

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fifth Session — Eleventh Legislature
36th Day

Friday, March 28, 1952

The House met at three o'clock p.m.

SECOND READING

SASKATCHEWAN MUNICIPAL ADVISORY COMMISSION

The House resumed the adjourned debate on the proposed motion of the Hon. Mr. McIntosh:

That Bill No. 69 — An Act to provide for the establishment of Saskatchewan Municipal Advisory Commission — be now read the second time.

Mr. A.G. Kuziak (Canora): — Mr. Speaker, until hearing the three members from the Opposition speak, yesterday, to this Bill, I was not contemplating taking part in the debate; but after listening to these three men, and during the whole time they pointed out and gave exceptional praise to the municipal men of the province, and being myself a municipal treasurer with 16 years of experience, I thought I should say something on this Bill which is going to provide for the establishment of the Saskatchewan Municipal Advisory Commission.

Mr. Speaker, I am almost leery when the Opposition or the Liberals speak very highly of religious organizations, or even individuals. I remember a time when I used to be a school teacher in the Province of Saskatchewan — and the more they talk highly of school teachers the further we fell — until the teaching organization of the province became almost a beggar's organization; and no, I am afraid that by laying special praise on the high calibre of the men in the S.A.R.M. and so on, which we do not doubt, that there is an actual sniping of this particular Bill. This Bill, if it is carried (and I am sure that it will be); in fact, Mr. Speaker, it is very amazing to see how the previous three speakers from the Liberal Opposition — especially the hon. member for Wilkie (Mr. Horsman) and then the hon. member for Cannington (Mr. McCarthy) — criticized this Bill by twisting, turning and summersaulting, and at the very end of their particular debate they said, "But we will support this Bill."

I have heard over and over again so much of that kind of sniping going on about some of the good things that the C.C.F. have passed during the past seven years; and I want to point out, Mr. Speaker, that for example, it is not very long since we appointed the Britnell-Cronkite-Jacobs Committee and the same kind of sniping went on out on the hustings. They referred to this Committee as nothing but a bunch of politicians, and dragging politics into this Committee — this particular Committee. But once the report had been brought down — once it had been studied by the municipal men . . .

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Mr. McCormack (Souris-Estevan): — Mr. Speaker, could I ask the hon. member who said that, apart from yourself?

Mr. Kuziak: — Mr. Speaker, I did not check through; but I saw a number of reports in all papers throughout the Province over the past year, of the same kind of sniping, and I would say that for one thing, the Leader of the Opposition is guilty of that.

Now that the report has been brought down, Mr. Speaker, why is it they talk fairly well of the report? And they only take certain recommendations of that report and talk about them, which is very favourable to making political hay out of those particular recommendations. But some of the other recommendations which I believe are for the good of provincial-municipal relations — and may not produce as much political hay for the Opposition — they do not discuss those recommendations.

Now, let us take a look at the bill, and go over it, for example, point by point. No. 3:

“There shall be a Commission to be called the Saskatchewan Municipal Advisory Commission consisting of not less than three, and not more than five members, and shall be appointed by the Lieut. Governor-in-council.”

Realizing that it is a wonderful Bill, here is one of the items that they throw criticism on; and I would like to point out, Mr. Speaker, that I have a list here of a dozen such commissions being established within the Province of Saskatchewan; each one of them were established under orders-in-council, and the Committee or Commission was responsible to either the Lieut. Governor, or the Minister, either one of the cases.

No. 1906 — “Royal Commission to enquire into the report from the municipal system of the Province of Saskatchewan, appointed by order-in-council responsible to our Lieut. Governor.”

1912 — “Royal Commission appointed by order-in-council on April 25, 1912, to enquire into the practicability of producing power.”

That Commission was appointed by orders-in-council and was responsible to the Provincial Treasurer. Need I say that that was one Commission that was dead ever since; it never did do a thing. I can go down the whole list, and maybe I should. We will go to 1913:

“Agricultural Credit Commission to enquire into ways and means for establishing agricultural credit, appointed by order-in-council responsible to the Lieut. Governor-in-council.”

1914 – “A Commission appointed by His Honour, the Lieut. Governor-in-council enquiring into the administration of the Saskatchewan hospitals for the insane at Battleford, and the alleged ill-treatment of one girl, a patient confined in said hospital.”

(I think the boys know plenty about this particular one). May I state, Mr. Speaker, that this report was not even tabled in the Legislature.

1920 — “Royal Commission appointed by order-in-council to enquire into the condition of the farming industry in the western and south-western portions of the Province, and in the Province and states adjacent to this Province, appointed by the Lieut. Governor-in-council responsible to them.”

I do not think there is any need of me going any further. That is not anything out of the ordinary, Mr. Speaker.

Mr. Danielson (Arm River): — Mr. Speaker, may I ask the hon. gentleman a question?

Mr. Kuziak: — No, Mr. Speaker, I am only taking some 25 minutes of time so that I could say something on this Bill.

Mr. Speaker: — Order! Order! The hon. member does not wish to answer questions at this time.

Mr. Kuziak: — All right, let him go ahead.

Mr. Danielson: — I wanted to ask the hon. gentleman something, but he sat down.

Mr. Speaker: — Order! Order! Well, you would not sit down, and there is not supposed to be two standing at the present time. The member speaking has signified that he does not wish to answer questions during his speech.

Mr. Danielson: — When he sits down, he surely does the opposite.

Mr. Kuziak: — All right, Mr. Speaker, he may ask me a question if he wants to.

Mr. Speaker: — He says he will answer the question now.

Mr. Danielson: — I have asked the question twice.

Hon. member: — He has forgotten now what he was going to ask you.

Mr. Kuziak: — Well, I am prepared to take the question — come on along with it. Since I believe he was asking a question on the Commissions, I am going to carry on with these Commissions.

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1921: “A Commission of the royalty respecting the Public Revenue Tax appointed by Order-in-council to enquire into the question surrounding the assessment of the Public Revenue Tax, again responsible to the Lieut. Governor-in-council.”

1927: “Saskatchewan Power Resources Commission” —

the same thing again, and of course nothing was done after the report was given.

1930: “Order-in-council appointed a Commission to enquire into the subjects of immigration and settlement as affecting Western Canada, with special reference to the Province of Saskatchewan, made to the Lieut. Governor-in-council responsible to the council.”

So there is not anything extraordinary, Mr. Speaker, within this particular Bill. The appointment of this Municipal Advisory Commission is to be made by the Lieut. Governor-in-council, and responsible to the Minister. I realize that the members of the Opposition would like this Advisory Commission, I suppose, responsible to the President of the S.R.M. Association, a member of parliament, and a politician within this Province.

No. 6 of this particular Bill:

“In the performance of the duties and exercises of the powers imposed or conferred upon the Commission by or pursuant to the provisions of this Act, the Commission shall be responsible to the Minister.”

There is not anything wrong with that, Mr. Speaker; it is just the way that has always been done, but I want to continue on a little further:

“The Commission shall (and this is the particular clause that the Opposition members played upon)
(a) enquire into any matter referred to it by the Minister for investigation.
(b) Report to the Minister on any matter when requested by him to do so.

And of course they played that on the air. It looked as if this particular Municipal Advisory Commission had only to report on the things that the Minister asked him, and report to the Minister. Well, I am going to continue further on with this Bill. We will take Section No. 8:

“The Commission may:
(a) Conduct research in municipal matters, not at the instructions of the Minister (they will be doing that themselves).
(b) To consult with and make recommendations to municipal authorities on any matter, relating to municipal administration (and they will

definitely be taking the municipal men in on this particular discussion and findings).

(c) Examine the burden of obtaining additional sources of revenue for the municipalities.

(And I believe it was the hon. member for Cannington (Charlie McCarthy)) — oh, I'm sorry, I should say Mr. McCarthy . . .

Mr. McCormack (Souris-Estevan): — Mr. Speaker, after all, you have allowed members on the other side of the House to say some things that are out of order. I think you should call the hon. member to order.

Mr. Kuziak: — Mr. Speaker, I believe I did withdraw that — I said “I'm Sorry”.

Mr. McCormack: — I might say, Mr. Speaker, that we heard it was going to be said and it has been done deliberately.

Mr. Speaker: — The hon. member has withdrawn his remarks.

Mr. Kuziak: — And in here, I believe the hon. member for Cannington mentioned that it was a year or two ago when the Premier of this Province had made the suggestion to the Rural Municipal men of putting on farm fuel levies, which would be given back in increased grants to the rural municipalities. I want to point out, Mr. Speaker, that the Premier, when he gave that proposition to the rural municipalities of that day, pointed out too, that if we do not do it in the next week or two, the oil companies will do exactly that; and that is exactly what the oil companies did. I have not heard yet one criticism from the Opposition with respect to that particular taxation, in the interests of oil companies. Going on to sub-section D of No. 8, it says:

“Examine the present division of financial and administrative responsibility among local authorities, including municipal councils, school boards, unit boards, union hospital boards and regional health boards.”

As far as I can see, the further we read this Bill through, it has a terrific scope, taking all the municipal bodies within the Province of Saskatchewan to take part with this Municipal Advisory Commission. And the hon. gentleman pointed out that there should be two members from the rural association; there should be two members from the urban association. What about the school boards, hospitals, the health boards, and so on? If we allow two for each, we will have a dozen or two on this particular committee or commission.

No. 9: “The Lieut. Governor-in-council may appoint such consultants and advisors as are deemed necessary and assign to them such duties as are deemed advisable, or as the Commission may recommend.”

Again, it goes back to the Commission, giving the Commission fairly wide scope to go into the matter of further provincial-municipal relations.

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I want to speak a minute or two on some of the points recommended by the Britnell-Cronkite report, and of course the first four deal with this particular Municipal Advisory Commission. I want to point out to the members of the Opposition that the whole four points have been approved by the Saskatchewan Association of Rural Municipalities. I want to go on to Recommendation 19: (and I want to read this to the Opposition, because that is one recommendation that they would not talk about). This particular recommendation says:

“That in view of the responsibilities imposed upon the Province through the implementation of Recommendation 15 to 18 above, and the proposed reduction in proposed provincial revenues, which would result from the abolition of the Public Revenue tax, no share of either gasoline or motor license revenue should be contemplated by the province.”

In other words, this particular report recommends some give and take, but the members of the Opposition believe in only taking — and not giving — and I say that if you are going to have a harmonious relationship between the municipalities and the province, then you must have some give and some take on both sides. This is one particular recommendation that they would not even talk about. We will take another one — No. 21:

“That the gasoline tax be increased from 10 cents to 12 cents per gallon, effective April 1st, 1951, to assist in implementing the highway programme.”

Now there is another point which I would like to draw to the attention of the members of the Opposition, that if they value so highly the intelligence of the people, or the councillors of the municipality, I would like to mention to them that the Municipal Association concurred with this particular recommendation.

Mr. McCarthy (Cannington): — On a point of order, Mr. Speaker, I do not think that is a fact. I have the report of the Municipal . . .

Mr. Kuziak: — Who by?

Mr. McCarthy: — I have got it right here.

Mr. Kuziak: — Can you read that report and understand your English? That is exactly what it is.

Mr. McCarthy: — Mr. Speaker, I would like to . . .

Mr. Kuziak: — I would like to point out to the hon. member, Mr. Speaker . . .

Mr. Speaker: — Order! Order! Did the hon. member for Cannington (Mr. McCarthy) hold that he is misquoting?

Mr. Kuziak: — Mr. Speaker, I want to point out that in this particular recommendation, the Opposition have never said a word. They have kept mum.

No. 24: “That in view of the responsibilities already assumed by the Province, and those imposed through implementations of recommendations 6, 7, 11, 12 and 13 above, in particular, no specific allocation of provincial-dominion tax agreement income to the municipalities should be made.”

Of course, Mr. Speaker, the Leader of the Opposition every time he is on the hustings, or even in the House, is prepared to give all the subsidy away to the rural municipalities; but it would be a different story if he ever gained power in this Province.

Sec. 25: “That in view of the present high level of commitments, and the precarious nature of present revenues, no further commitments of any kind should be undertaken by the province without careful appraisal of the financial position of the province.”

And now, Mr. Speaker, a report of that kind, as I explained to you only a few moments ago, gives some and takes some; but, as I pointed out, the members of the Opposition only believe in taking and not giving anything. I want to point out further in connection with the Britnell-Cronkite report that when the Committee was appointed they criticized it as well as they are criticizing this Bill. This Committee has handed down its report. The report, as a whole, practically, has been approved by the conventions of rural municipalities. Not only that . . .

Mr. McCarthy: — On a point of order, Mr. Speaker, the hon. member did not point out the fact that the municipal men said in their convention that they would not pass this Public Revenue Tax. He is telling what is not true.

Mr. Kuziak: — I want to point out, too, Mr. Speaker, that I believe this is the first time in the history of Provincial-Municipal relations that a report has been handed down; and practically the whole of the report has already been implemented by the Government. I have not the time to go down point by point. We will take even for example, the much-discussed Public Revenue Tax that the Liberal administration put on in 1917, and due to being such super patriots, they kept it on for some 27 years. So, when the hon. member for Wilkie (Mr. Horsman) talks about the Whip — if we ever used the Whip in connection with Public Revenue taxes, we only used it for a year — but they kept on using the Whip for 27 years.

Now, I would like to point out further that when the Minister of Natural Resources, or anybody else, talks about a Whip — the Liberals used it — and used it in a different manner. I would like to point out that in this Bill the Municipal Advisory Commission will have power, for example, to discuss with certain rural municipalities

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that may require relief — that may require seed grain — all these different problems would go through a non-political body, instead of going through a body that the Liberals used to have — the inspectors that travelled up and down in this Province and really used the whip on municipal councils.

I remember as a Municipal Secretary-Treasurer back in 1938, advancing seed grain advances, and while a particular family, who had some 12 votes within that family, requested seed grain; the council did not believe that they even needed it; but the inspector of that day went over the head of the council and advanced this family \$1400 of seed grain advances. That is still on the books of the Rural Municipality of Keyes, for any of those boys to see. That is the kind of thing, Mr. Speaker, that a Municipal Advisory Commission will be doing away with.

And so, when they worry about it having some political strings attached to it, all we had in Provincial-Municipal relations in the past was political strings — and political witticism.

I would like to, for the information of the House, give an example of some of this political whipping, and I am going to read a letter written by the Superintendent, Meadow Lake Indian Agency to an Indian in the Prince Albert Sanatorium, in Prince Albert, and here is what he says in his letter:

“Don’t try to put up a tough luck story about wife and family starving and freezing to death. We certainly will not believe it. Your family is being kept like royalty, and not one of you have done anything to earn it. If the Government was not paying for you being in the San you would be dying on the Lone Lake Reserve right now, and nobody would be keeping your wife, or doing a darn thing to help you.

“So just keep your letters for your wife. We are doing more for your people than either you or they deserve, and if we hear any more complaints of whining from you or your family, we will have you discharged from the San and cut off all your rations.”

That is the kind of whipping the Liberal administrators of the past have been doing; and it looks as if the Liberals of the Federal Government are still doing it. That is one of the reasons, Mr. Speaker . . .

Mr. L.M. Marion (Athabaska): — Will the hon. member table that letter?

Mr. McCormack: — Yes, will the hon. member table it?

Mr. Kuziak: — This has been written by L.E. Graydon, for J.A. Davis, Superintendent, Meadow Lake Indian Agency, and I would point out that this letter has been tabled in the House of Commons and if anybody wanted to, they could get a copy from the House of Commons.

Mr. McCormack: — Well, I think the hon. member should table it here, Mr. Speaker. I do not think the member should be quoting from a letter that is not tabled in the House.

Hon. Member: — Would the hon. member permit a question? Was that the letter that the Minister of Natural Resources carried over to you yesterday?

Mr. Kuziak: — I would like to point out, Mr. Speaker, that that is the kind of a whip they used to hold in their days and that is one of the reasons today (you know, people will always judge others by themselves) — and so, today, when they throw some of this filth upon this particular Bill, they are doing it because they have been doing it before.

Mr. Speaker, I will support that Bill.

Mr. Speaker: — It is my duty to inform the Assembly that the mover of the motion is about to exercise his privilege of closing the debate. Anyone wishing to speak must do so now.

(Closing debate)

Hon. L.F. McIntosh (Minister of Municipal Affairs): — Mr. Speaker, it is interesting to note that Bill No. 69 — an Act to set up a Municipal Advisory Commission — is now considered to be the most important Bill before this Assembly during the present session. I am in wholehearted agreement with that statement, but I could not help but feel that when the debate was at its height, of the late President Roosevelt's thoughts: "One happy family of nations;" and I sometimes wonder if we could not get a little better degree of unanimity on a bill in which hon. members opposite agreed that they were going to support.

I believe it was the hon. member for Cannington (Mr. McCarthy) that suggested yesterday that he would like a commitment from the Government to the effect that they would not force municipalities against their wishes in changing of municipal boundaries. Mr. Speaker, that commitment has been given on three occasions; 1950, at the Annual Convention of the Rural Municipal Association; 1951, at the same convention; and last month at the 47th Annual Convention of the S.A.R.M. Now, the Municipal Association have accepted the commitment in good faith, as coming from the Government.

There has been something said in connection with the appointment of the personnel of such an advisory Commission. Something has also been said as to the function of such an Advisory Commission. After all, Mr. Speaker, I think that the second word "Advisory" sets out very clearly the purpose of this Commission — "Advisory" to the Government; "Advisory" to the Municipalities. The Municipal Association understands the purpose and intent of the Bill, and for the information of the hon. members opposite, may I say that this Bill received the unqualified endorsement of one of the high officials of the Rural Municipal Association. It has evidently

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received the blessings of the urban Municipal Association. They have a full appreciation of whom such a Commission, must, in the final analysis, be responsible to. There seemed to be some question as to the personnel of this Commission — whom they might consist of. The report itself states they must be men of ability, men of knowledge, and for the information of the hon. members opposite — regardless of whether they are worried about the personnel or not — might I just inform this House that we have asked for and have received from the Urban Municipal Association a panel of names in which we can choose a member for this Commission. Might I also inform the hon. members opposite, Mr. Speaker, that we wrote the Rural Municipal Association, asking them to submit a panel of names and they have done just that; and that was prior to the present Session of this Legislature.

Both of these Associations, speaking as they do for the Municipal men and Municipal Governments of this Province, are perfectly content and happy with the progress that is being made in carrying out the recommendations of the report, and are perfectly happy with the wording of the Bill that is now before the House.

I think one might say to the hon. members opposite, Mr. Speaker, that it would be advisable that when you get into water beyond your depth, make reasonably sure that you know how to use the oars — or that you can swim ashore.

I take great pleasure in moving second reading of this Bill.

The question being put, it was agreed to.

SECOND READING

OIL AND GAS RESOURCES

Bill No. 95 — An Act to provide for the Conservation of Oil and Gas Resources

Hon. Mr. J.H. Brockelbank (Minister of Natural Resources); — I would like to take this opportunity to make a few remarks on this question; but, before I start with that, may I be given the privilege of announcing to this House that the Socony well at Fosterton, No. 2-11B (this is incidentally the third test in that area) one mile south and east of Fosterton, has come into production at a depth of 3363 feet. The oil has tested 24 degrees gravity, and it appears to be a flowing well. I think it is particularly fitting to see that we have something to conserve in the way of oil and gas resources on this occasion, when we are giving second reading to a Bill to provide for that. And I would also like to point out that it is not too soon to have a Bill of this kind introduced and passed, and to make provision for the conservation of oil and gas resources.

I would like to quote as an illustration . . .

Mr. Loptson (Saltcoats): — Mr. Speaker, may I ask the hon. member a question? I just wanted to know was it a Viking sand production?

Hon. Mr. Brockelbank: — Mr. Speaker, I will deal with that later. I would like to quote from this book, “Oil and Gas Production”, compiled by the Engineering Committee, Interstate Oil Compact Commission, and this short quotation which I will read to you, Mr. Speaker, makes a comparison of the results of good conservation practices starting on time, or starting too late.

“A comparison of the oil recovered from the north and south Burbank fields located in north central Oklahoma shows the benefits of unitization when gas injection operations are employed in the production of oil. These fields produce from the Burbank sand-stone, and from reservoirs similar in all respects, except that the thickness in the south Burbank field is 53 feet as compared with 47 in the north Burbank field, and the north Burbank field covers approximately 10 times as much area as does the south Burbank field.

“The north Burbank field was discovered in 1920, and 10 years later, in 1930, gas injection was commenced on a co-operative basis. The south Burbank reservoir was discovered in 1934, unitized the following year, and gas injections started immediately. North Burbank was developed on 10 acre spacing, whereas south Burbank was developed with one well to 17½ acres. Both fields have had a primary recovery of 170 barrels per acre foot, without unitization or gas injection. The North Burbank has recovered 192 barrels of oil per acre foot, as a result of co-operative gas injection commenced 10 years after discovery of the field. The increase amounts to 13 per cent of the primary recovery.

“The south Burbank field which was unitized and subjected to gas injection only one year after discovery has recovered 248 barrels of oil to the acre foot; this is 45 per cent more oil than would have been recovered under primary operations.”

I just wanted to give that to the House to illustrate that even though we have not yet, in Saskatchewan, very many great oil or gas fields, the time to take action in regard to conservation of oil and gas is now — not later.

In the last half-century there has probably been few industries that have seen more progress and change than the oil and gas industry on this continent. To illustrate that point, even if we go back to 1918, we find that the production of natural gas in the United States

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and Canada amounted to 730 million thousand cubic feet, whereas by 1950 it had grown to cover 7½ billion thousand cubic feet. To get a comparison with smaller numbers, it is the same comparison as comparing 730 to 7,500 — that illustrates the growth of the production of natural gas.

Now we come to oil, and I have the figures for 1900. In 1900 only 64 million barrels of oil produced in Canada and the United States. In 1950 that had increased to 2 billion barrels of oil produced. To make a comparison in smaller figures, it is this: it is 64 in 1900 and 2,000 in 1950, so that this is an important industry to look after and particularly as there is every evidence to indicate that we will have in the Province of Saskatchewan in the next few years many important oil and natural gas fields.

During the early years of the history of the industry there were few laws to regulate or control the industry and oil being what it was then — and what it still is — with no controls or regulations, there was a mad chaotic rush into the business after lady luck and fortune. That developed a very chaotic situation. The law of capture was of great importance in those days. Even if an owner only had one city lot and was able to drill a well on it into an oil pool — at one time they were entitled to all the oil they could get out of that well, regardless of whether it came from under the land which they owned. Then, in addition — in this mad chaotic rush of everybody to get rich quick — there was a lot of physical waste of oil. Oil was produced and there was no market for it. It actually went to waste. Natural gas — the waste that has occurred on this continent was simply out of this world. Even in the early days of the gas fields in the Province of Alberta, before action was taken there (this was many years ago now) to conserve those resources, I would imagine there was enough gas blown off and burned from the fields of Alberta to keep the cities of Saskatchewan going for 20, 30 or 40 years with natural gas. And in the United States, the waste in natural gas was on a similar scale. Other waste occurs too — the waste of what they call “reservoir energy” — that is the pressure in the reservoir that will force the gas or oil to the surface; by reckless handling of the situation they waste this very valuable reservoir pressure.

There was overproduction; and at one time in the history of the industry it was almost impossible to sell oil. The selling price on the market was down to a few cents a barrel. Now, I know that all of us would like to see cheap fuel for our cars, tractors and so forth, but I do not think we can get it by having a chaotic situation where there is too much production — and then too little later on — and in the meantime, a great many people suffer. At the same time, during that period of lack of regulation, there was a lot of loss through bad or poor storage of oil. Actually there is one best place to store the oil, and that is in the ground before it is disturbed. That does not interfere with discovery of it, with having it ready to produce; but once you bring it above ground you are subject then to a very substantial rate of loss, even in good storage — some loss.

Now, Mr. Speaker, the purpose of this Act — and I would like to read as it is set out in Section 3 of the Act:

“The purposes of this Act are:

- (a) to prevent waste;
- (b) to regulate all operations for the production of oil and gas in such manner that the greatest possible ultimate recovery thereof, by prudent and proper operations and practices may be realized;
- (c) to protect the correlative rights of each owner;
- (d) to enable each owner to obtain his just and equitable share of the allowable production of any pool.”

One of the main principles of this Bill which is before us is the principle of providing for unit operation of a gas or oil field, and I would like to deal with this question for a little while. I am going to quote from a book written by Robert E. Hardwicke, entitled “Anti-Trust Laws vs. Unit Operation of Oil and Gas Pools.” No doubt the members of the House would like to know who Mr. Hardwicke is. He chose law as a profession — and then laws relating to the petroleum industry as a specialty — and finally went the whole distance to become what might be termed a “Specialized Specialist” by taking an intensive interest in oil and gas conservation and the laws pertaining to it. Among other positions which he held, he was associated with the legal staff of Gulf Oil Corporation for 11 years, almost equally divided in time between Texas and Venezuela. In 1943 he was appointed to the legal staff of the Petroleum Administration for War as special counsel; soon became P.A.W.’s Associate Chief Counsel; and then was Chief Counsel from 1944 to 1946 — and it is from this book of Mr. Hardwicke’s that I would like to quote some passages dealing with this question of unitization.

Back in 1924, which was about the height of the rather chaotic period of oil production in the United States, Mr. Henry L. Doherty, President of the H.L. Doherty & Company, who were fiscal agents for the City Services Companies, took a very great interest in this; and I would like you to hear what he said at that time:

“Gentlemen:

“War may come again. What facts have been offered which support the argument that our oil resources will be sufficient for the needs of that war, if it should come? If we are wise, we shall be prepared for the worst; if we are foolish, we shall remain complacent. In any event it is more than foolish to continue wholesale waste of our petroleum resources by improper operations.”

And again, Mr. Speaker, Mr. Doherty, in the same year, in a paper presented to the American Institute of Mining and Metallurgical Engineers, said:

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“No matter what other checks or restrictions other people may think must be based on the production of oil, it is my belief that we must provide for the unit operations of pools; thus, this in the main is all there is to the so-called Doherty Plan — given the right to explore our pools before beginning production on a frenzied scale; the dawn of a new era will be borne in which the riddles and puzzles of present-day problems can be solved. We can know all we need to know about our pools, to enable us to secure maximum production at minimum cost.”

In another passage he says:

“If the unit plan is adopted, we can recover at least double as much oil as we do now.”

That may be an over-statement, but it is an indication of the thinking of people who gave a great deal of study to this question in the past.

Mr. Speaker, I am now quoting from the book itself (Mr. Hardwicke):

“Probably a large number of oil men would have agreed with the following statements made in a report of the Federal Oil Conservation Board: (Here they are)

‘Of the various co-operative methods that have been discussed and tried out, the unit operation plan seems by common consent to have commended itself more than any other; the natural unit in oil deposits is the single pool, large or small; the unit operation is in essence nothing more or less than accepting nature’s degree, and seeking to work in harmony with it.’”

And again he states:

“By this plan only can each and every owner secure full, economic benefits. By this plan only can the public be assured of the largest possible supply of oil and gas from a particular field.”

Other organizations, Mr. Speaker, also approved of the programme of unitization. In December, 1929, the American Petroleum Institute passed a resolution:

“Now therefore be it resolved by the Board of Directors of the American Petroleum Institute, that it endorses the policy of unitization of oil pools and recommends it to the industry throughout the United States, wherever practicable.”

Mr. Speaker, there are just a couple of more quotations which I think I would like to give to you. Here is one — this is written in a report by Robert R. Penn, Chairman of Division of Production of the American Petroleum Institute, 1931. He says:

“We have been seared and scorched, and bear terrible scars. Our industry will not willingly undergo such tortures as we have had in 1931. We have the intelligence — we have the leadership — to take the necessary steps to prevent a recurrence of a catechism such as we have had this year. The only question is whether we have the united will.

“More and more we are becoming conscious that the unit or pool development is the only permanent cure for many of our present producing ills.”

Mr. Speaker, the first report of the Engineering Committee of the Interstate Oil Compact Commission, April 14, 1941, Paragraph 25 of that report reads as follows: (You see, Mr. Speaker, people began talking about unit operations of oil fields and oil pools in 1924 — and before that time — but it is only during the last few years that it has been generally recognized and accepted by the industry and by governments as a proper method to proceed; and that is why so many of these quotations are spread over this period, from 1924 up until 1941). This paragraph 25 reads as follows:

“Your committee recognizes that an oil pool as a fluid system, is an independent mechanical unit and believes that such individual pool can best be operated from the viewpoint of conservation as a unit.”

Mr. Speaker, I could from this, or from other books, quote a good many more references, but I think you probably have enough evidence there that it is generally accepted that the principle of unit operations is the right principle to follow. There is another quotation here which the House will be interested in. The first quotation I read from the book “Oil and Gas Production” mentioned the cycling of gas — that is, putting back into an oil pool the gas that comes out with the oil, rather than letting it go to waste, so as to maintain the reservoir pressure. Sometimes they inject air — sometimes they inject water — into a pool to maintain that pressure; and this, I think, is a very interesting quotation:

“The injection of air — and in many instances the injection of water — to stimulate production, or to increase ultimate recovery, present difficulties similar to those just outlined with respect to injection of gas; and from a practical standpoint the injection programme cannot be carried on in most instances unless a pool, or a large part thereof, is operated as a unit.”

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That is easily understandable. In a unitization programme it is necessary for the operating authority to make a decision as to what wells may be used for the injection of air or gas or water, but as long as it is operated on a separate, private individual basis that cannot be done, because that would simply cut that one producer out of his oil or gas altogether. Unit operation is the only answer to getting the ultimate production from the field.

Now, I would like to mention another item which is very interesting, and that is the question of what we call "pooling." Before I get into that, I had better explain the difference between unit operation and pooling, as the terms are used in the oil industry. Unit operation is generally taken to mean the co-operative operation of a whole pool, or a large part of it, or sometimes of two pools, or probably even three, because if two pools which may be entirely separate underground are located close enough together, so that they can use the same gas recovery plant, so that they can use the same plant for taking their natural gasoline out of wet gas, with a view to putting that dry gas back under ground again, it will save a lot of expense; so unit operation is either for a large part of a pool, or a whole pool, or for two or more pools. "Pooling" is something like unit operations, but it does not embrace a whole pool. Pooling refers to a co-operative operation, which is carried on by different owners of one drainage unit, and a drainage unit is that unit, which can be efficiently drained from one well.

Suppose that drainage unit is set up as 20 acres, and one man has five acres over in this corner, another man has an acre over here, and another chap owns the remaining fourteen acres. Now, in the old days, everybody put down as many wells as they could, and the fellow with only one acre would probably put down a well, and the fellow with five acres would put down a couple, and the other fellow would put down three or four wells on his 14 acres. But, if there is going to be any fairness and order in it at all, we must allocate to each of those areas the production to which it is entitled. It is no longer recognized in this country, nor in the United States, that the law of capture of oil is the right way to proceed. When that whole area can be drained by one well, then the logical thing to do is to place one well in the proper position in that area, and have all the owners pay the cost of putting that well in, and all of the owners benefit from it. And in addition to providing for unit operations, this Bill also provides for pooling operations, which are usually self-contained within one drainage unit, whether it is 10 acres, 20 acres, 30 acres, or 40 acres — as the case may be.

The Bill also provides that reasonable market demand shall be determined, and reasonable market demand is defined in the Bill. We can discuss that in Committee, but the reason for it being necessary to define reasonable market demand is because the only proper place to store oil and gas, over and above what is needed for the immediate market — and what is needed for all reasonable reserves, at refineries and in tanks — where the rest of it should be stored, Mr. Speaker, is in the ground where it was found. So it becomes necessary, and it has been the practice in many jurisdictions in the United States, also in Alberta, to determine reasonable market demand.

I would like to quote again from Mr. Hardwicke on this question of reasonable market demand. I will try and not quote too many of these, but I think it is important to give a good picture of the situation. This is a little paper written by Mr. Hardwicke, and he says:

“The New Mexico Act of 1935 contained the first statutory definition of ‘reasonable market demand’. (And incidentally, Mr. Speaker, there has been very little change in that definition. Our definition in the Bill is almost quoted word for word, with that first definition).

He goes on to say:

“The Conservation Statutes of Alabama, Florida, Louisiana, Michigan, New Mexico, and North Carolina, as well as those of Oklahoma, Kansas and Texas, define as ‘waste’ the production of oil or gas in excess of the reasonable market demand; or expressly authorize restriction of production so that it will not exceed such demand.”

He again goes on to say:

“The meaning of market demand is now well established, and has been well established for many years in conformity with ideas expressed in the definitions quoted from the New Mexico Act of 1935.”

Now, Mr. Speaker, there is one more quotation I would like to give you on this question of reasonable market demand, because I realize that the establishing of a reasonable market demand may raise doubts in the minds of people in this Province. So I would like to read this paragraph:

“It would appear that limitations (that is, limitation to production) of reasonable market demand, and other Conservation measures in Louisiana and Texas have not retarded development. It is logical to conclude that development has been stimulated in those states for operators who know that the conservation programme goes far in preventing waste, and in giving each operator a fair opportunity to produce his share in the oil and gas in each pool, as well as an opportunity to market his production.”

Now, Mr. Speaker, the Bill will speak for itself to all those who have read it. It provides for the administration of the Act by a chief Oil and Gas Conservation Office; it provides for the setting up of an Oil and Gas Conservation Board; this Board will not be an administrative Board, nor an executive board, but it will be semi-judicial.

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It provides for licenses for drilling, regulations and order, powers of the Minister, and powers of the Lieut. Governor-in-Council. The division between powers of the Minister and powers of the Lieut. Governor-in-Council are made on the basis of practical need. It is provided that the Board will hold public hearings and that any interested party may apply for a hearing of the Board. It is provided that there is an appeal to the Board from an order of the Minister which has been passed without a hearing of the Board. Of course, there has to be in this a part dealing with prohibitions and penalties too.

I would like to give the House a little indication of how this Bill was produced — and first of all, may I say there was nearly two years' study put on this Bill. Many, many statutes were examined. There was consultation almost without end, with industry and with experienced people in this line of work. Operations in the United States were studied — unit operations, and pooling operations. We received advice of the Interstate Oil Compact Commission in Oklahoma, Texas, and we received the greatest co-operation from the people engaged in oil exploration and producing here in the Province of Saskatchewan. If it were not for leaving out some of the people who should get credit, I would like to name a good many of them; but everyone of them has been very co-operative in helping to devise this Act.

I want to particularly give credit to the industry, because they brought Mr. Hardwicke here to Regina on two occasions, and he spent several days each time. His great experience in this kind of law was invaluable to us.

Now, Mr. Speaker, I would refer the members to "Oil in Canada", for February 18th, as to comments on this Bill. I must read to you one extract from a letter from Mr. Earl Foster, who is the Executive Secretary of the Interstate Oil Compact Commission. He says:

"I want to again repeat that I think on the whole it is a very constructive oil and gas conservation statute, and in my opinion, even if adopted in its present form, would be one of the best, if not the best, conservation statute ever originally adopted by any state in the United States."

That coming from the Secretary of that Interstate Oil Compact Commission, I think, is worthy of note.

We had the advantage of all the experience, all the laws and advice of a great many people; the advantage of all the mistakes that had been made; and so it is with a great deal of pride, Mr. Speaker, that I move the second reading of this Bill.

Mr. Loptson (Saltcoats): — Mr. Speaker, might I ask the hon. Minister a question before this is passed? I presume this Bill has been drafted somewhat along the line of the Alberta Oil Conservation Bill?

Hon. Mr. Brockelbank: — It is quite a bit different . . .

Mr. Loptson: — Is it quite a bit different? I had intended to ask — but we can probably take this up in Committee.

The question being put, it was agreed to.

SECOND READING

FAIR REMUNERATION TO FEMALE EMPLOYEES

Bill No. 98 — An Act to ensure Fair Remuneration to Female Employees

Hon. Mr. C.C. Williams (Minister of Labour): — For some time, Mr. Speaker, women's organizations in Saskatchewan have indicated a need for — and have requested — equal pay for equal work legislation as between male and female employees. This year the Government has decided to proceed, and has drafted this Bill attempting to simplify as much as possible and avoid unnecessary complications.

The principle of equal pay for equal work for women is by no means new. It has come increasingly to attention not only in trade unions, and women's organizations, but of governments at the local, national and international levels. Trade unions have worked for equal pay clauses as a means of maintaining wage levels generally. Women's groups have worked for it in the interests of simple justice. Governments have recognized it additionally as being in the community interest.

On the international scene, equal pay has been a subject of discussion and action for well over 30 years, Mr. Speaker. The Treaty of Versailles, and the Constitution of the I.L.O. both contain specific references to equal pay. The principle was recognized in conventions, adopted by the I.L.O. in the years of 1928, 1944, and 1947. The preamble to the Charter of the U.N.O. reaffirms faith in the equal rights of men and women. The Universal Declaration of Human Rights, 1948, stipulates that everyone — without discrimination — has the right to equal pay for equal work. Finally, at its 34th Session in Geneva, a year ago (1951) the International Labour Conference adopted a convention and a recommendation on the subject of equal remuneration to men and women workers for work of equal value. I attended the I.L.O. conference, you may recall, Mr. Speaker, the year previous to that (1950) and preliminary talks were going on at that time on this very subject.

The equal pay convention calls upon member states of the I.L.O. to promote the application of the principle of equal pay. The convention further recognizes the need for the objective appraisal of jobs as a basis for determining equal remuneration. While international action has been taken only 32 years after the inception of the I.L.O.,

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many nations of the world have already adopted this legislation. Some of them are Albania, Mexico, Brazil, Bulgaria, Burma, France, Italy, and a number of others — I will not name them all. In a few of these countries the legislation dates back to World War I, but mostly the legislation goes back to only the end of World War 2, seven or eight years ago.

On this continent, equal pay legislation is in force in 14 states of the U.S.A. Up to the present time only one Canadian province has put it into effect — that is Ontario. It was passed in the 1951 Session; was proclaimed, and has been in effect since the 1st of January this year. I recently had a letter from the Minister of Labour of that province and he states it is functioning very well, and they have had no complaints up until now.

There are a variety of definitions of equal work and are used in these various laws. Some statutes prevent discrimination in wage rates based on sex; others prescribe equality of remuneration where the work performed is the same — Ontario has that, by the way — and where the work is of the same quality and same quantity — the State of California; where the work is of comparable character, Pennsylvania and Massachusetts and Alaska. We propose in this Province, Mr. Speaker, that the definition of equal work is to be of comparable character. This is the definition suggested by the United States Women's Bureau, which has done considerable work in that field. In effect, it provides wider coverage than the definition "same work" and I might say that we did get a great deal of literature, which was of considerable help, from the Bureau in Washington when we drafted this Act a few weeks ago.

It might be asked what effect legislation of this kind would have, and in order to answer this it is necessary to look at the number of women in the labour force and rates of pay, as compared to men's; and the extent to which equal pay is already being used in practise. In Saskatchewan, women constitute roughly one-fifth of the gainfully occupied non-farmer labour forces. That is interesting, Mr. Speaker; I had not known just the exact numbers before, but we find it is one-fifth, and that is larger than most of us thought. Not all of these, however, would be working in jobs which are interchangeable with men — that is quite obvious.

In addition, a number of people are already covered by collective agreements which contain equal pay clauses. It is estimated that a quarter of all agreements have some kind of equal pay clauses that I just referred to. In this Province, practically all agreements between the Government and its employees, both civil servants and those in Crown companies have the equal pay clauses.

Now, despite the activities of Trade Unions and women's organizations, there still exists some considerable discrimination in the remuneration of women as compared to men. A survey of earnings in manufacturing in 1950 showed that the average weekly earnings of men was \$50.93 as compared to \$29 for women. These figures are on an average all across Canada, of course. In this Province, the average weekly earnings of men was \$45.58 as compared to \$29.17 for women — quite a difference there.

It will be noted that the discrepancy is smaller insofar as this Province is concerned. Not all of the differences, of course, is due to paying lower rates to women for comparable work. There is a range of occupations which are usually regarded as being women's jobs and these have been traditionally low paid jobs, such as domestics and waitresses.

The Saskatchewan Bill does not aim at eliminating differentials based on different kinds of work. That can only be a part of a long programme. However, the Bill is aimed at removing discrimination where work is comparable. This will have the effect of reducing the difference between men's and women's earning on the average; will tend to raise the level of women's wages generally; and will bring indirect benefits to those performing traditionally women's jobs.

What has been management's reaction to this experience with equal pay, Mr. Speaker? A case studied — done by the Women's Bureau of the United States Department of Labour, and covering retail stores, banks and manufacturing — reveals that management generally is favourably disposed towards it. Some of the comments of management were that equal pay reduces friction over rates; it improves employees' morale; that women's attitude towards their work improved and their efficiency increased; that equal pay protected men's rates from undercutting by women; and finally that an equal pay system was easier to administer than a dual rate structure, based on sex. I think that is quite obvious, too, Mr. Speaker.

Management also agreed that it was simple justice to pay the rate for the job, rather than rates based on the sex of the person performing the job. The Saskatchewan Bill represents another step as part of a long wage programme. The Government has recognized the equal pay principle in dealing with its own employees. I mentioned that just a few moments ago. It has further recognized the principle in the establishment of one minimum wage for both sexes, which has been mentioned in this House from time to time, Mr. Speaker. We have the rate of \$24 a week for both sexes in the eight cities, and nine larger towns, and \$21.50 per week for employees of towns with a population of 300 and over.

We now wish to go one step further and bring the benefit of equal pay to those women in industry and business who are performing work comparable to fellow male employees. Further progress can be — and will be — achieved in due course.

We all realize, Mr. Speaker, that in bringing in this Act we are breaking new ground, and there are bound to be administrative difficulties. However, the mere fact that it will be on the statutes will have a beneficial effect, and incidents of discrimination — if and where they may exist — will gradually disappear.

I wish to indicate that we have no intention of singling out any particular industry or business by passing this Act, and just in closing, Mr. Speaker, I wish to read the main operating clause, Section 3:

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“No employer and no person acting on his behalf, shall discriminate between his male and female employees by paying a female employee at a rate of pay less than the rate of pay paid to a male employee, employed by him for work of comparable character, done in the same establishment.”

So, with that explanation, Mr. Speaker, I wish to move second reading to Bill 98, an Act to ensure fair remuneration to female employees.

The question being put, it was agreed to.

SECOND READING

SECURITY OF TENURE IN TEACHING PROFESSION

Bill No. 94 — An Act to provide for Security of Tenure in the Teaching Profession

Hon. Mr. W.S. Lloyd (Minister of Education): — Mr. Speaker, this is an Act to provide for security of tenure in the teaching profession.

Just to give a bit of background to the Act I may say that some three years ago a committee, consisting of representatives of the Trustees Association and of the Teachers Federation, was set up to study the tenure situation of the teachers in the Province and legislation with regard to tenure existing in other provinces. About one year ago, this Committee arrived at agreement on a number of fundamental points; the points of agreement were then submitted to conventions of both organizations; have been agreed to by both organizations; and it is on the basis of that agreement that this Legislation is presented to the Legislature this year.

Just briefly, the legislation provides some added protection, I think I might say, for teachers who have reached a certain stage. The teachers who will have recourse to assistance under the Act are those who have a permanent certificate. In other words, they must have had at least a complete grade 12, at least one year of professional training — they will likely have had at least two years of experience — and must have had at least three University classes in addition to their one year at normal school. Added to that is this qualification that they must have been employed by a certain School Board for at least two years. The Act applies in the case of dismissal, 30 days prior to the end of any given year. The members of the Legislature will know that, at the moment, a teacher may be dismissed by giving 30 days notice prior to the end of June, without any reason and without having any recourse if that happens. This provides that the Board, in giving dismissal, must state reasons. The Board is also required — that is the School Board — to make it possible for the teacher to discuss the matter with the Board within a certain given time.

Mr. J.E. McCormack (Souris-Estevan): — To whom are the reasons given? To the individual involved? I mean, it is not a public matter, is it?

Hon. Mr. Lloyd: — No, they are given in written form to the individual teacher. If, at this meeting which is provided for in the Act, the Board and the teacher are not able to come to an agreement, either one way or the other, then the teacher may appeal to the Minister of Education for a conciliation Board.

The conciliation Board will be a three member Board, and provision is made that we may have more than one Board if it is needed. The trustees and the teachers will each suggest one appointee, and these two appointees, in turn, will choose a Chairman. In the event of them being unable to agree on a chairman, then the Attorney-General will be asked to name a chairman for them.

The findings are binding on both parties, only if both parties agree in advance that the findings be binding.

I may say, Mr. Speaker, that the Bill does not come into effect until July 1st. In other words, it will have no effect on the situation as at the end of June of this year.

I would just like to add this — that it is a matter of gratification to the Department and to myself that the teachers and the trustees have been able to work together and finally come to agreement on legislation of this kind; and I think I can say that, in the opinion of both of the organizations, and in the opinion of the Department, this is an Act, which, by making it possible for some conciliation in cases such as I have mentioned, which will help to give, not just security to teachers as individuals, but will also give us a better teaching profession.

I move Second Reading of the Bill.

Mr. McCormack: — What effect will this have on agreements that teachers' associations have with units, and people like that? Will there be any amendments that will cover those things, or will it be written into their agreements?

Hon. Mr. Lloyd: — Answering that question, Mr. Speaker, the agreements which they have with the Units — I presume you are thinking of the collective agreement they have with regard to wages and salary. That Agreement, at the moment, just covers wages and salaries, and does not cover actual contract of employment. That is an individual contract as between the teacher and the Board. Now we have another Committee which will be working during the year, looking possibly towards some modification of our present contract, but at the moment that is the situation — the condition of employment, if you like. The contract of employment is as between the individual and the Board.

The question being put, it was agreed to.

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SECOND READING

RE TAXATION AGREEMENT

Bill No. 90 — An Act to authorize the Government of Saskatchewan to enter into a Taxation Agreement with the Government of Canada.

Hon. Mr. C.M. Fines (Provincial Treasurer): — I had hoped, at the beginning of the Session, that I would be able to introduce this Bill in a different way. I had hoped that the Agreement would have been signed, and we would have had this Legislature ratify the Bill. However, due to circumstances completely beyond our control, we have been unable to get the Agreement completed as yet. The officials at Ottawa are very busy, of course, with a great many other matters these days, and consequently this Agreement is not quite ready for signing, so what we are asking you to do here is to give us the authority to sign the agreement.

May I say that most of the conditions here are conditions that were in the previous Agreement.

Now, the new Agreement, when completed, will give to the Province somewhat better terms than the last Agreement, or at least it will certainly give us more in terms of dollars — in terms of purchasing power — I am not sure that it is really a great deal better. I have mentioned, in my budget address, the various conferences that we have had, leading up to this Agreement, so I am not going to go into that at this time.

The principal change that will be made in the new Agreement is that the Federal Government is now prepared to allow the Province to use the gross national production and population for the one year immediately prior to the taxation year, rather than the three years as was the condition before. We have our option, when we may either take a two-year average of the gross national production population, or we may take the one-year. We have decided that we will take the one year, because we believe that it will give us, in the five-year term, a considerable amount more.

Now there is one other factor I would like to mention, and that is in connection with the 1942 population. Under the old Agreement, we used the figures which were determined on a straight line basis from 1941 to 1946, and then we assumed that the population changed the same amount each year. This time we were able to persuade them, through a conference we had last November, that we should be treated in the same way as all the other provinces of Canada, rather than the three prairie provinces, and that we should use the estimate made by the Dominion Bureau of Statistics. Now that has made, Mr. Chairman, a very great difference. If we use the straight line method our population would only be 832,000, but if we took the population as estimated by the Dominion Bureau of Statistics, it is 848,000. That, at first sight, may not appear to be very important. I discussed the matter with the Province of Manitoba, and discussed the matter with the Premier of Alberta; and I am glad, Mr. Speaker, to say that,

even though they were not prepared to join with us in this request, the Dominion did give it to us, and has offered them the same thing. Alberta will benefit to the extent of about \$700,000 a year, and Manitoba to the extent of about \$175,000. We will benefit to the extent of about \$1 million a year for the next five years.

Now, Mr. Speaker, we sometimes criticize Planning Boards and Budget Bureaus and things like that — but here is a very good illustration of just what such a body can do. This idea was something which was brought to me by the Planning Board. We had, at the conference in Ottawa, two years ago, a couple of representatives of the Planning Board, and following that conference they came up with this idea, and we followed it through. The result is we are getting \$1 million a year more for the next five years — in other words, there is \$5 million, Mr. Speaker, that we will get as a result of this one suggestion. The Planning Board costs us about \$50,000 a year, so there is their salary for the next hundred years, just in what we saved on this one item alone.

Mr. McCormack: — You never thought of it yourself?

Hon. Mr. Fines: — Never thought of it, nor would my hon. friend have thought of it, nor did any other province think of it, Mr. Speaker; and even after I took it to the other provinces, Manitoba did not think it was worth going after. However, I want to say that I do appreciate the assistance that I have had from the members of the Planning Board in all our negotiations. Their work has certainly assisted us very greatly.

Now Mr. Speaker, the details of the Agreement, as I say, have not been worked out. According to the latest figures — and may I say, that even since I spoke in this House on the budget, there have been revisions made. We received a letter from the Dominion statistician which again upsets the calculations of the guaranteed minimum. When I presented the Budget, in February — the 26th — we were very confident that we could rely upon a figure of \$20 million on the basis of the official Saskatchewan population count, in 1951. However, the certificate of the Dominion statistician changes the population for the entire Dominion, consequently reducing the gross national production per capita, and lowering the escalator ratio, so that now the new figure for the guaranteed minimum is not \$20,773,000 as we thought, but \$19,957,000, or approximately \$800,000 less.

But the most recent estimates for our G.M.P. at factor cost establishes the payment for 1952-53 somewhat higher than we had estimated, so that, this year, we shall receive approximately \$25 million rather than \$24 million which I estimated earlier.

Now Mr. Speaker, I do not know that there is anything else. When we get into Committee I shall be very glad to discuss with my hon. friends the formula. I am sure that the mathematical minds over there will certainly be able to produce many questions that will be of great interest and will bring out the pertinent data.

I therefore move the Second Reading.

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Mr. Loptson (Saltcoats): — I would like to make the observation that it is a most unusual thing for a Provincial Treasurer to make such an admission as he did in saying that he never could figure out anything, and he had to depend on Planning Boards to bring in new ideas. I am just wondering what good he is in that seat. I think we had better replace him with one of the members of the Planning Board.

Hon. Mr. Fines: — Mr. Speaker, perhaps the hon. member will explain the difference in the two formulae to us this afternoon. Perhaps if he explains it we will understand the difference.

The question being put, it was agreed to.

The Assembly adjourned at 6:00 o'clock p.m.