act, upon that person or corporation. In many cases where contraventions are suspected proof is difficult or impossible to obtain because a non-resident person or agricultural corporation is outside of provincial jurisdiction. This clause will place the onus of proof on the land holder concerned in any action or application brought before the courts.
7. The balance of the amendments are basically housekeeping in nature and provide exemptions to all rural and urban municipalities, as well as a five year exemption to non-agricultural corporations which acquire land in excess of the 160 acre maximum by devise or through a will.

An amendment to The Land Titles Act soon to come before the Legislature will require the disclosure of the names and permanent addresses of all persons, including a disclosure of the extent of their interest in all land transferred in the future. This will provide the Farm Ownership Board with a much greater capacity to determine situations where persons are attempting to contravene the intentions of this act. There are those, Mr. Speaker, who would have you believe that there is no need for this kind of legislation to restrict land ownership to legitimate Saskatchewan residents. One needs only to look at what has already happened in parts of the United States to realize how quickly farmers can lose control of their own destiny. In a recent trip to one mid-US state I was amazed to discover that well over 50 per cent of the farmland of that state is not held by local farmers but by large land development companies, insurance companies and oil magnates or other corporate interests. In many cases these corporations hold vast amounts of land which are managed by management teams whose job it is to make all the major production and management decisions. The resident farmer merely does what the management team directs. He does not own the land or control production, he is a pawn to the owners and the managers.

Mr. Speaker, I would suggest that some members of the House may have had an opportunity last year to look at the John Deere Furrow, that nice green corporate corporation . . .

MISS CLIFFORD:— Watch what you say about John Deere!

MR. KAEDING:— Okay. If you'll remember the front page of that particular issue, it showed a beautiful farmstead. It had a nice barn in the background and a house. It had three mailboxes in front. The top one was labelled, the owner. The second box was labelled, the manager and the third one was labelled, the farmer. Then inside that glossy publication it showed the tremendous value of that kind of a structure where the farmer didn't have to buy his land, he didn't have to worry about finances, he didn't have to worry about management because somebody was managing the farm for him. All he needed to do was put his crop in and go on vacation. They were trying to indicate in four or five very well chosen pages of words what a very good kind of life this was for farmers. Now I am sure, Mr. Speaker, that this is not the future I want to see for our farmers in this province, nor is it, I am sure, the kind of future supported by our farm organizations. But without the kind of legislation as outlined here, we would certainly be facing that same kind of corporate pressure.

Mr. Speaker, since the province was conceived we have grown and prospered through the hard work and determination of our farmers. Our agricultural land base was broken and cleared by people who had a stake in this province and who are committed to the development and maintenance of rural Saskatchewan. The amendments to The Saskatchewan Farm Ownership Act, 1974 re-affirm this government's commitment to the promotion and maintenance of a healthy and vibrant rural Saskatchewan based on a agricultural industry which is owned and controlled by the agricultural producers.

Mr. Speaker, since the revised terms of the amendments being proposed here were announced in September of 1977, there are indications that some real estate companies and individual land speculators are attempting again through various subterfuges to evade the intent of this act. We have attempted in these amendments to

leave enough room for non-residents and corporations to limited purchase in this province to meet what often are legitimate needs. However, I can assure you, Mr. Speaker, that if these offending speculators and real estate companies continue to play games with the intent of this act, this government will not hesitate to take further steps to further restrict their activities with the full knowledge that they will be supported in this action by the farm organizations of this province. Mr. Speaker, I am pleased to move second reading of this bill.

MR. L.W. BIRKBECK (Moosomin):— Mr. Speaker, replying to the remarks made by the Minister of Agriculture regarding the amendments to The Saskatchewan Farm Ownership Act, I would like to remind him that if he had been listening he would be aware that the Progressive Conservative Party had a major concern regarding the loss of Saskatchewan farmland to the non-residents. It doesn't take long I see now for me to get the Attorney General riled

MR. ROMANOW:— Kissing them good-bye.

MR. BIRKBECK:— Yes, I'll be coming around to that, Mr. Attorney General. You seem to be very easily sucked in these days. I don't know what's happened, you had too long a recess or something.

Anyway responding to the Minister of Agriculture. The loss of land from Saskatchewan to non-residents is a primary concern to the Conservative Party and we were making recommendations to you, as you were aware that some changes would have to be made. Some of the land that more recently was lost you mentioned the Cupar area, is in the Last Mountain-Touchwood constituency in the seat of the Minister responsible for Municipal Affairs, and knowing the Minister quite well I would be very certain in my mind that he had a lot to say to you regarding changes that were required to this act. It wasn't until that particular part of land was lost to Saskatchewan that it was announced by you, as Minister of Agriculture, that some changes would be introduced. For that I think that maybe we have to give a lot of credit to the Minister and the member for Last Mountain-Touchwood. It's too bad that you, as Minister of Agriculture, could not have seen this happening and introduced those changes yourself.

The problem that we have had in Saskatchewan has been very simple. In terms of land and land use the maintenance of rural Saskatchewan has been left to very few, in particular the farmers. You can mention all kinds of programs and dollars that were spent on maintaining farmers, if you like, in their areas of production, whichever they were, livestock, grain, but more important I still maintain that you have not directed your attention to those rural areas in a more diversified way, in particular in the maintenance of schools and hospitals and those services that rural Saskatchewan has got to have in order to survive and to exist. That burden, in my opinion, has been placed squarely on the shoulders of those few individuals and that's the farmers in the rural areas.

Now I have to question whether you really are concerned about the individual landowners, the people of Saskatchewan. You were doing quite well in your presentation in speaking on the second reading of this bill, but then you did something which is not very becoming of you as an individual and that is that you had to get political. You mentioned Manitoba, and I don't know why you'd want to do that because you are introducing a bill for which you want to have acceptance from the opposition side of the House; or at least you should want to have acceptance but we're not going to oppose it. You would like us to oppose it because you know that whether we oppose it

or don't, you haven't enough members to outvote us on any piece of legislation. For that reason, at this point in time, you can be very safe in being political because you don't really need our support from this side of the House. I wouldn't be so sure of myself, Mr. Minister. You may very soon find yourself in a position where you may not be on that side of the House but you might be over here and an opposition member. You might like to see the government of the day wanting to get that support from the opposition side of the House and I'm telling you that you can't get that support in the fashion that you present your case.

Now then, for that reason, to suggest what Tory Manitoba is doing or Tory Ontario, I know it's are Tory Alberta. I know there are a lot of provinces with Tory governments but you won't have to worry about it. It'll be Tory Saskatchewan soon. What it amounts to, Mr. Minister, is that you're more concerned with your political importance. When you get political like that, then you are with the individual in this province. Now if that were not the case you wouldn't have mentioned Tory Manitoba because, after all, this is Saskatchewan, this is an act that pertains to Saskatchewan. It really hasn't got anything to do with Manitoba.

There are some other things that you're going to have to just take a look at and understand and I don't think it's too difficult to understand that land is a fixed commodity. There's always going to be a surplus of prospective landowners. I don't think we can ever change that. Hopefully we'll have some people coming back to Saskatchewan when the government is changed at the next election and we'll have more numbers of people; therefore we'll have more people wanting this fixed commodity of land in Saskatchewan but nonetheless we'll resolve those problems without much problem, I'm sure.

Another thing that you mentioned is this corporate ownership of land that you see all this land in the United States being purchased by people other than the individual farmers, big business, agri business, I don't care what you call it, the multinationals is your favorite terminology. But surely the question has to be what is worse, or is it any different, to have big government ownership on the one side of this fixed commodity, our land, our province, or big business and multinationals on the other? I don't see that one or the other is any better or any worse. I am sure my support lies very simply behind the independent members of our society, the people of this province. I stand behind the producers, the landowners that we have in this province, never mind those two extremes on the left and the right.

Mr. Minister, the intentions of this amendment I believe are very well intended; they are good intentions. There are questions here that are raised as to the means that you are proposing to achieve these good intentions. I want to get further into those in some more detail, and for that reason, Mr. Speaker, I beg leave to adjourn debate.

Debate adjourned.

HON. E. KAEDING (Minister of Agriculture) moved second reading of Bill No. 7 — **An Act to amend the Production, Manufacture, Sale, Purchase, Transport and Inspection of Animals and Animal Products.**

He said: Mr. Speaker, in introducing this legislation I would first of all like to provide a brief overview of the importance of the Saskatchewan livestock industry to which it applies.

One of the major policies of our government is diversification as one method to improve farm income. Grain production, notably wheat, is the principal type of cropping in Saskatchewan. Increased levels of livestock and dairy production offers an excellent alternative to straight grain production and provides opportunities for increased farm income within the present farm enterprise. A large number of farms in Saskatchewan are in livestock production. In 1976, 60 per cent or 41,000 farmers reported having cattle and calves. There were another 1,000 primary dairy producers. In 1976, 1,350,000 cattle and calves were marketed in Saskatchewan. Income from the sale of cattle and calves was \$328 million and for milk and cream almost \$38 million. This combined income of \$366 million accounts for 80 per cent of the total cash receipts of \$455,348,000 received for all livestock and livestock products.

In terms of the significance of livestock and dairy receipts income from cattle, calves, milk and cream accounts for 16 per cent of the \$2.28 billion in cash receipts from all farm products.

The value of the processing industry is also very significant in relation to the number of jobs and dollars which it contributes to the provincial economy. In 1975 the figures for the processing industry reveals that sales for dairy products amounted to over \$63 million. Mr. Speaker, 1,314 workers earned over \$14 million by working at dairy processing and manufacturing plants. The sale of these products amounted to almost \$350 million. The meat packing industry employs over 1,500 workers to earn a total of \$16,800,000.

The dairy industry has experienced dramatic changes over the last five years. Prior to 1972 the processing sector produced primarily milk, ice cream and butter. In that year our government in co-operation with the industry embarked upon the establishment of two new dairy manufacturing plants in Saskatoon and Yorkton. As a result of new opportunities created by these plants some 500 farmers, many of whom previously shipped only cream, have now become manufacturing milk producers. Last year this expansion enabled the province to produce 6 million pounds of skim milk powder; 1.7 million pounds of cheddar and over 1 million pounds of speciality cheese as well as other milk products.

Mr. Speaker, I would now wish to turn directly to the legislation contained in this bill. It is designed to accomplish several things. First, to provide for the introduction of a price incentive program which compensates dairy producers who produce high quality milk. Second, it provides for the establishment of an indemnity fund so that both those who are licensed to deal in animals or animal products and those who patronize the licensee may avoid financial loss, if a licensee defaults in payment for animal or animal products. Three, it consolidates the necessary regulatory functions which are presently contained in five acts into one act. This will simplify things for the public because all of the regulatory powers will be one act instead of in several.

4. It permits a general upgrading of the legislation to facilitate modern and current day practices within the industry, including provisions for the metric system as it is adopted by various segments of the industry.

Upon proclamation of this bill the following acts will be repealed: The Livestock and Livestock Products Act; The Dairy Products Act; The Margarine Act; The Stablekeepers Lien Act; and The Brand and Brand Inspections Act.

While it may be somewhat contrary to custom in this House, this legislation and a bill

previously presented in the last session, The Animal Identification Act, need to be considered as companion pieces of legislation. This is because many features which were previously contained in the five aforementioned acts have now been redrawn into these two bills. The Animal Identification Act provides for the registration of animal marks only, whereas the present Brand and Brand Inspection Act provides for brand registration and inspection for cattle and horses.

To assist the various sectors of the livestock and dairy industries in meeting their potential, my department is involved in a number of activities for which authority is provided in this legislation. These activities are related directly or indirectly to the financial protection of producers or to ensuring that animal products which the consumer purchases are wholesome and safe from a health and sanitation aspect. My department licenses livestock dealers to assure prompt payment to producers. The department also licenses milk processors, bulk tank operators, testers and graders and fluid milk producers to assure payment to producers and to assure the consumer that only safe, healthful dairy products are processed for retail sale.

My department is also responsible for a livestock inspection program to verify ownership of animals which have been transferred or sold. The major thrust of this program is to provide theft protection to farmers. We now enjoy the co-operative support of the highway traffic officers from the enforcement division of the Highway Traffic Board and members of the RCMP in assisting in routine surveillance of animals which are being transported. The inspection program is supported by a computer program to enable searches for missing or stolen animals.

During the warble season from about March 1 to June 15 there are animal inspections for these pests.

In the dairy industry my department is charged with responsibility for ensuring high quality in raw milk. It is also responsible for setting standards to maintain this high quality. For example, standards are established for the facilities of processors, manufacturers and producers and milk quality to help ensure the production of high quality dairy products.

Mr. Speaker, the dairy industry is very conscious of its responsibility to maintain high quality in the production of milk. A year ago they were very disappointed to learn that no authority existed in the present day Dairy Products Act to permit the introduction of a price incentive program to financially compensate dairymen for the grade or quality of milk produced. The price structure in the industry permits two classes of milk. The fluid trade which is for bottling demands the most stringent standards. Milk for the industrial sector must meet the federal standards which are more lenient than those for fluid. The introduction of a quality financial incentive will encourage producers to attain as high a standard as possible. This higher quality will help extend the shelf life of retail products in the home and this is becoming ever more important as the industry strives to reduce costs by such measures as twice weekly deliveries.

The present Brand and Brand Inspection Act stipulates the points outside Saskatchewan where livestock must be inspected. This requirement was legislated in the days when most livestock were transported by rail. Because trucks are now the order of the day this requirement is restrictive and needs to be abolished so that livestock may move freely to the most advantageous market outlet. The livestock inspection fee of 20 cents per head established in the present Brand and Brand Inspection Act was established several years ago and on the basis that most animals

would be inspected at designated points. At that time revenue from fees covered the costs of the inspection program but this is no longer the case. Since that time the number of local livestock markets has increased very markedly until there are now approximately 40 market points in Saskatchewan. There is a considerable variation in the functional standards of these markets which relates to the efficiency and safety with which livestock may be inspected. The present act requires that staff provide inspection upon demand for anyone who wishes to transport or market cattle and horses. The mobility of trucks compared to rail transportation and the hours during which many trucks operate often necessitate off-hour inspections on weekends, holidays or at night. The magnitude of this off-hour inspection has added significantly to the overall cost of our inspection program.

Because of the great expansion in livestock markets it has been deemed advisable to establish stockyard regulations to ensure that animals are handled in a safe and humane manner. It is now evident that considerable merit would result from grading livestock market handling facilities to reflect their safety and efficiency.

Changes in the conditions under which inspections must be provided should bear some relationship to cost. It is becoming ever more evident that authority is needed to establish fees so that a portion of the extra cost associated with the regulatory inspection may be recovered. Fees at market shall also bear a relationship to the efficiency of the livestock handling facilities for livestock inspection functions preformed by livestock inspectors.

The level of protection afforded to producers by the improvement in the electronic data retrieval program, greater scope for surveillance provided by law enforcement officers and the manifesting or permitting of all animals being transported or marketed, assures the producer a level of theft protection which has never before existed in this province. The higher cost for the program will still be excellent value for the service and protection provided.

Mr. Speaker, another of the major concerns related to the marketing of animals and animal products is assurance that those who sell are assured of receiving full and proper payment. This is the major reason for requiring those who are in the business of dealing in or purchasing animals and animal products to be licensed. Traditionally the issuance of a licence to a person wishing to act as a livestock dealer or agent has been independent upon that licensee being bondable.

Present regulations pertain to licensee livestock dealers requires a minimum of a \$6,000 bond. The size or value of a \$6,000 bond is totally inadequate under present day livestock values. For example, one load of finished steers now could be well worth between \$15,000 and \$20,000. Therefore, if a dealer defaulted in payment the present bond would provide negligible financial security to the seller. However, the cost to increase the size of the bond to cover present day marketing practices would be financially prohibitive for many livestock dealers.

Some additional securities provided under a clause in The Horned Cattle Purchases Act enables the cattle producer and agricultural society within the meaning of The Agricultural Societies Act, or a 4-H Club to collect up to 80 per cent of a loss. You will note that there is no provision for a livestock dealer to collect under this clause. Furthermore, this was introduced as a temporary measure and was not intended as a permanent solution.

The concept for an indemnity fund is being advanced by the Saskatchewan Livestock Market Association. In our present bargaining system livestock dealers are an integral part of the system. An indemnity fund would provide greater protection to all licensed livestock dealers against default in payment by another livestock dealer, as well as offering protection to producers offering livestock for sale to a licensed dealer.

The association has recommended that payment to a licensee cover not more than 80 per cent of the loss so that a dealer is encouraged to exercise reasonable caution in the course of his business dealings with another dealer or packer. On the other hand the indemnity fund would provide total and full protection to farmers.

Funding for the indemnity concept would be by way of a fee assessed on licensees in proportion to the dollar volume of their business. Once the fund was fully operational and at an agreed upon level, contributions would be stopped or reduced until such time as the fund needed replenishing. The government or taxpayers would have no liability under such a scheme.

Mr. Speaker, I am very pleased to inform the House that the Saskatchewan Livestock Marketers Association initiated the discussions respecting the concept of an indemnity fund. My department staff has worked very closely with the association over two years in refining the proposals and in developing a program to the point where legislative authority is being requested.

Members of the association recently pointed out that the indemnity concept would provide significant financial security to the marketing phase of the livestock industry. For example, the lending institutions have recognized the added security available to livestock dealers through the indemnity fund whereby a dealer's loss may be guaranteed up to 80 per cent of loss. Thus, the economic viability of a market outlet could be vastly improved. Judgments on the validity of claims against the fund will be made in consultation with an industry advisory committee. This group comprised partly of members of the Market Association would be invited to make recommendations on the validity of claims made against the fund. This mechanism will assure fairness in settling claims.

I am very pleased that the Livestock Marketing Association supports the concept of an indemnity fund for protection in their segment of the marketing chain.

Consolidation of present legislation is simply good housekeeping. One act will be much easier for the public to understand and deal with. It will also simplify administration by my department. For example, up to the present livestock inspection powers have been in the Brand and Brand Inspection Act; licensing of livestock dealers is under The Livestock and Livestock Products Act and licensing of milk processors is under The Dairy Products Act. Consolidation will make for a more uniform and standardized application of administrative responsibilities.

Many activities, like the printing and issuance of licences can be computerized much easier if a basic format can be developed for printing all types of licences.

A range of powers also existed in the previous pieces of legislation. Consolidation of the legislation, which existed in several acts, will eliminate the differences.

The powers of an inspector to enter and search private dwelling is being rescinded in deference to a concern for the right of individuals.

The present Livestock and Livestock Products Act empowered an inspector to secure a warrant to enter and search dwellings and to break doors and locks. To the best of our knowledge this power has never been used but, importantly, it is the opinion of this government that inspectors should not have powers which enable them to invade one's privacy. Some aspects of present day legislation need updating because of changes in the industry. For example, the dairy industry is looking ever more seriously at the concept of utilizing solids, not fat, commonly referred to as protein grading, as one criterion for evaluating or grading raw milk for purchase. Metrification is being introduced into the livestock industry and dairy industries, as in many other industries. This bill simply provides for an orderly accommodation of the system as the industry decides that it wants to switch over. For example, the dairy industry is working towards a target date of mid-1978 for introduction of the metric measurements throughout the industry. The Record of Performance programs, which assess the genetic potential of livestock, have been using metric measurements for some considerable time.

Present coverages under The Stablekeepers' Lien Act are no longer adequate. The act was designed to protect livery operators. Nowadays, for example, many people are in the business of finishing cattle on a custom basis. These people are entitled to protection in recovering fees and costs for their services. This bill will broaden the scope of coverage so that any type of custom service could be covered. Mr. Speaker, please be assured that the industry and producers alike support and have much to gain by the adoption of this legislation, especially the opportunity for new and increased levels of protection through the indemnity fund. I am pleased to move second reading of the bill of The Animal and Animal Products Act.

MR. WIEBE:— Mr. Speaker, I have a few brief comments in regard to this particular bill. I was rather astonished at the opening remarks made by the Minister of Agriculture in regard to the processing which he appeared to boast about that took place within the province of Saskatchewan. When one looks at the figures which he quoted in terms of dollars and manpower, it looks pretty good when you compare it to the province of Prince Edward Island. But when you compare it to any other province in Canada, or for that matter any other state in the US south of us, it is a pretty dismal record. It is a pretty discouraging record. When you look at our record or our history of processing the raw material, which we as farmers produce in Saskatchewan, and that raw material is all exported to a large extent outside of Saskatchewan and processed somewhere else; the jobs and the dollars and the taxes that accrue to that province are going to the benefit of Ontario, Quebec and to some extent Manitoba, but not to the province of Saskatchewan where it should go, in terms of helping the taxpayers of Saskatchewan and in terms of helping the producer who actually does produce that particular product.

When I first saw the act back in the fall session on the order paper we of course just saw the title of the act. I thought possibly it was going to be legislation that was going to correct that situation in Saskatchewan, correct the situation where we, as producers of a commodity which is considered our basic industry in Saskatchewan, would soon be able to point to the fact that this government was recognizing the fact that it had not paid enough attention to the processing industry in Saskatchewan and was, in effect, introducing legislation to correct that particular situation. That is certainly not the case in regard to Bill No. 7 as all it does, what the minister stated, is amalgamate three or four bills into one with a few minor — and let me repeat minor — changes. When one looks at the act one is disappointed in the fact that it does not address itself to our major problem or one of our major problems in Saskatchewan and that is the lack of a

processing industry or a meaningful processing industry in Saskatchewan. One has to look at the bill and say, okay, do you support it or do you not support it. In effect, it is amalgamating a number of bills together. We can support that aspect of it.

We cannot, however, support certain powers which are given to individuals under the act. I refer to section 5, subsections (1) to (5) and also subsection (6). The minister mentioned that this act is somewhat different from one of the others in which it removes the power of the inspector to enter without warrant into an individual's dwelling. I must commend the minister for that. However, it still leaves the substantial amount of power that that inspector has under his control, without warrant, to investigate the premises and buildings of livestock producers and other individuals throughout the province of Saskatchewan. I would have no hesitation to that particular kind of power being in the act if it applied to say, the RCMP or members of the Highway Traffic Board or trained inspectors; inspectors who knew and understood exactly what they were doing and exactly what the law and the rights of the individual were in the province of Saskatchewan. There is no guarantee for that kind of education or that kind of training or anything in the act that will allow the RCMP or the Highway Traffic Board to facilitate the job of an inspector.

One can, in terms of the industry being busy, appoint a farmer to be an inspector with a half-day or half-week course in what his job is to do and to then turn around and give that individual such massive powers as to be able to search without warrant, I feel is something that we are going to have to look extremely closely at. I would like to mention at this time that we will be introducing amendments to, hopefully, make some corrections to those portions of the act and once so done if accepted by the government, I think that we would be in a much better position to not have to worry about supporting the act in principle in Committee of the Whole but supporting it wholeheartedly.

Before I adjourn debate again let me go back to my initial remarks and urge the government of Saskatchewan to really take a serious look at what is happening to our processing industry in Saskatchewan. We are on the one hand trying to defend the crowrate in terms of the grain producer in Saskatchewan, which I think is commendable and which I think every member in this Assembly is in favor of maintaining, but we must also sit back and take a look at what that rate is in effect doing to other natural products which farmers produce in this province. I am talking about beef and I'm talking about rape, milk, butter and other products which because of that particular rate is affecting the processing industry in Saskatchewan.

Mr. Speaker, I beg leave to adjourn debate.

Debate adjourned.

The Assembly adjourned at 4:41 o'clock p.m.