LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session — Sixteenth Legislature
26th Day

Monday, March 23, 1970.

The Assembly met at 2:30 o'clock p.m.
On the Orders of the Day.

WELCOME TO STUDENTS

Mr. Speaker: — I wish to introduce to all Members of the Legislative Assembly the following groups of students situated in the galleries: 37 students from St. Dominic school in the constituency of Saskatoon-Riversdale represented by Mr. Romanow, under the direction of their teacher, Mr. Olauson; 37 students from St. Michael school in the constituency of Saskatoon Mayfair represented by Mr. Brockelbank, under the direction of their teacher, Mr. Paneuf; 47 students from Arcola school in the constituency of Regina South East represented by Mr. Baker, under the direction of their school teacher, Mr. Lindeburgh; 35 students from the Saltcoats school in the constituency of Saltcoats, under the direction of their school teacher, Mr. Farquharson; 20 students from the Lemberg consolidated school in the constituency of Melville represented by Mr. Kowalchuk, under the direction of their teacher, Mr. B. Clarke; 44 students from St. Andrew school in the constituency of Regina South East represented by Mr. Baker, under the direction of their teacher, Mr. P. Holter; and 52 students from St. Michael school again the in constituency of Regina North East represented by Mr. Smishek, under the direction of their principal, Mr. Holash, and Mr. Hornung, the vice-principal. I am sure all Members of the Legislative Assembly would wish me to extend to these students an extremely warm welcome and to express the very sincere wish that they will enjoy themselves here, that they will find their stay educational and that it will lead to the understanding of our democratic processes in order that they may play their parts proudly in the life of a free self-governing nation.

Hon. Members: — Hear, hear!

WELCOME TO VISITORS

Mr. J.J. Charlebois (Saskatoon City Park-University): — Before the Orders of the Day, Mr. Speaker, I would like to draw to the attention of the Members of the Assembly that we have some distinguished visitors in the Speaker's gallery today. These are members of the executive of the Students' Representative Council from the University of Saskatchewan, Saskatoon Campus. They are Mr. Rob Garden, the present president. We have with him the incoming president, Mr. Dave Erickson; the incoming external vice-president, Mr. Mike Hertz; and Mr. Cleeve Briere, the incoming internal vice-president. I would ask these gentlemen to stand be recognized. On behalf of all the Members here we would, I am sure, like to wish these gentlemen every success in their year that lies ahead.

Hon. Members: — Hear, hear!

QUESTIONS

INTRODUCTION OF THE $500 BUILDERS' GRANT

Mr. J.E. Brockelbank (Saskatoon Mayfair): — Mr. Speaker, before the Orders of the Day I would like to direct a question to the Government. Figures were released by Central Mortgage and Housing Corporation, I believe, on the weekend or Friday last, the figures show that for the months of January and February, 1969, there were 190 housing starts in the city of Regina; for the year 1970 there were 18 starts; for the city of Saskatoon — January and February, 1969 — there were 238 starts; at this point there were 8 starts for the months of January and February, 1970, city of Saskatoon. In view of the rapid, continuing decline in the housing construction starts, is the Government now prepared to disclose how soon the proposed $500 builders' grant will be introduced?

Hon. C.L.B. Estey (Minister of Municipal Affairs): — Mr. Speaker, I am not at this time prepared to give the date on which it will be introduced, but it will be introduced this Session.

FEDERAL REGIONAL DEVELOPMENT INCENTIVES PLAN RE NORTHEASTERN AND CENTRAL SASKATCHEWAN

Mr. A. Matsalla (Canora): — Mr. Speaker, before the Orders of the Day I would like to address a question to the Premier (Mr. Thatcher). Has the Premier made written representation respecting the inclusion of the northeastern and central part of the province under the Federal Regional Development Incentives Plan?

Hon. W.R. Thatcher (Premier): — The Hon. Member for Yorkton has made certain suggestions in the House of Commons that this Government has been negligent in making such representations. Let me tell the House and the Province that we have repeatedly, by letter, by telephone, and by personal representations, both in Regina and in Ottawa, asked that the rest of the Province be designated. During the recent Provincial-Federal Conference we made the same request again. As a compromise — the Hon. Member knows — Ottawa has agreed to designate Regina and Saskatoon. I wrote the Prime Minister again only on Friday and said in effect, "We were grateful that he had done this but we would still like the rest of the area included."

Mr. Matsalla: — A supplementary question: would the Premier be prepared to table the correspondence?

Mr. Thatcher: — No.

CONDEMNATION OF THE CANADIAN STUDENT MOVEMENT

Hon. L.P. Coderre (Minister of Labour): — Mr. Speaker, before the Orders of the Day are proceeded with I would like this House to join with me in condemning the actions of the most malice, communist element who interrupted an orderly meeting last Saturday. These people so often representing freedoms and rights had no respect for the speaker's presence. 15

or 20 red flag-waving people at the Saturday demonstration were members of an organization called The Canadian Student Movement. This organization is a Peking-orientated communist movement. It operates branch organizations in most larger cities in Canada, and I've learned from reading in their pamphlet that they hate the Russians almost as much as the Americans. The group that appeared at the demonstration were mainly from Edmonton. One of the labour people there at the demonstration told me this and I believe he is right, since I am sure that there aren't 15 members in the Regina organization, so most of them had to come from outside the city. They were extremely well organized and they disrupted, not only Mr. Gilbey, the president of the Federation of Labour, but Mr. Blakeney, myself and all other speakers, as well as shouts of smash-class collaboration.

Some Hon. Members: — Hear, hear!

Mr. Coderre: — It is time, Mr. Speaker, that the people of this country join hands to overcome this type of activity in attempts to destroy any type of democratic action group. I'm not in agreement, Mr. Speaker, kith the aims and the objects of those who ask for the repeal of Bill 2, but I abhor subversivists, activists in our society, heedless of what kind it is, Sir.

Mr. W.S. Lloyd (Leader of the Opposition): — Mr. Speaker, before the Orders of the Day, it wasn't possible for me to be at the meeting on Saturday but I have had some reports through the news media and from some of my colleagues who were present. I want to express the regret of all of us on this side of the House that there was the activity which tended to disrupt and to prevent the presentation of information and ideas which was to be expected and which would have been good. I agree that, wherever this sort of activity rears its head, it does not advance the interests of those who were presenting a request at that particular time. I'm sure that members responsible — leaders of the trade union groups who were there as well as those of my colleagues agree that it was unfortunate and that this sort of thing we do not want at all.

Some Hon. Members: — Hear, hear!

INTRODUCTION OF LADIES FROM GLAMIS HOMEMAKERS' CLUB

Mr. G.G. Leith (Elrose): — Mr. Speaker, before the Orders of the Day I would like to introduce a small group of ladies from my constituency who are sitting in the Speaker's gallery. They represent the Glamis Homemakers' Club. They have made this quite long journey to visit us this afternoon and I hope that they will have a pleasant and instructional afternoon.

Hon. Members: — Hear, hear!

CONDOLENCES

Mr. W.S. Lloyd (Leader of the Opposition): — Mr. Speaker, before the Orders of the Day may I inform the Legislature that over the weekend the father of the Hon. Member from Weyburn (Mr. Pepper) passed away. He went to hospital very early on Friday morning — that was the reason why the Hon. Member

for Weyburn wasn't present on Friday. Mr. Pepper, senior, was 85 years of age; he is one of the older and highly respected Pioneers in that neighbourhood; and while he was of this advanced age, I know that the relationship between him and his son, who is a greatly respected Member of this House, was a very close and a very warm one. I'm sure all Members would want to join me in expressing our regret to the Hon. Member for Weyburn and his family at this unfortunate loss to them all.

THIRD READING

Hon. W.R. Thatcher (Premier): — Moved third reading of Bill No. 34 — An Act to amend The Saskatchewan Centre of the Arts Act, 1969.

Mr. H.H.P. Baker (Regina South East): — The amusement tax is calculated on the basis of six per cent up to and including $1.00 and 10 per cent over $1.00. The Arts Centre as you know has a seating capacity of 2,000 in the main auditorium and another 700, I believe, in the smaller portion. If we were to take the calculations using 1,500 seats calculated on the basis of 150 days where there could be programs out of 365 days a year, the tax could amount to $101,000; if you take it on the basis of 175 days, $135,000; 250 days, $168,000 and if we had something on every day for 365 days, it could mean $246,000 a year. Now, I don't know how this will work out, but I have every reason to believe that these figures are very conservative. If you took the 250 days at 1,500 seats — that is just a little over half — you could have $168,000 that the city of Regina is forfeiting for amusement tax. On top of that, of course, if we were to receive grants in lieu of taxes on the property it could amount to another $122,000. I noticed in the newspaper the other day — I wasn't here when that estimate came up — that one or two of the Members said something about a little steel the city put up there and so forth. I want to reiterate again and advise the Chamber of what we really did put in. As you know we put in a total of close to $4 million into that auditorium. Now you are asking us to forfeit the amusement tax and grants in lieu of taxes. The $4 million is easily calculated. You take the $2-1/2 million that was given to us by Ottawa, the $1 million that we voted and of course we had other funds in our kitty at city hall and the interest on that money could have easily reached the $4 million mark. So we have $4 million in that auditorium and the Government I guess has something around $2-1/2 or $3 million. Now I noticed in the so-called operating deficit you have put in $171,000. If we were to calculate performances on the basis of 250 days that would make $168,000 we are paying for operation and maintenance. Of course as time went on this would continue to grow. So if we are to make this contribution forfeiting the property tax making another $122,000 or a total of $300,000, if you were to take that over a 10-year period the Government would have its money back that it put in the auditorium. The city of Regina wouldn't have anything. We wouldn't even have our name on the title. In essence we are now paying for operation and maintenance to the tune of $168,000. If we are to give this sort of a grant taking in the whole tax structure of $300,000 a year then at least we should be joint owners of the property. As I said before we have more money in the auditorium than the Government has and yet we have nothing to show for it. We have more money in our auditorium here than the city of Saskatoon has in theirs. I know you put another

$50,000 grant in the Estimates and I don't quarrel with that. I would like to reiterate, as I have said before in numerous talks in this House, that, if we were back in power, I would request that the whole auditorium be put back in the name of the citizens of Regina and the contributions we are now making through amusement tax and other taxes are not only paying for the operation but we could be giving you a profit of $120,000 a year, and we've got nothing to show for it. So I am requesting that this Legislature would at least put our name as joint owners of the property. This to me is the stand I take today, and I would be very derelict in my duty if I didn't advise the Chamber of what is really happening, not only that our amusement tax structure in Regina is being disturbed to the point where those that now pay it who are in competition here are going to be demanding the removal of the amusement tax in the city of Regina. This could mean three-quarters of a mill or better than $200,000 over a year. I am not here to try and belittle anyone, I'm trying to point out just what Regina is doing, in all honesty, and in all fairness and I think that in this Bill we should be given full partnership because we are contributing a good amount of money toward it. We wanted it to be ready in 1967 and, had we followed out the original policy, it would have been ready by July 1, 1967, at a cost of $3 million less. So, Mr. Deputy Speaker, I appeal to this Chamber that we reassess the situation and ask that we become at least joint owners in view of the contribution that we are making which could run $300,000 a year in a short time, and could be much more than that over the next five or ten year period. In essence we are contributing toward the operation, and we are also paying back to the Government its initial capital cost. I think I have a right as a Member of this Chamber to bring out the facts on this case. I would hope that we would be joint owners and the Act be changed as such during this Session.

Mr. A.E. Blakeney (Regina Centre): — Mr. Speaker, I was just going to say a word; I was simply going to reinforce the comments which I had made on second reading that with respect to the property tax, I really raise no question; with respect to the amusement tax I do question whether or not this is an appropriate arrangement over any extended period of time. I think much will depend on the nature of the programs offered but it seems to me that in order to make the auditorium pay or come as close to breaking even as possible, we are going to have to put all manner of shows and amusements on there, as I think we should, and I think that many of them will be the sort of thing which was now on at the exhibition auditorium or now on at the Capitol Theatre or now on at the Trianon. Under those circumstances I question a continuing exemption from amusement tax for all of those activities. I think it is unfair to the city of Regina and it is unfair to those people who operate halls or places where amusements are staged and who pay all of the requisite taxes including the amusement tax. Accordingly, I am asking the Government to take this matter under advisement with a view to revising this aspect of the Bill, when the economics of the Centre are a little more clear and when we can say that the Centre is breaking even or operating at a very modest loss.

Hon. W.R. Thatcher (Premier): — Mr. Speaker, I was not going to go into past history again this year. However, I am afraid that after the remarks of the Hon. Member for Regina South East (Mr. Baker), I have no choice. Why is this Bill in front of us today? It is here because the

Hon. Mayor of Regina made such an economic mess of the auditorium that we had to take it over. I do ask you again this afternoon, Mr. Speaker, to compare this Regina fiasco with what happened in Saskatoon, where a sensible mayor and council took over a proposition and made it go. This Regina auditorium sat for almost two years because the mayor and his council couldn't proceed. We were the butt of jokes from one coast to the other because of the mayor's so-called "monkey bars". Now it is no wonder that Regina is in such financial difficulties if the mayor's arithmetic at council is like the arithmetic which he gave this House this afternoon. "Why," he said, "we've got more money in the auditorium — the city of Regina — than has the whole province." Such nonsense, such ridiculous nonsense. But it is typical of the ideas expounded by the Hon. Member. The hard facts of like are that the auditorium cost the taxpayers in Saskatchewan in total about $7.8 million. We did forecast that costs would be about $7.2, but in view of the way that costs have mounted, I think that the final figure is not unreasonable. I want to tell this House that the Public Works Department told me that s would pay roughly $5.70 million of that sum. The Federal Government - $1-1/4 million approximately. The city of Regina - $.9 million. Now those are the hard facts. Mr. Speaker, when this Bill came in there were a lot of rural Members on both sides of this House who had many hesitations about taking Henry's chestnuts out of the fire. But because we don't act on a political basis, we rescued them.

Some Hon. Members: — Hear, hear!

Mr. Thatcher: — But for the love of goodness, Mr. Speaker, one and for all let the Hon. Member hide under a desk or something when the auditorium is discussed. We have rescued him. We have given the Province of Saskatchewan a fine auditorium. It is going to open on May 4. The Governor General will be here. All MLAs will be invited and I hope most of them will be present. I think the edifice will be a major asset for Saskatchewan and Regina. I hope it is the last time I shall have to get annoyed about Henry claiming credit for the building.

Some Hon. Members: — Hear, hear!

Motion agreed to and Bill read a third time.

SECOND READINGS

Hon. W.R. Thatcher (Premier): — Moved second reading of Bill No. 45 — An Act to encourage the Establishment, Expansion and Modernization of Industry in certain areas of Saskatchewan.

He said: Mr. Speaker, we believe that this Bill which is now before us is one of the important ones in the current Session. For some time many Saskatchewan small towns and municipalities have been at a disadvantage in attracting new industries, because of the tendency of companies to locate in major centre, and because of incentives available in other areas.

To give all small communities an opportunity to attract industry, and to create employment for the youth of the area, the Government is introducing a program in industrial incentives which it is hoped will encourage industry to locate in the smaller urban centres. The new program will complement rather than compete with the existing Federal incentives program.

Those areas now designed under the Federal plan will not be eligible for assistance under the Provincial plan. Should any area be redesignated by the Federal Government, it may become eligible under the Provincial plan. The Government also wishes to ensure that established Saskatchewan industry continues to grow. Thus the incentive program will be available for existing industries, if they want to expand. Of course, those industries also will have to be in an area not designated federally.

I think the objectives of the Bill are fairly straight forward: first, to provide an opportunity for the smaller urban municipalities to attract new industry; secondly, to provide opportunities for gainful employment for the young people in the smaller centres; thirdly, to provide a greater base of industrial assessment for the smaller centres; and fourth, to provide for the expansion and modernization of established Saskatchewan industry.

Most manufacturing and processing operations will qualify for assistance. However, service industries, mining, logging, mobile manufacturing plants, and publishing and printing will be excluded.

To be eligible for a grant, the company must be organized on a business-like basis. The project must persuade our industry officials that it has a reasonable chance of being successful.

Regulations have not all been finalized, but briefly I could give the House an idea of what the Government has in mind. The grant formula will probably be based on 20 per cent of the approved capital cost up to $15,000 per person directly employed, or $300,000 whichever is the lesser amount.

The incentive grant will be made available to the qualifying company, in the form of an interest-free loan for a period of five years. At the end of the first year, one-fifth of the loan will be forgiven. A further one-fifth of the loan will be forgiven at the end of the second year, and so on until the end of the fifth year.

Security will be taken on the loan, so that, if at any time during the first five years the company either ceases operations, removes its operations from the area, sells its business to a company carrying on other than secondary manufacturing operations, or takes other action which will defeat the purpose of the program, all or pat of the grant will be reclaimed.

It has been decided to make the grants available in the form of loans for several reasons. First, since security will be taken, the reclaimable feature of the loan can be enforced. Second, the company will know in advance that it will have to stay a minimum of five years before it can receive the full benefit of the grant. Third, in the view of the Government, this approach is more business-like than a straight grant. A qualifying company will have to earn forgiveness of the loan over a period of years by demonstrating a continuing satisfactory performance. Four, companies qualifying for a grant might also be considered for a conventional loan from SEDCO.

This arrangement should make it easier for industry to arrange its overall financing in the smaller centres of population. The new program will permit the consideration of each application on its merits, bearing in mind the overall objectives of the program, and the needs of the industrial municipalities.

We hope the Bill will permit many of the province's smaller communities to obtain meaningful industrial development. I am going to suggest that, if the Bill passes, the onus will then be on local councils, on chambers of commerce, and on individuals to search out projects for their areas.

I cannot be certain whether this program will work or not. We don't know how many dollars are involved. We put $1 million in the Budget, but I hope that many, many times this amount will be used in the coming year. It is interesting that three or four clients have already come to the Department inquiring as to how they should proceed, thus I do hope that this will at least be a step in getting new industries for some of our smaller towns like Outlook, Foam Lake, Rosthern, Unity and in other communities where up to now it has been very difficult to persuade industry to locate.

I commend this Bill to the consideration of the House and move second reading of this Bill.

Mr. A.E. Blakeney (Regina Centre): — We on this side of the House will be supporting the Bill. We do not see for it the rosy prospects that the Premier necessarily sees; not that we do not think that some of these things are possible under this legislation, but rather that most of them were possible under the existing legislation and they have not taken place. I think it will be known to Hon. Members that the Saskatchewan Economic Development Act permits the Government to make loans. It permits the Government to make grants. It permits the Government to make grants for capital construction. It permits the Government to make grants for training of employees. It does not permit the Government to do everything that is in this Bill, but it permits the Government to do a very substantial amount of that which is in this Bill. There would be nothing to stop and there has been nothing to stop the Government from making loans which could indeed have been forgivable, because the forgiveness could have been by way of continuing grants. Nothing would have stopped the Government from limited those loans to smaller urban centres if it wished to do so.

The facts are that industry has not developed, not because there wasn't legislation, but rather because the Government did not embark upon a program such as has now been announced by the Premier. We think the Government should have embarked on the program before now. However, it has now apparently embarked on the program and there is no point in being exceptionally critical of failures in the past. Our purpose now is to join with the Government to commend the Government to that extent for belatedly coming forward with this program and to wish the Government the very best in attracting industry.

We note that there are some rather curious things about the Bill, some of which can perhaps be best dealt with in Committee. It will be noted that the regulations provide neither for terms nor for interest. I take it, therefore, that all of the loans under this Act will be interest-free and that if conventional loans are to be made, or interest-bearing loans are to be made, they will be made through SEDCO. I wonder whether the Government ought not to consider the possibility of including under the regulations sections a provision whereby interest could be provided for, so that you will have something in the middle between a no-interest loan and a nine per cent interest loan. It might be that for a particular venture an intermediate or low-interest

loan might be the answer. That is merely a suggestion for consideration which we can consider more fully in committee.

I believe the Bill ought also to provide that there ought to be a report to the Legislature or that the loans made under the Bill should be reported in the annual report of the Department of Industry or in some way that a report be made, so that the program can be followed through.

I think all of us have followed with some little difficulty the explanation of why the Bill applies only to towns and villages and smaller cities but not to rural municipalities. I see there is a provision under Section 8 whereby the Government can make it apply to rural municipalities as well, of course, as to Regina and Saskatoon. I think that this aspect of it can be pursued perhaps more fully in Committee.

With those comments, Mr. Speaker, I will renew the initial comment which I made that we welcome the Bill. We think that the program is a good idea. We would have like to have seen it sooner, but having said that we welcome the step which the Government now proposes to take and we hope with the Government that it leads to a somewhat more brisk economic development or industrial development than we have seen in the last year or two.

Mr. Thatcher: — Mr. Speaker, I would prefer to answer most questions when we get into Committee. There is only one comment I would make. The Hon. Member (Mr. Blakeney) who has just spoken, indicated that we might have proceeded to do some of these things under the provisions of SEDCO.

When we examined the matter six or eight months ago, our Attorney General's Department told us that quite a number of things were in a grey area. They advised us to proceed with specific legislation and that is why we are so doing.

Motion agreed to and Bill read a second time.

Hon. D.T. McFarlane (Minister of Agriculture): — Moved second reading of Bill No. 32 — An Act to amend The Horned Cattle Purchases Act.

He said: Mr. Speaker, the proposed addition of subsection (c) to Section 6 of The Horned Cattle Purchases Act will authorize the use of monies from the Horned Cattle Trust Fund to pay 80 per cent of producer losses in the event of a livestock dealer's bankruptcy in cases where the dealer's $6,000 fidelity bond proves insufficient.

Agricultural societies and 4-H Clubs are given the same protection as producers since they frequently act as agents in the sale of 4-H Club calves.

The livestock dealer bankruptcy in the Kerrobert area in June of 1968 resulted in losses to seven Saskatchewan producers amounting to $20,710, and there were additional losses to other dealers and to the Kerrobert Agricultural Society in excess of $40,000. As a result of this experience the Department of Agriculture has been under pressure to increase the livestock dealer's bond to as much as $50,000 or to adopt an insurance scheme similar to the one presently in effect in Alberta.

Recent claims against dealers' bonds are as follows: in 1961 one claim for $3111, fully covered by the bond; in 1962 one claim for $1,263, fully paid by the bond; another claim for $901, fully covered by the bond; in 1963 one claim for $960, fully covered by the bond; in 1965 one claim for $5,213, fully covered again by the bond; in 1968 seven claims against one dealer in the amount of $30,710, 26.8 per cent of each claim paid by the bond in each case.

So from the foregoing, Mr. Deputy Speaker, there is evidence that a $6,000 bond is normally sufficient buy this amount is grossly inadequate in certain instances. To increase the required bond to even $20,000 would add costs of $140 per dealer per year. This amount multiplied by approximately 200 dealers would amount to $28,000 extra annual cost to the livestock industry in our province. therefore the amendment to The Horned Cattle Purchases Act will make it possible to use the trust account set up under the legislation as bankrupt insurance against the possibility of producer losses due to the bankruptcy of a dealer.

Mr. R.H. Wooff (Turtleford): — Mr. Deputy Speaker and Mr. Minister, I don't know whether I am going to be thoroughly in order or not, but I have had some misgivings regarding this particular Act for some time. It seems to me that the only present justification for the Act now before us is that it has been a source of revenue to a great variety of organizations. I feel, Mr. Speaker, that his legislation should be changed or updated or whatever it takes in order to administer the Act in such a manner that it continues to justify it still being on the Statutes of the Province.

Anyone watching the shipping business realizes that there is still a great need for an aggressive application of this legislation to obtain its primary objective. Mr. Speaker, if I recall the birth of the Act correctly it was an attempt to curtail the losses and the cruelty of shipping and yarding long-horned cattle along with the hornless and the younger livestock. My observation in the early days of this legislation was that it did this very thing to a large extent, up to a certain time. Since that time it appears to have degenerated into a means of collecting revenue, as I said earlier, for various organizations rather than obtaining the objective for which it came into being.

For years I have had some concern about this, not only as far as amendments to the Act are concerned, but as I have watched its application in the cattle-shipping business. I suggest, Mr. Speaker, and Mr. Minister, that, using this legislation for a means of revenue for which it was never really intended in the first place, we should take a long hard look at it and either update it so that it does what it was originally supposed to do, because the job was never finished, rather than making it a means of collecting revenue for a variety of other undertakings.

Mr. McFarlane: — In rebuttal, Mr. Deputy Speaker, the statement made by the Member for Turtleford (Mr. Wooff) isn't exactly correct when he says that the monies are being used by a great many organizations in the province, because this is not true. The Horned Cattle Advisory Committee is set up to advise the Minister on the projects that should be administered from funds collected from the penalty on horns. When he says that it hasn't achieved the objective that it was set out to do, I would just like to

point out to the Member from Turtleford that the incidence of horns on cattle in this province has gone down substantially. In fact the last figure I saw was that they are down to about six per cent. There is only six per cent of the cattle marketed in Saskatchewan now that have horns. We must carry on with the Act because of the competition for feeder cattle from other parts of Canada, especially Eastern Canada. The Eastern buyers certainly want cattle that don't have horns and, if we don't carry on with the Act and Alberta does, and Manitoba does, British Columbia does, buyers are naturally going to place their orders there. To do away with the trust fund as he suggested here a few minutes ago, you would be doing away with the sources of revenue for such projects as the veterinary diagnostic lab here in the city of Regina, the beef-testing station in Saskatoon, the ROP bull-testing station of Saskatoon which is being used more and more every year, the home-testing of ROP for beef bulls, for the IRMA machines for the mastitis control program, and for much of the research that is done in the beef cattle industry.

With these few remarks I just want to point out again that the Advisory Committee to the Horned Cattle Trust Fund is suggesting worthwhile projects and these are being carried out.

Motion agreed to and Bill read a second time.

Mr. McFarlane (Minister of Agriculture): — Moved second reading of Bill No. 33 — An Act to amend The Veterinary Services Act.

He said: Mr. Speaker, the veterinary service districts are experiencing great difficulty in retaining the services of practising veterinarians. The problem is basically one of lack of income in large animal practice resulting in veterinarians moving to better-paying positions or private practices where a higher proportion of revenue comes from the care of small animals or pets.

This amendment provides authority for the Government to increase grants to veterinary service districts and thereby assist in retaining the services of veterinarians in rural communities. Grants are made annually to approximately 40 to 50 veterinary service districts and these grants are shared equally by the municipalities which have organized into veterinary service districts.

It is hoped that the increase in the average grant for veterinary services districts from slightly under $2,000 to nearly $4,000 per district will attract more veterinarians to large animal practice and thus increase the number of veterinarians in veterinary service districts.

The Saskatchewan Veterinary Medical Association has submitted a brief to the Saskatchewan Department of Agriculture requesting an increase in the veterinary service district grants. In addition numerous similar proposals have been received from rural municipalities and agricultural district points.

The amendments to Section 6 are proposed to clarify the statement of the function of veterinary service boards.

The amendment to Section 9 provides the necessary authority for increasing the veterinary service district board grants.

The amendment to Section 10 permits greater flexibility in the use of grants to veterinary service districts. This point

is important because in some instances veterinary service districts have found that provision of a veterinary clinic is a greater incentive to attracting a veterinarian than a direct grant.

The repeal of Section 10, together with the amendment in Section 11, provides authority for the necessary flexibility in the use of provincial grants to either support the veterinarian or assist in the construction and maintenance of the veterinary clinic.

The amendment in Section 12 is to recognize that reports from veterinarians are required only under special circumstances. Annual reports are not required from all veterinarians.

The schedule is amended since repeal of The Purebred Sire Areas Act has made reference to employment of veterinarians as enforcement officers redundant.

There will be a House amendment necessary in Section 7.

With these few remarks, Mr. Speaker, I move second reading of this Bill.

Mr. A. Thibault (Kinistino): — Could I ask the Minister a question? Could you tell us how many veterinarians are operating in Saskatchewan at the present time?

Mr. McFarlane: — In private and in other practices — I wouldn't have the numbers at the moment but we could have that information in Committee if you are interested then in the total number of veterinarians in the province.

Mr. J. Messer (Kelsey): — Mr. Speaker, we on this side of the Assembly support the Bill in principle. I think it is unfortunate that there is not a substantial larger number of veterinarians in practice in the Province of Saskatchewan, particularly unfortunate at the present time when we have expansion taking place in the province in regard to livestock production and diversification into livestock enterprises in the province.

However, I think this Bill does contribute to attracting veterinarians that are somewhat reluctant now to go out into some of the rural areas in the province. It provides more flexibility for some of the areas, definitely in regard to the example, as brought forward by the Minister, in regard to veterinary clinics. I think this would be a great asset to a number of areas. I find that because of this shortage, it isn't so much the amount of money that the veterinarians are able to make in the areas in the province that they practise in. The discouraging part is the vastness of the area and the pace that they have to set in order to service the farmers that are in those areas. So the whole key to the problem is an increase in the number of veterinarians practising in the province by a very substantial number. Outside of that the rest of my comments will be made in Committee of the Whole.

Motion agreed to and Bill read a second time.

Mr. McFarlane (Minister of Agriculture): — Moved second reading of Bill No. 61 — An Act to amend An Act to incorporate The Regina Agricultural and Industrial Exhibition Association, Limited.

He said: Mr. Speaker, there are three Bills listed here in succession: An Act to incorporate The Regina Agricultural and Industrial Exhibition Association, Limited, An Act to incorporate the Yorkton Agricultural and Industrial Exhibition Association, Limited and an Act to amend The Agricultural Societies Act. On the second reading explanation I would just point out that the reason for these amendments is that they are necessary so that horse-race meets with pari-mutuel betting can be staged by societies and exhibition associations without being in contravention of The Criminal Code of Canada.

On July 1, 1969, amendments to Section 178 of The Criminal Code included a definition of the word 'association'. The definition is as follows:

> For the purpose of this section association means an association incorporated by or pursuant to an Act of the Parliament of Canada or of the Legislature of a province having as its purpose the conduct of horse races.

We were advised in early October of last year by the chief of the racetrack supervision of the Canada Department of Agriculture that, unless the conduct of horse races was set out in the governing act or act of incorporation of a society, as one of the aims or objects of the society, application for pari-mutuel wagering privileges will have to be refused. In view of the importance of pari-mutuel revenues to several of our societies and exhibitions as well as the attractions that this activity provides for many people, we deemed it prudent to make the necessary changes. Accordingly these amendments are presented and so I move second reading of this Bill.

Motion agreed to and Bill read a second time.

Mr. McFarlane (Minister of Agriculture): — Moved second reading of Bill No. 62 — An Act to amend An Act to incorporate The Yorkton Agricultural and Industrial Exhibition Association, Limited.

He said: The same reasons that I gave in the preceding Bill, Mr. Speaker, in order to comply with the amendments to The Criminal code, apply to this Bill.

Motion agreed to and Bill read a second time.

Mr. McFarlane (Minister of Agriculture): — Moved second reading of Bill No. 63 — An Act to amend The Agricultural Societies Act, 1966.

He said: The same reasons as the two preceding Bills apply to this Bill in order to comply with the Federal amendments to The Criminal Code.

Motion agreed to and Bill read a second time.

Mr. McFarlane (Minister of Agriculture): — Moved second reading of Bill No. 64 — An Act to amend The Agricultural Implements Act, 1968.

He said: Mr. Speaker, this Act to amend The Agricultural Implements Act, 1968, enters a new area not previously covered in The Agricultural Implements Act, that of supplier-dealer relationships, particularly respecting implements and implement-parts return policy on contract termination.

These amendments will provide the first such legislation in Canada. Our present economic circumstances bear especially heavily on implement dealers. The decline in farm income has resulted in a major decline in farm implement purchases. After many discussions with dealers and with suppliers we have concluded that there is considerable variation between suppliers as to how their policies are administered on termination of dealer contracts, even though written contracts may be similar in their main provision.

We have concluded that many dealers, who have terminated the contract or had a contract terminated, have been placed under considerable financial strain whether the termination was initiated by a supplier or the vendor. This arises particularly with respect to what a supplier will accept in returning implements and repair parts when a vendor contract is terminated. It appears that the vendor may experience more financial hardship and frustration if he is the one who initiates the termination. Because of this, many vendors who contemplate terminating a contract are reluctant to do so because of the fear of the considerable financial loss. It appears that, where a vendor dies, his widow or heirs have at least in some cases found the settlement regarding the repair parts to be difficult and even unsatisfactory. To further explain the situation, it appears from investigations that in some cases a dealer could only reclaim from 50 to 65 per cent of his investment in repair parts and returns to the supplier for credit. This appeared true even where the dealer had attempted over the years to keep his repair-parts stock clean, as they call it, by returning for credit a certain allowable percentage of repair parts each year under the supplier's annual repair-parts return policy, usually about five per cent of annual parts purchases.

A vendor who is terminating and returning repair parts for credit should be subject to a restocking charge. However, since many dealers carry up to $50,000 of repair parts and some even more, if he is to reclaim only 50 to 65 per cent of their value, he will suffer a substantial financial loss. In some cases repair parts for implements manufactured within the four or five years of the termination date are classed as non-returnables for credit to the supplier, because a movement or sales pattern has not yet been established. It appears that, unless individual parts have a certain level of turnover or movement, they are classed by the supplier as non-returnable even though they are viable parts. Not infrequently repair parts for implements that were manufactured 10 to 15, and in some cases up to 20 years ago are the most active moving parts and are thus classed as returnable by the supplier. There is usually no dispute where parts are classed as returnables.

May I now refer more specifically to the Bill that is now before us. The major amendment proposed in this Bill is

contained in Section 4, subsection (2), of the new Section 29(a). It requires that, when an agreement expires or is terminated, the supplier must purchase all unused implements and unused parts from the vendor. The supplier, of course, would not be obligated to purchase implements and parts not originally purchased from the supplier, even though they may have been manufactured by the same company.

Subsection (3) stipulates that the supplier will be required to pay 100 per cent of the original invoice price for unused whole implements and 85 per cent of the current net price, usually the retail list price less dealer discount for repair parts. These are figures, namely, 100 per cent for implements and 85 per cent for parts that are usually agreed to by many suppliers in their existing contracts with their vendor.

Subsection (4) states that the amount payable by the supplier for the returned implements and parts become due and payable either 90 days after the notice of purchase is received or when they are picked up by the supplier. If the supplier does not accept the unused implements and the unused parts within 90 days of the vendor's notice to purchase, then the supplier is obligated for the value of the same from that date.

Subsection (5) provides for considering amounts owing by the vendor or the supplier to the other on previous transaction, when finalizing the amounts due and owing for unused implements and unused parts returned on termination of the agreement or contract.

Subsection (6) obligates the vendor to take initiative in requesting the supplier to purchase implements and parts. This notice to purchase must be sent within 90 days of the agreement termination or expiry date, otherwise the supplier is not obligated to purchase unused implements or unused parts from the dealer. It appears that the major problem in return practices is to reach agreement on the parts that are returnable.

Subsection (7) says that repair parts that are listed in a current price list and that are properly identified are the only ones that the supplier is required to take back.

Subsection (8) sets out the responsibility of vendor and supplier for unused implements and unused parts which are being returned. The vendor is responsible for these parts until the supplier accepts them or until the day following the 90 days after the supplier receives the notice to purchase from the vendor, whichever occurs first. After this the supplier is then responsible.

The purpose of Section 6 of the Bill is to give a dealer whose contract was terminated, since the 1st of December, 1969, and before assent is given to the proposed Act, 90 days to take advantage of the provision of the Bill. These are the main matters of principle involved in the Bill before us. With this explanation I would move second reading of this Bill.

Mr. Messer: — Mr. Speaker, as it is a somewhat complicated Bill and as it is a Bill which is first of its kind to be introduced in Canada, and taking into consideration that this Bill was just tabled on Thursday or Friday, and that we do not have any explanatory notes yet, I would beg leave to adjourn the debate.

Debate adjourned.

Hon. C.L.B. Estey (Minister of Municipal Affairs): — Moved second reading of Bill No. 47 — An Act respecting Urban Municipalities.

He said: Mr. Speaker, this Act as you know represents a consolidation of the Village, Town and City Acts. It has been in the making for some two years and I can tell this House it has been perused in all its aspects by a committee of SUMA. I regret to say that, when the Bill comes to the Committee stage there will be numerous amendments as we did not have an opportunity to proof read it. There may also be an amendment regarding the term of office as I have recently had discussions with representatives of SUMA on this question of term of office. My understanding is this is to be discussed at the Convention tomorrow and the next day.

I have also given to the Municipal Affairs critic, some days ago, a marked Act signifying those sections which were taken out of The City Act, The Village Act or The Town Act. It is my hope that when we get to third reading that it will be of some assistance so that we may spend our time on the new sections.

Generally speaking this Act gives more legislative power to the councils of our cities, towns and villages. In many cases it steps up the power formerly held by the cities into the municipal field of the town and the village. We have attempted, in this Act also, to get some logical sequence to the sections so that by reading the Act in a systematic manner, you can follow the development of programs and powers in the field of municipal government. We have now reached the point where both our Urban Municipalities Act and our Urban Elections Act have not been consolidated.

I just want to deal with two or three of the obvious changes in this Act, as I presume in Committee we can deal with the other changes. One change which we have made in this Act is in the incorporation of a village. At the present time 100 residents can apply and organize a village. Under this Act we are proposing that a group may obtain village status on an assessment of $200,000. In other words we are putting the village status on a basis of assessment rather than number of bodies in order to attempt, at least, to have a village on a more satisfactory financial basis.

We are also providing that the per diem grant may be paid out in such a manner to the councillors as the council may direct. In this Act we are also taking the provision which we put in The Municipal Act last year insofar as qualified secretary treasurers are concerned and providing that towns with a population in excess of 2,000 people will be required to hire clerks who are qualified under the normal examination procedure directed by the Department of Municipal Affairs. There is, of course, as in the RM Act, a grandfather clause to protect those people who are now occupying the position and may not be qualified or hold a qualifying certificate. You will recall that under the old Act a building costing more than $30,000 had to be approved by an architect or a professional engineer. We are removing this provision from the Act insofar as family dwellings and/or two family dwellings are concerned. In other words the provision regarding $30,000 will not apply to one and two family dwellings.

Another change that we are making is in the power of councils to make grants to various bodies in the community. In the past

the Act has spelled out the bodies or the organizations to which a council may make grants. Under this new Act we are saying that a council may make grants providing the total amount of the grant does not exceed the levy of ½ mill. In other words we are not spelling out what organizations the councils can make grants to, we are rather permitting councils to make grants up to a total of ½ mill. If there is a special organization to which a council wants to give a grant and if on giving the amount of money to that organization, it will find itself in excess of ½ mill, there is a provision in the Act for application to the Local Government Board.

We are removing, as I mentioned, in The Urban Act the provision regarding the taxation of pipelines and railways right-of-way. The provisions dealing with the method of assessing both railways and pipelines will appear in the Assessment Manual along with the other methods of assessment.

I think, Mr. Speaker, that covers the main changes or some of the changes in any event.

Mr. E.I. Wood (Swift Current): — Mr. Speaker, in regard to this Bill I would very much like to thank the Minister for the courtesy shown in sending over the copy of the marked Bill. It is much appreciated and of some assistance.

There are several of us over here that are interested in this and we only have the one copy. I would like to say also that where the Acts, the various Village and Town Acts had been used to bring forward amendments to the other Acts, it is a little hard to trace through. It is not marked new but may be something that is taken into The Town Act from The City Act and so on. Just in order to get a clear picture it has taken a little longer than we have yet had available. And with the consideration of the House, Mr. Speaker, I would like to move adjournment of the debate.

Debate adjourned.

Hon. J.C. McIsaac (Minister of Education): — Moved second reading of Bill No. 48 — An Act to amend The Teachers' Federation Act.

He said: Mr. Speaker, this Bill is an Act to amend The Teachers' Federation Act.

The Teachers' Federation Act for a number of years has provided for a disciplinary committee which has been empowered to hear complaints against teachers where the nature of the complaint was essentially violations of the code of ethics or of a nature to render the teacher unsuitable to be in charge of a class for moral grounds and this type of thing.

This provision involved the establishment of a committee of five members of the Federation appointed by the council and reporting to the executive. Complaints of alleged misconduct might arise, perhaps, from a number of sources although principally from members of the Federation itself. Complaints would be initially dealt with by the council or the executive and, it being worthy of investigation further, would be referred to this committee. The procedures of the committee were formal and provided for appropriate safeguards to the rights of the individuals

for a fair hearing and representation. That committee then reported its finds and recommendations to the executive which was empowered to dispose of the case. If guilt were confirmed the executive would reprimand or make recommendations to the Minister with respect to suspension or cancellation of certificate. As I say this committee has been in operation for a number of years and has functioned, as near as I can determine, satisfactorily in this regard.

The terms of reference of this disciplinary committee was confined to matters of professional conduct only. Now, in recent years, the Federation has widened its concern to include, perhaps a very small segment really, of the profession which one might describe as professionally incompetent. There are a number of these people which are of concern to the Federation itself. These are teachers who perhaps move from school to school, place to place, do the profession no real good and they have had no real way or means of dealing with those people in their membership. It is this particular group that the new legislation will apply to.

The Federation itself gave us much of the legislation that is here before us which has the effect of establishing a professional competency committee. In essence it would be established and function in very much the same manner as the older disciplinary committee, which I am sure all Members are well acquainted with. And it would deal with complaints based on allegations of professional incompetence. This committee, as envisaged in these amendments before us, is empowered either on an order of the council or the executive or of its own motion to investigate a complaint against a member of the Federation where the substance of the complaint relates to alleged incompetence to carry out acceptably the duties of the teacher. And the procedures are pretty well similar to the procedures to be followed by the discipline committee.

Provision is there for taking evidence under oath, for cross-examination and for hearing evidence in defence and reply. Provision is also made to ensure the right of the defendant to be represented and for recourse in the event of a frivolous complaint or something of that nature. There is one new feature of the Bill, Mr. Speaker, and that is the inclusion of a procedure under which a person may appeal to the Court of Appeal in respect to a finding against him. The committee on the completion of its inquiry reports to the executive with such recommendations, of course, as they deem proper in each particular case. The executive, where a complaint is reported to be well founded, may confirm the finding and may do one of two things, reprimand the person or recommend to the Minister regarding suspension or cancellation of a teaching certificate.

Mr. N.E. Byers (Kelvington): — Mr. Speaker, I would like to make two comments on this particular Bill.

First of all I want to assure the Minister that he will receive the support, I think, of the Members on this side of the House for the introduction of this particular Bill and the updating of the measure to discipline members either on professional grounds or for professional incompetence.

I think that the teachers generally in the province will welcome the contents of this particular Bill. There may be, as

the Bill is in operation over the years, some areas which will need updating. But I am satisfied for the moment that the contents of it are good. The procedures, I think, for disciplining those who will be called for various reasons are reasonably satisfactory. I just want to assure him that he will have our support in this particular Bill.

Mr. R. Romanow (Saskatoon-Riversdale): — Mr. Speaker, may I just add a brief word or two to the remarks made by the Minister of Education (Mr. McIsaac) and my colleague from Kelvington (Mr. Byers).

I am not a member of the teaching profession but I am sure that the provisions here that are being proposed by the Minister and the Government will be very much welcomed by the Saskatchewan Teachers' Federation and by most teachers generally.

I particularly am encouraged by the move to greater independence in the hands of the teacher organization with respect to disciplining and the problem of professional competency. Very often teachers have been asking for more and more professional independence. A move of this nature in the area of discipline and professional competency is a move in the right direction, in my mind.

I would like to see the Legislature and the Government look to the day when the entire question of discipline and professional competency, teacher's certification, and the whole gamut of the professional status of teachers is left entirely in the hands of the Saskatchewan Teachers' Federation or some other professional body of this nature. I am not sure that all colleagues on this side of the House will particularly approve of that. I throw that out as an objective or a goal in long range to aim for with respect to the teachers' profession.

I think that it is most important that we at all times, whenever possible, gradually give more and more authority and more and more power to the teachers themselves to discipline themselves under the terms and standards of professional competency. I don't want to get into a political debate but far too often, I think, the danger that we run here with the Minister of Education (Mr. McIsaac) having the final decision in areas of professional competency and discipline and other matters of teacher relations is that there is a chance of some political consideration arising in it. I am not making any allegations, but I am saying that that is in fact one of the dangers that we see.

So I am going to sum up my brief words in this regard and say this. I welcome the Bill, like the Member for Kelvington and the Minister of Education. I would like to see the Minister of Education and the Department explore this area further and see if we can revise the Act, revise the relationship of the teachers, give them more professional autonomy, make them true professionals in the true sense of the word and to this end the proposed amendments are worthwhile.

Mr. McIsaac: — Here again just in closing this debate I have very little to add to what I said originally. I think this is a good step. Some would say as the Member for Riversdale has pointed out that perhaps it doesn't go far enough. I think one point should be remembered here, Mr. Speaker, that membership

in the Federation is a requirement to teach; there are two requirements really, membership in the Federation and a certificate which is presently handled through the Department of Education — the question of certification. I am not so sure that I could agree completely with the long-term objective of my good friend from Saskatoon-Riversdale, but perhaps to a degree. I think this is a good step and a good beginning and one which I believe the Federation and the profession generally will welcome.

Motion agreed to and Bill read a second time.

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

Mr. McIsaac (Minister of Education): — Moved second reading of Bill No. 51 — An Act to amend The Larger School Units Act.

He said: Mr. Speaker, Bill No. 51 is an Act to amend The Larger School Units Act. The first amendment I wish to comment on is an amendment to Section 12 which deals with the number of trustees elected to the various sub-units. Now the basic system as everyone I am sure is aware has been based on the principle of one trustee elected from each of the five or six or seven sub-units which go to make up a unit. By and large this has worked well in the past and it still works well where the population is fairly evenly distributed and in a unit where there are no particularly large towns. However, in the last ten or a dozen years all Members I am sure, Mr. Speaker, are well aware of the trend to urbanization, a higher concentration of people and population in our towns and villages and a corresponding depletion of some of the rural areas. We have observed this developing and we have now seen some inequities and disparities in the number of students and the population of the various sub-units. From time to time in recent years we have had requests from towns particularly for another member for the urban sub-units, or the town or village sub-units. We have therefore decided to make this amendment by which a sub-unit that is comprised of a town may have two trustees. The legislation of course is not mandatory, but it is there for any towns that wish to take advantage of it. There are several at the moment that are thinking of this.

Another section I could comment on, Mr. Speaker, is Section 89. This one deals with the constraints which apply to the personal interests in contracts with a board of a person who becomes a trustee. This has always been difficult legislation to interpret and to administer and more so of course as the business and financial transactions of boards have become that much more complex and much more wide-ranging. In some cases very strict adherence to existing legislation created some difficult situations for not only trustees but as an inconvenience to the boards themselves. I think we can use the example of a school bus route or school bus being located in a small village and perhaps the only garage there with services that handle or store that bus happens to be owned by the sub-unit trustee. Under the present law the bus would have to be stored or serviced elsewhere at needless expense and inconvenience. This is not to suggest that there should not be constraints or restraints in the matter of personal interest in the contracts with a board, and this present legislation will certainly maintain that. But it has been updated. We have increased the exemptions from $100 to $10(CORRECT-see page 1087) per year for the amount which a trustee be paid for labour supplied to the board, and by permitting the trustee to receive payment for sale of utilities, services and merchandise in a total

amount not exceeding $500 in any one year. These amendments incidentally, Mr. Speaker, were suggested to us by the Attorney General's Department and not by the School Trustees' Association, although I do know they are aware of them and welcome these suggestions.

Another amendment to Section 118 provides for the possibility of a school board borrowing for capital purposes by means other than long-term debentures. At the moment long-term debentures are the only means by which a board may raise capital funds. This legislation we are introducing here into The Larger Units Act is almost identical to provisions which are presently in The City Act and permit shorter-term borrowing, subject of course to the approval of the Local Government Board.

Another amendment that I think will be of interest to Members, Mr. Speaker. In the last five or six years the Department, school trustees and educators have considered from time to time the advisability of locally employed superintendents of schools in the school units. We have them of course and have had them for many years in the urban systems. While there may well have been good reasons for not having that same privilege extended to the larger units in the earlier times, I suggest that those conditions do not prevail today. We have decided here to introduce an amendment that will allow larger unit boards to have the same privilege as urban boards and that they may appoint their own locally employed superintendents. I have no real idea how many units will take advantage of this legislation, I doubt if it will be very many from the information we have been able to gather from trustees themselves. There will also be some clarification of the departmental relationship brought in later under regulations of the whole question of locally employed superintendents or directors of education, as they are frequently called.

I suggest, Mr. Speaker, that most of the other amendments can be well dealt with in Committee.

Mr. Byers: — Mr. Speaker, I want to comment on one section of this Bill and that is the last section commented upon by the Minister which will empower unit boards to employ their own superintendents. I might caption this, Mr. Speaker, an "Ode to a Superintendent". I think we must recognize that the trend to give local school authorities the legal right to employ their own superintendents is a trend that has been developing within school systems on this continent, the United States, in Saskatchewan and other parts of Canada, as the Minister has indicated. This method has been quite prevalent in American school systems for some time, and as he has pointed out, the practice has been used by the city school boards with a reasonable degree of success in Saskatchewan. I think that the Trustees' Association of Saskatchewan does support this measure and has advocated this for some time. I suppose that it is largely on that basis that the Minister has decided to bring this legislation before the House at this Session. I know that it may be very natural for some of us who have experience with rural school districts to have some reservations about this particular move. I think, however, that we must accept that there are many reasons why a school unit board would desire to employ its own Director of Education, if that is the new terminology, within its school division. I suppose that this is desirable from the viewpoint that the Board of Education might be assured that they could have in their employ, as the Director of Education, a person whose philosophies and ideas always

coincided more directly with the trends and policies that the board wanted to implement. I am not saying this hasn't been the case with respect to superintendents appointed by the Department of Education. But I think we can appreciate the desirability for boards wanting to be extended this particular consideration. I might say that this is a move which I think Members on this side of the House will support. I will certainly support it. I hope that the Government doesn't infer from this, however, that I am always this agreeable in everything they do with respect to education.

I think, Mr. Speaker, that if this Bill is about to become law, we ought to consider this as an historic occasion in this Legislature and in the Province of Saskatchewan. I call upon all Members of this House to reflect for a moment on the rather important role which, I think we agree, the Superintendents of Schools have performed over the years in the development of the educational institutions which we have in this province. As public servants their role was often difficult and challenging. Needless to say as public servants their role wasn't always clearly understood. I suppose there were instances where their decisions and their role weren't always appreciated. That is the risk one has to take as a public servant, appointed or elected. I might say that over the years, and I am sure that I am expressing the opinions of a good many teachers in this province, that they have had a good deal of respect and a good deal of satisfaction working with the area superintendent. I wouldn't profess to say that I knew a great number of them, but I recall to mind, and with your permission, Mr. Speaker, I would like to just name some with whom I have had a very close association over the years. Men like Mr. Roy Hunter, on of my first superintendents in the Estevan Unit. Later Mr. Charlie Thacker in the Broadview Unit; Mr. Ray Lovgren in the Oxbow Unit; Mr. Erwin McCallum, Foam Lake-Wynyard, now Shamrock Unit and presently serving at Estevan; men like Al Lynch our present superintendent in Shamrock. I would add to that list our present Deputy Minister of Education, Mr. Bergstrom, whom I knew as a young man and who perhaps did use a little bit of persuasion on me to enter the teaching field. To recount their individual or collective contributions to education in Saskatchewan would be an impossible task. The job they were called on to do over the years was certainly a very large job. During the days of the rural school in Saskatchewan they had no easy chore-recruiting teachers for classrooms in some of the rural and isolated Saskatchewan communities. In the summer time, I know that many of them served as instructors at the Normal School. In addition to this, I suppose they were frequently called in as peacemakers to resolve disputes that might develop between elected trustees and the public, or between parents and teachers, and several other possible such combinations. One of the biggest jobs they had to do was to interpret from time to time to teachers and school boards the policy of the Department of Education. I think we would be remiss in our duties if we overlooked the very great job they did in updating the curriculum from time to time and in the work they did in assisting teachers to introduce and implement new programs in the schools, through individual instruction, seminars and institutes.

Mr. Speaker, if we are to introduce to our education system this very, very significant change, if we are to give the local boards the right to hire their own superintendents, I have no doubt that the boards will continue to hire and I hope they will continue to hire men of the calibre and dedication and quality

that have served as superintendents appointed by the Department of Education in years past. I think we can say that most of them were certainly stout men. I know from experience that many, if not all of them, served at some time well beyond the call of their normal duties. While I would be one of the past persons in this House to stand in the way of educational programs, or to deny the public through their elected representatives, the trustees, the right to hire their own superintendents, I think it is fitting to recognize in a very small way — and I realize an inadequate way — some tribute to the great host of men who have served as superintendents of schools over the years in the Province of Saskatchewan.

With that, Mr. Speaker, I have two other little comments to make. I do hope that in this transition period that the Minister will see to it that adequate provisions are made for these men who have built up pension rights as public service employees, that none of them, I hope, will suffer unnecessarily if they are displaced from their jobs and that they will be provided with adequate alternate employment. I certainly hope he will use his influence in the time that he has as Minister to encourage the boards to retain these men in their present positions.

I want to point out to the House that this is not necessarily going to solve a major problem. I don't have any documentary evidence to produce to the House, but I recall from readings on this subject, in my days as a student in the College of Education at the University of Saskatchewan, that with the employment of locally hired superintendents some problems do arise. Some problems arise with respect to contracts. There have been cases I think in the United States where a locally engaged superintendent insisted upon signing a five-year contract and after two or three years either he found that he didn't like the job or he didn't wish to carry out the terms of the contract and often the board was forced to pay out the amount owed to him in the contract. I merely raise this as one possibility, I hope it doesn't occur here. I hope none of the Members of this House get the impression that this is going to solve a great number of problems. There are more things I could say about this, Mr. Speaker, I leave it here, I don't want to hold up the work of the House anymore. I think we will certainly support the Bill here. I just wanted to offer those comments to the House and pay some tribute to the men who have served over the years as Department of Education superintendents of schools.

Some Hon. Members: — Hear, hear!

Mr. J. Kowalchuk (Melville): — Mr. Speaker, and Mr. Minister, I just wanted to make a number of comments regarding The Larger School Units Act as it is being introduced here today. Personally, I have no objection to having more representation from the larger towns that are building up, I think it will probably help in some of the areas that I am acquainted with where people have asked for a larger representation as mentioned by the Minister and where the rural population is dwindling. I think it is a good step. Another remark that I want to pass on, Mr. Speaker, is the broadening of the freedom of trustees to have some form of business transaction in business matters of the unit. I think the scope which was broadened, from $10 to $100, is a good one because of the reasons that were mentioned by the Minister. A locally employed superintendent is a thing which has been discussed by many of us on school unit boards for a long time. I know that the occasion takes place

many times that, if you happen to have a superintendent who is older and maybe not as capable, it is very easy for many of us to say that it would be nice to have the authority to hire young and more capable superintendents. I want to say this, Mr. Speaker, that I have no objection to that at all personally. However, if a superintendent appointed by the Department is a man of good calibre, he makes a real good line of communication with the Department. This is where we have found out that is important to have that line of communication. I know some units will make use of this move, and I think to open a line for this kind of movement is a step in the right direction. I do have a little big of reservation. A man who is hired by the Department has sort of a dual purpose, a dual loyalty because he has to report back to the Department and of course he is a bit responsible to the local board as well. A superintendent hired locally I am almost sure will sever the close ties with the Department, as being paid by the local board he will then of course be more responsible to the school board.

There is one portion of this Bill which the Minister didn't mention at all, to which I must voice my objection, that is Section 81(c) and that is the presentation of budgets for the Department's perusal as has been done this year. I say I want to voice that objection because many trustees and many school boards have indicated that such a move is not appreciated. I don't want to say any more, I will have more to say on this clause, because this clause is included in sections of Bill 50 and Bill 28, and I think one other Bill as well. I will have a lot more to say about that then. In the interim, Mr. Speaker, I think that some of the sections and changes of this Bill are good and I am sure we will go along with what the Member for Kelvington said, we will support the Bill.

Mr. W.S. Lloyd (Leader of the Opposition): — Very briefly I would like to direct a question to the Minister and perhaps he can answer it when he is closing the debate. It has to go with the situation that, if a number of units take advantage of the opportunity to hire their own superintendent — and I am sure they will — I presume the Minister has in mind some plan whereby there will be departmental superintendents of some kind who can keep in touch with locally appointed superintendents and the general goings-on. Perhaps the Minister could comment on what he has in mind when he is closing the debate.

Mr. McIsaac: — Mr. Speaker, I will comment very briefly on several of the points made by Members opposite. I think all Members will appreciate the thoughts and reflections enunciated by the Member from Kelvington (Mr. Buyers). Perhaps I should again point out, I don't believe we will see a wholesale transference as it were from departmentally employed men to locally employed. I doubt if there will be more than perhaps a half a dozen at the most that would be anxious to employ their own superintendents. I could well be wrong on this, but from the information we get there will not be that many. In other words, there will not be a complete disappearance of departmentally employed superintendents.

In answer to the question just raised by the Leader of the Opposition (Mr. Lloyd), Mr. Speaker, yes, we have looked at this. Our regional men will assume somewhat of a different role. As a matter of fact I think perhaps I could better deal with this

either in Estimates or when we get in Committee of the Whole.

Motion agreed to and Bill read a second time.

Hon. A.R. Guy (Minister of Public Works): — Moved second reading of Bill No. 52 — An Act to amend The Water Rights Act.

He said: Mr. Speaker, the amendments to The Water Rights Act are basically housekeeping. There are no new principles involved. The most important aspect of these amendments is to clarify beyond doubt the principle that this Legislature believes that the ownership of all water, whether ground or surface, is vested in the Crown and is deemed to have always been so.

The present Section 7 of The Water Rights Act which purports to legislate this principle, due to the ambiguity of the wording, has been questioned with some success. For this reason, we are rewording this Section to leave no doubt that the right to use ground and surface water is vested in the Crown and the right for the use of this water can only be established under The Water Rights Act, The Water Resources Commission Act, The Ground Water Conservation Act and The Water Power Act. The Province can grant or cancel the right to use surface and ground water if it is in the public interest to do so. Similarly it has always been considered that the right of The Water Resources Commission to authorize construction of a project also meant the right to refuse to authorize a project. Our legal advisors say this is not necessarily true, so we have spelled this out clearly in our amendments, while supplying a right of appeal to the Lieutenant Governor in Council where authorization might be refused. So with this brief explanation I think any further questions could be better answered in Committee.

Mr. Lloyd: — Mr. Speaker, I find it difficult to agree with the Minister's interpretation that the changes in this Act are as minimal as he has suggested. I find in it what seems to me to be a very considerable change of principle. If indeed the principle to which I want to draw attention was contained in the old Act, then it was bad there, but I suggest it is worse in the way in which it is introduced into the present legislation. I want to urge the Government to take a very hard, second look at the proposal. I particularly want to urge the Attorney General to take a very hard look at the suggestion or the procedure which has been advanced in Section 7 of the proposed Bill. As I understand Section 7, Mr. Speaker, it could make it possible for the Government, acting through the various agencies, to withdraw substantial rights which had been granted to citizens or to companies. It would make it possible for them to withdraw substantial rights while at the same time denying the individual or the company any recourse or any possibility of compensation whatsoever. As I understand it, the Government has — this is proper and this I agree with — the right to grant water rights to various people or various companies. The Government also has the authority to withdraw those rights. I agree that this is authority which should be vested in the public authority. But it seems to me that there should also be provided, if injury is done to an individual or to a company who has had these rights granted by the withdrawal of these, then that individual or that company should have some rights, some recourse to restitution for compensation of damages. I would go so far, Mr. Speaker, as to suggest that this Act provides for a kind of expropriation

without compensation. I ask the Minister to look at this kind of situation. The Government has extended, shall we say, the right to use water to an individual or to a company and that individual or that company has vested considerable money on the basis of having that particular water right available. Then, as I see the Bill, the Government can come along and can shut off the water, shall I say, withdraw his right to use that water. That being done this individual has no recourse whatsoever, not even as in the case of Section 7 to the Lieutenant Governor in Council. He has no opportunity whatsoever of getting compensation for any kind of injury which might be quite substantial which he may have suffered because the Government has withdrawn his right o use that water which it had previously given him. This it seems to me, Mr. Speaker and Mr. Minister, is, if I am interpreting it correctly, an extremely vicious principle and one which I trust that the Government did not intend.

There is in this province general legislation which gives to a citizen the right to sue the Crown. This Act, as I understand, goes so far as to remove the right to sue the Crown granted under other legislation. In other words the Crown is specifically exempting itself from legislation which the Government has in past years introduced to make available to citizens access to the courts in the event that they feel they have been aggrieves by the Crown. And it is on that basis that I suggest to the Minister and the Government that they indeed take a very close look at Section 7 and what seems to me to have some very far-reaching implications. We can certainly discuss it at length in Committee, but even before it goes to Committee stage, Mr. Speaker, the principle is such that I don't think it should be supported. I would hope that the minister before he moves to the final steps of second reading might reconsider the implications of the Act, particularly Section 7.

Debate adjourned on the motion of Mr. MacLennan.

Mr. Guy (Minister of Public Works): — Moved second reading of bill No. 53 — An Act to amend The Public works Act.

He said: Mr. Speaker, in moving second reading of this Bill, I would like to suggest that these are basically housekeeping amendments with no new principles involved. The Department of Public Works has taken over responsibility for construction and maintenance of employee housing, parking facilities and the addition to Section 33 accommodates this responsibility. With these added responsibilities our construction advance account proved grossly inadequate last year, thus we have an amendment increasing the upper level of this advance account. The final amendment deals with the CDA where increased car prices and the addition of trucks for the SPC, require also that the upper limit of the CDA advance account be raised.

With these few words I would suggest that further information be provided better in Committee.

Motion agreed to and Bill read a second time.

Hon. A.C. Cameron (Minister of Mineral Resources): — Moved second reading of Bill No. 54 — An Act to amend The Saskatchewan Telecommunications Superannuation Act.

He said: Mr. Speaker, this is a Bill to amend the Saskatchewan

Telecommunications Superannuation Act. It has the same features as the other Superannuation Acts that were amended, namely that you could draw a pension up to 70 per cent to a maximum of $6,000. that was raised in 1969 to a maximum of $11,500 and the new amendment takes the salary on which contributions may be made up to $16,000 and the pension of that would be 70 per cent of $11,200. It has an additional clause which the other pension acts haven't and that is that a man on pension may elect to take a higher pension until he receives the old age security pension and a smaller pension after, so that he may be keeping the same pension each month during his retirement years. Since the old age pension now is payable at age 65 it's changing the figure age 70 to age 65. Since this becomes effective on January 1st, 1970, the last Section 5 makes this retroactive to January 1st to bring it in line with the 65 for the Old Age Security Act.

Motion agreed to and Bill read a second time.

Hon. C.L.B. Estey (Minister of Municipal Affairs): — Moved second reading of Bill No. 55 — An Act to amend The Superannuation (Supplementary Provisions) Act.

He said: Mr. Speaker, I am told that this Bill covers the largest adjustment which has been made to superannuates or their widows in the history of the Province of Saskatchewan. The cost of implementing this Bill in a fiscal year will be approximately $106,000. Adjustments will be made to 80 per cent of the pensioners under the SGEA and other Provincial superannuation plans. Adjustments will be made to all pensioners receiving less than $250 a month and to all widows receiving less than $125 a month. The actual adjustment is set out in the Bill and it will cover 1,080 recipients of pensions as of this date. I will just recite the actual pension: For those who retire prior to April 1st, 1951 the maximum increase under this Act will be $15 per month and that will apply to 113 persons; for those retiring between April 1st, 1954 and March 31st, 1958, the maximum adjustment will be $11 per month and will apply to 97 persons; for those retiring between April 1st, 1958 and March 31st, 1963, the maximum adjustment will be $9 per month and that will apply to 127 persons; for those retiring subsequent to April 1st, 1963 and to date — I emphasize and to date — the maximum adjustment will be $8 a month for 256 persons.

Mr. Speaker, I do not think there is any more comment I can make to this Act. I think it is rather self-explanatory.

Motion agreed to and Bill read a second time.

Mr. Estey (Minister of Municipal Affairs): — Moved second reading of Bill No. 57 — An Act respecting the Sharing of Tax Levies on Pipe Lines in rural Municipalities and Local Improvement Districts.

He said: Mr. Speaker, I now come to what, in my opinion, may be the most important Act which I introduce at this Session of the Legislature. This deals with the sharing of both the municipal and school taxes on pipelines in the Province of Saskatchewan. At the present time we have about $26 million in pipeline assessment and in assessment on what you might call ancillary facilities, such as pumping stations. One company alone this year has

told us that they have a project in Saskatchewan of $29.5 million and there is another company before the Energy Board of Canada which, if their application is granted, has intimated that it will spend $28 million in the Province of Saskatchewan. I want to stress at the outset that this Bill has been discussed and, I would say, approved, by both the SARM and the Trustees' Association. What we propose under this Bill is firstly to eliminate from this $26 million assessment, as of this date, the assessment for pumping stations and ancillary facilities on top of the ground. The basis of excluding those kind of facilities from the Act is that there is no doubt that the municipalities concerned and the school boards concerned have to render a service to a pumping station, the municipality in the form of a road, the school board in educating the families who may be employed at the pumping station.

We propose in this legislation that the exemption for a municipality shall be $70,000 per township up to a maximum of $700,000. In other words, a rural municipality can keep the municipal assessment up to a maximum of $700,000, or if it is less than a 10-township municipality, up to a maximum of $70,000 per township. Setting aside the school board for a moment, the municipal taxes realized on the assessment, in excess of the exemption, shall be paid to a board, which board shall consist of five members, two appointed by the SARM, two appointed by the School Trustees' Association, and a Chairman appointed by the Lieutenant Governor in Council. You will note from the Act that the purposes to which the board can put this money have been made very general and that was at the request of both the SARM and the School Trustees' Association. for instance two suggestions have been made and I submit should be considered by the board; one is research assistance in agriculture and the other one mentioned was assistance to libraries.

I want to stress that this differs from the sharing of the municipal tax on potash facilities in that this money is divided across the Province of Saskatchewan and does not go into any particular district where you may have a pipeline. When you look at the municipalities as of this date and consider which may lose revenue there is a clause in the Act which says:

> If a municipality loses revenue in excess of one mill, the board shall for a period of five years compensate that municipality for the loss in revenue in excess of the value of one mill.

There are only three municipalities which will be aversely affected. I might point out that it is our intention that this Act shall have application to the year 1971.

Now when you come to a school unit, for anyone that is particularly interested I will have a diagram at third reading, Mr. Speaker, which will I hope make this a little clearer. But when you come to a school unit which may encompass three or four municipalities the exemption for that school unit in a municipality is the lesser of the municipality's exemption for that school unit. In the case of a school unit the Act refers to a basic exemption and there is a guarantee in the Act that the assessment will not go below that basic exemption. For example — I won't dwell on this too long — if you take the case of an RM which has two

school units in it, you take the pipe-line which goes across the RM across the two school units, the percentage of the pipe-line assessment which is in each school unit within the municipality, calculate that percentage into dollars and then you can get the school unit assessment exemption. But, as I say, for those who are particularly interested I will have diagrams on that for the third reading.

This Act also provides for amalgamation or annexation of municipalities in which pipelines are located. For example the Act provides that if two municipalities amalgamate, both of which have pipe-line exemptions, on amalgamation you add the two exemptions together so that the new body will not suffer in comparison to what existed before, namely, two municipalities. The same principle applies if there is an annexation of a portion of a municipality.

Insofar as school units are concerned there are only two school units which are affected more than one mill, and these school units will be treated in exactly the same way as the RMs were, namely, phasing in over a period of five years. Again I want to stress, Mr. Speaker, that I don't think there is anyone in this House that could estimate the amount of money that may be in this fund in three or four years' time, especially if the research which is going on today on solid pipe lines should come into existence.

Mr. E.I. Wood (Swift Current): — Before the Hon. Member sits down could I ask him a question? I was wondering if the Minister would be able to give us a little further indication of what this money would be spent for?

Mr. Estey: — Mr. Speaker, in reply to the Hon. Member that subject was dealt with when I met with both the SARM and the School Trustees. It was their specific request that in the initial stages the purposes be kept very general, but I recited two purposes that were disclosed at the meeting. As a matter of fact the SARM thought this should be handled procedurally in the same way as the Horned Cattle Trust Fund.

Mr. Wood: — Pardon me, did I understand the Minister to say something about libraries?

Mr. Estey: — Yes, agriculture research and libraries were both mentioned, Sir.

Mr. Wood: — Mr. Speaker, I have perused this Act to the best of my ability and also the explanatory notes that were given with it. I have also discussed it with the members of the executive of the SARM. At that time, of course, the Bill had not been brought before us and, while they had a pretty fair idea of what was in it, they weren't at liberty to discuss it too much with me. I kind of questioned the principle of them knowing about it before we did but that is quite understandable. I think there is a principle involved here but I think in cases of these organizations I think it is very desirable that it be discussed with them first. So there is no complaint in that regard in this instance at least.

But in spite, as I say, of discussing it with them, whereas they had a pretty fair idea what was in it, they weren't able to tell me and by reading the Bill I still am at quite a loss as to what is intended with this money. I have asked the Minister as you know, Mr. Speaker, but there is still a very wide variation it seems to me as to what can be done with money. I notice the Act says that there are a large list of regulations that may be brought in under the Act whereas the Act itself is not specific. It is I suppose intended that the regulations will make it more specific. There is one that says "making the rules for the holding and distribution of money received under this Act". It seems to me it would be very desirable, if before we come to third reading, that at least the Minister might be able to make available to us some concrete examples of what these regulations might be. And in view of the information that has been made available tonight it gives a somewhat different light on the spending that may be involved here than what I originally estimated. With the consent of the House, Mr. Speaker, I would like to move adjournment of this debate.

Debate adjourned.

Mr. Estey (Minister of Municipal Affairs): — Moved second reading of Bill No. 58 — An Act to amend The Urban Municipal Elections Act, 1968.

He said: Mr. Speaker, this Bill has been requested by the Saskatchewan Municipalities Association after district meetings. The real purpose of this Bill is to provide for urban elections during the first Wednesday of December rather than during the first Wednesday of November, as is at the present time. Naturally if you change the election date you have got to change the nomination date and that is likewise taken care of in this Act.

The real purpose behind this request is that, as the Act stands at the present time, there is a period of approximately two months in which a person may be elected and cannot take office. We are proposing that the elections take place the first of December and that they take office naturally on the first of January. Under our Elections Act, if the elections take place the first of December, the recount takes place 15 days after. The people are officially elected at that time and take office two weeks later. I think this principle has merit. As it is now you may have a person who was defeated or is retiring, who is not particularly interested in the work of the Council sitting as a councillor for a period of two months. We have cut that time in half and, as I say, the request for this legislation came to us from the executive of SUMA.

Mr. Wood: — Mr. Speaker, I think that the idea is good here. I think that lame-duck councillors are not too desirable and I think that the principle of the Bill is not to be complained of. I think there are two ways in which this may have been gone about. I have discussed this with some members of SUMA and I think the feeling is that possibly it could have been just as well done, instead of pushing back the date of the election, if they had pushed forward the date of taking office by the councillors, as has been done in some other jurisdictions I understand. I think there is some complaint possibly about the kind of weather we might encounter in December in having elections. It is hard enough to get municipal people out to vote in municipal elections

as it is. If you get a good howling blizzard on the first Wednesday in December you may have a very poor turn out. But I don't think there is anything in particular in this Bill that I personally would care to vote against at this time. I think we can discuss these matters in Committee of the Whole.

Mr. Estey: — Mr. Speaker, the Hon. Member has brought up one point and I wish to say at this time that I only had one remark against this Bill from any urban centre in the Province of Saskatchewan and that was on the question of weather in December. I would point out to this House that I am told in Ontario, where the average snowfall in certain places is far higher than ours, they hold their elections in December. I think with the improvement which has taken place in urban transportation in the past 20 years that this Bill will work out very well. Yes, it might get down to 40 below but people still get out and vote. I think that is all I have to say, Mr. Speaker.

Motion agreed to and Bill read a second time.

Hon. J.R. Barrie (Minister of Natural Resources): — Moved second reading of Bill No. 59 — An Act to amend The Game Act.

He said: Mr. Speaker, one of the proposed amendments to the Saskatchewan Game Act will provide for the establishment of a wild-life fund for the purpose of acquisition, development and maintenance of wild-life lands and habitat. Changing patterns of wildlife resource use and management practices make it desirable to establish other protected areas in addition to game preserves, bird sanctuaries and wildlife management areas. The proposed amendment to Section 61 will allow the establishment of other designated areas for the protection of management of birds and animals. Indiscriminate use of motor vehicles for hunting wildlife is an increasing problem. The inhuman aspects of hunting by means of track-type snow vehicles caused a wave of public protest. Pressures exerted on this Department from the public by means of the press, radio, television, petitions, resolutions and personal correspondence dictate measures must be taken to curtail this undesirable practice. The proposed amendment will prohibit the use of a power boat or power vehicle for disturbing, pursuing, driving, injuring or killing any wild bird or any wild animal unless expressly authorized by the Minister. Another proposed amendment will set the age of eligibility for hunting licences at age 12. This will bring the Act into line with the Hunters' Safety Courses which are offered to people 12 years and over. A person under 16 still must have a written application from his parent or guardian in order to obtain a licence and still must be accompanied and supervised by his parent or guardian or by an adult who in the terms of this amendment must be 18 years of age or over. It is inadvisable to allow a person under the age of 18 to supervise the hunting activities of younger hunters because of immaturity and inexperience. It is also proposed that all hunters found guilt of a violation of The Game Act will lose their hunting licence for at least one year from the date of conviction. Some hunters found that, if they postponed the court case regarding their violation of The Game Act long enough, they eventually really lose no hunting rights if they are found guilt. It is felt that this increased severity should be counteracted by some relaxation of impoundment regulations. Impoundment of firearms will be discontinued with the exception of night-hunting violations in which case the firearm

is forfeited to the Crown. The care, storage and return of impounded articles is often more of an inconvenience to the DNR than it is to the person convicted. In addition to these items that I have mentioned briefly, Mr. Speaker, there are a number of minor amendments simplifying and clarifying certain sections which are also included in the Bill before us. I feel certain that the explanatory notes circulated to the Members cover the minor amendments adequately and require no further comment by me at this particular time.

Mr. G.R. Bowerman (Shellbrook): — Mr. Speaker, there are a number of amendments in the Bill that is being proposed this evening and I appreciate the comments of the Hon. Minister (Mr. Barrie) with respect to some of those amendments that are being proposed. You will realize of course that the Bill did not come to our attention until recently and there are some things which I do believe need to be discussed. Perhaps they should be discussed at greater length and while there are a number, I would agree with the Hon. Minister, minor in nature and not necessarily requiring any discussion on the principle, we do, however, or we would like, however, to give more consideration and study to the Bill proposed. I would therefore beg leave to adjourn the debate.

Debate adjourned.

Hon. D.V. Heald (Attorney General): — Moved second reading of Bill No. 44 — An Act to amend The Direct Sellers Act.

He said: Mr. Speaker, The Direct Sellers Act governs the sale of goods or services which take place at the home of purchasers. When passed in 1965, this Act offered to the public the most advanced legislation of its kind on this continent. Saskatchewan was in fact the first province or state — I believe this is right — to give purchasers the right to rescind a direct sales contract within a specified period of time after the contract has been entered into. This period consisting of four days in Saskatchewan during which a contract could be rescinded has been commonly called the "cooling-off period". The right of the purchaser to rescind or cancel the contract has been very effective in putting an end to many questionable sales practices. Most of the provinces and many of the states in the USA have now joined Saskatchewan in adopting similar legislation. There is a variance as to the length of the cooling-off period; some jurisdictions have two days, some have three and I think one jurisdiction has five, but they have accepted this principle of the cooling-off period. Members of the public, however, are still being taken in on occasion by unlicensed vendors. Where there is no licence, of course, there is no bond; and where there is no bond, difficulties often arise in obtaining the refund of monies paid under a contract which has been rescinded by the purchaser. The main purpose of the Bill before us now, Mr. Speaker, is to spell out in the Act itself certain conditions to which every licensed vendor shall be subject. These conditions were previously attached through all licences by the registrar pursuant to a section of the Act. However, in the last 12 months a judge of the Court of Queen's Bench in Saskatchewan decided that the registrar must in imposing such conditions exercise his discretion in each case and not impose general conditions on all licensees. In view of this judgment the conditions imposed by the registrar will now be incorporated in the Statutes in Section 3 of the Bill.

These conditions of licence require the vendor to set out certain information on the face of the contract such as the purchaser's right to rescind the contract within four days — that will be spelled out within the contract itself. Another condition will place a curb on what is commonly referred to as "referral selling". The Act presently provides that a purchaser may rescind or cancel the contract at any time within a year where a vendor acts in breach of condition of licence. Mr. Speaker, there has been much concern, particularly in recent months, with the concept of referral selling. In this type of agreement a purchaser enters into a contract for goods which he often cannot afford, because he believes he will earn money by providing the company with names of other people who will buy. As there is a limited number of names the plan is sometimes referred to as "pyramid selling" or "referral selling". This type of pyramid selling appeals to the naïve who actually expect in many cases to get something for nothing, or to knowledgeable persons who, knowing the schemes do not last, hope to make a fast profit and get out before the pyramid collapses. These latter people, the knowledgeable people, know full well that there is only a limited market and once this market is saturated many of the sellers are stuck with their unsold goods. These amendments we feel will serve to curb any abuses in this type of selling. The amendments will also require compliance with these terms and conditions and allow the terms, conditions and restrictions to be varied. The amendment setting out an effective date of bylaws filed by municipalities is to ease the administrative burden on the Provincial Secretary's office. Direct sellers now must check at the office every day to see if municipalities have filed bylaws, and that is a bit onerous, I think. With this amendment the list of municipalities filing bylaws and requiring fees need only be published twice a year.

Before I move second reading, Mr. Speaker, I would like to refer or to go back for a moment to the portions of the Bill dealing with referral selling or pyramid selling. Interestingly enough under date of March 5th, I received a letter from the Canadian Consumer Council, which Hon. Members will know is the council set up by the Hon. Ron Basford, Federal Minister of Corporate and Consumer Affairs, and this letter that I have is a copy of a letter written by the Canadian Consumer council to Mr. Basford. I would like to quote, if I might, certain portions of the letter because it deals quite specifically with the kind of amendments that we are proposing here tonight. The letter says, and I quote:

> The Canadian Consumer Council recommends in the strongest terms the immediate outlawing in Canada of the sales practice commonly known as "referral sales". In the Council's opinion the practice almost invariably works to the detriment of consumers, and the Council therefore proposes a two-pronged approach to eradicate this serious problem.

The first approach that it recommends is amendments to The Federal Combines Investigation Act, and then, secondly — and this is the part I think is interesting to us now — and I quote again:

> Corollary legislation . . .

and they are talking here about Provincial legislation.

> . . . would authorize the Provincial licensing authorities to withhold direct sellers' licences to any firms or salesmen proposing to engage in such practices.

Now what is wrong with referral selling? This letter from the Canadian Consumer Council, I think, describes it very accurately and in a rather colourful way. In general outline the householder is told that he can obtain an item free of charge if he will introduce a number of his friends to the seller and if each of them will agree to purchase this item. The item may theoretically cover any household object but vacuum cleaners appear to be among the most common in Canada. The price of the item is usually several hundred per cent above the normal retail price for an article of similar description. For example: $200 or more for a vacuum cleaner and the householder frequently does not appreciate that he is obliged to pay this price plus finance charge, even if the referral letters do not have their desired effect. in some cases the true nature of the transaction is altogether concealed from the householder and he is led to believe that he is merely being invited to participate in an advertising or commission scheme that will enable him to earn some easy money. Once he has recovered from the verbal assaults of the salesman, the householder is often disinclined to expose his friends to the same deception. But even if he thought there was any merit to the scheme, the statistical probabilities are strongly against his being able to find a sufficient number of purchasers to offset his own liability to the sales company. Here is another interesting table. As the following table illustrates, if for example the purchaser must earn 12 commissions in order to get the article without cost to him and if in turn each of his referrals must find 12 new purchases in order to escape liability and so forth, then by the fifth round no less than 248,832 persons will have become involved — a figure that exceeds the population of all but a handful of Canadian cities. American experiences have also shown that frequently the seller does not even both to follow up the leads provided by the credulous householder. In short, the referral feature is merely a fraudulent sales-promotion device which is designed to conceal the true nature of the transaction. So, Mr. Speaker, these are some of the reasons why we feel this legislation is necessary. I trust that the amendments will have the support of all Hon. Members as I feel this is the kind of legislation we need to make the market place a safe place for all.

Mr. R. Romanow (Saskatoon-Riversdale): — Mr. Speaker, first of all, I would like to commend the Attorney General (Mr. Heald) on The Direct Sellers Act. Members of the Legislature heartily approve, and the Attorney General and the Government, I think, deserve some credit in that area.

I want to also say at the outset that I certainly do not intend to oppose the amendments that have been proposed by Bill No. 44. I think that essentially they are good amendments — perhaps not the best amendments. I am going to make some comment in that area in a minute or two. The suggestion in Section 5A, the proposed Section 5A(1) with respect to the period of renunciation being four days, I am not going to stress the point, but I think there is some merit to looking at the possibility of increasing the period of renunciation to eight days or perhaps twelve days. It is a small point, but I have been told on a number of occasions that a four-day cooling-off period is really not sufficient time for a person to get acquainted with the article

that he has purchased or realize the contractual obligations that he is undertaking, and after four days have gone by, he is limited. So I throw out the suggestion to the Members of the House and to the Attorney general that we might look at changing the period of cooling-off to extend it beyond four days.

With respect to Section 13, the Hon. Attorney General referred to the case — I believe that was the Beaudry case if I am right — and in this we have no quarrel. There is one other small area I should like to draw to the attention of the Government and that is whether or not in the definitions we are dealing with here in The Direct Sellers Act, there is a definition covering a corporate firm or corporate body. I've had an opportunity to look at the Act itself and the various amendments. I have some doubts as to whether or not we are really covering the area of a corporate body, that is to say, the person who is a vendor or a licensee and who is incorporated as a corporation. I must say that I may have overlooked the reading of the sections. I would be pleased to be assured by the Attorney General and the Government that in fact I am in error. But with those few preliminary remarks about the areas I have talked about, we don't quarrel with the Bill, insofar as it goes to that point.

However, Mr. Speaker, I do have reservations, not to the point of opposition, about whether or not proposed Section 5A, subsection (2) is really doing the job that the Attorney General (Mr. Heald) has indicated he wants it to do. Subsection (2) talks about the licensee not having the right to directly or indirectly offer any gift, prize and the like to a prospective purchaser, in the hopes of furthering a sale to another prospective purchaser whereupon that premium or prize will become payable to the person involved. It is supposed to deal with what the Attorney General has referred to as "pyramid sellers" and, frankly, it is my opinion that the Section is deficient in the area of tackling pyramid sellers. I think, to analyse my remarks a little further, we have to go back to the original Act and take a look at what we mean when we talk about direct sales. Section 2, subsection (c) and the various other sections of the Act. In essence, say, Mr. Speaker, that a direct seller is a person who goes from house to house selling or offering for sale or soliciting orders for the future delivery of goods or services. Then, if you couple several other definitions, you get the entire import of The Direct Sellers Act. The essence of The Direct Sellers Act, I think it is safe to say, concerns itself with those persons, corporations or otherwise or partnerships that are involved in door-to-door sales. Now what does pyramid selling do? Or what does a common variety of pyramid selling do? Frankly, I haven't had any legal experience in this area but from reading and observation it would appear to be that we are generally dealing with another area of importance that the Section 5A, proposed section, does not cover. I think that the most important part of pyramid selling that is rampant nowadays in many parts of Canada is the type of operation which concerns itself with the sale of franchises, and there is no contingency whatsoever to a person who buys the franchise. There is no offer of a premium or an award of any special prize. There is very often the simple fact of the overall master agency or master person involved in the pyramid program, advertising he now has a chain operation or he has a franchise to let. He calls a meeting and various people come to the meeting. They purchase from him, on a percentage basis, the right to resell the item that he has and so it goes down the line. What Section 5A, to my mind, does is to catch all of these people that are at the bottom of the pyramid. They

are at the end of the line and they are the people that are going door-to-door within the definition of The Direct Sellers Act and it is contingent upon them. They perhaps are getting some premium or some prize or some award. Section 5A will catch them. But what it doesn't do is that it doesn't catch the people at the top who have instigated, perpetrated and continue this fraud with respect to the other people. As I say, I don't know of any judicial authority in this area and perhaps the Attorney General and I are just arguing in terms of theoretical law. But I do respectfully and sincerely suggest that proposed Section 5A does not deal with the business of catching the frauds who come in and instigate the program, those people who set up the operation and get the percentage franchise basis. We ought to be directing legislation under The Direct Sales Act or some other statute to catch those type of people.

Now I think the only way that we can do this is to set up a special Act. Maybe The Direct Sellers Act is not the answer for this. I think the explanation given by the Attorney General (Mr. Heald) for referral sales is a good explanation. We concur with it. But I opine to the Members that we are dealing here not with referral sales but pyramid sales, that in many ways, although they are similar principles, we are dealing with two entirely different concepts. We are going to provide consumer legislation to stop the activity of the growing type that may invade the Province of Saskatchewan — or has invaded already. I think we may have to look at a special Bill or perhaps some revision of Section 5A to catch the type of people that I am talking about.

At the stage that the Attorney General has in subsection (2), it is too late. The boys at the top usually have cleaned out and gotten out. So I suggest that we look, as Members of the Legislative Assembly, to either setting up a special Act — (and I could be assured that the Hon. Attorney General would indicate to the House that such legislation will be introduced, perhaps at this Session) or if this is not possible, perhaps an amendment is needed which would cover the type of situation that I have outlined, aimed at stopping those people who are rooking, the schemers at the top of a fraudulent program and that the Attorney General and I are both concerned about.

To conclude, I say this to the Attorney General and to the Members of the House, we commend you for The Direct Sellers Act. The amendments cannot be opposed, but we caution you that the amendments in our opinion do not cover the pyramid sellers. It is an important and urgent crisis that is facing Saskatchewan in terms of consumer protection. We ought to look at patching up that hole now. If it can be done by the amendment then we will have it determined at this Session of the House. But, if not, then we urge a special Bill dealing with pyramid sellers.

Mr. A.E. Blakeney (Regina Centre): — Mr. Speaker, I don't intend to detain the House for long. Essentially I agree with the remarks of the Hon. Member for Riversdale (Mr. Romanow). There are two or three or perhaps even more classes of problems and I suppose that as fast as loop-holes get plugged by legislation there will be that many more very ingenious in the field of quasi fraud. I had occasion to run into a series of these problems and had occasion, as a matter of fact, to raise with the Attorney General two or three types. There is one problem that I don't think we catch with this legislation and which is perhaps not easy to catch judging by

the legislation which I am advised, but haven't studied, is in operation but is not all that effective in Massachusetts and California. The problem that I refer to is the franchise type of arrangement. We have known of the Nutri-Bio fiasco, the Holiday Magic problem. There are three or four others with detergents and all the rest.

I am not, perhaps, as confident as the member for Riversdale that a simple amendment to The direct Sellers Act would do the trick. I certainly would agree with him, and I suspect with the Attorney General, that his Department and this Legislature ought to be looking at this problem to see whether or not there is a way to deal with that particular problem which has emerged and has become a very difficult problem, not only in Saskatchewan or indeed not mainly in Saskatchewan, but here as well as elsewhere in Canada and the United States.

Mr. Heald: — Mr. Speaker, first of all I would like to make a few comments on the observations of the Member for Saskatoon-Riversdale (Mr. Romanow). The first comment had to do with the expanding or the extending of the four-day cooling-off period to eight or nine days, or ten or twelve days. We have looked at this. I can tell you that our experience, based on the very large volume of correspondence which we receive in the office, would indicate that the four-day cooling off period is working quite well. You have to remember that when you look at extending, you are interfering with the normal contractual relationship between parties.

When we passed The Direct Sellers Act, this is consumer legislation, and it does interfere with the normal legal concept of the sanctity of contract between two free people entering into a contract. It is, as I said to the Press, odds-evening legislation. The rationale for it is that in the market-place these days the parties aren't on equal terms and so the rationale for a cooling-off period is that perhaps the purchaser is not in an equal position with the fellow selling, maybe a fast-talking fellow, and the purchaser may not have much sales resistance. So the rationale for interfering with the normal legal concept is to sort of even the odds and to sort of achieve equality once again in the market place.

Having said that, you always have to keep in mind, I think, that every time you increase a cooling-off period, what do you do to the normal flow of commerce if you made the period 30 days, for example. You might have an argument for making it 30 days. But what would you do to the orderly flow of commerce if you had a cooling-off period of 30 days? I am not sure that people could really carry on business. I think that you have to always look at this business of extending a cooling-off period in the light of other complications which might flow and which might really disrupt normal business as we have it on a day-to-day basis.

I can only say to you that we think the four days is working. If it gets to the point where it is not doing the job then, of course, we will have to have a look at it and try to extend it a little bit.

The other point about a corporate body. I don't think there is any problem there. Certainly corporations are licensed daily. They pay the fees. They sell bonds. they are subjected to the provisions of the Act and prosecuted under the Act. We have

cancelled bonds where we had complaints. So there is no problem that I am aware of as far as this question of the Act applying to a corporate body is concerned.

Then the concept of pyramid sales. The Hon. Member for Riversdale (Mr. Romanow) made the comment that he thought that this was referral selling, but that it really wasn't pyramid selling. Well, I think it is. It may be the bottom of the pyramid but it is the area that we have had the most complaints in, the area of direct sales. This is where we have had the most complaints.

When you say that we should, perhaps, look at an amendment to cover the people at the top of the pyramid — that is the people who are engaged in franchises, with respect and with every deference I don't think this is the Act to do this. This is a Direct Sellers Act. This applies to sales on a door-to-door basis, to a person's home. What we are doing is controlling and doing away with pyramid selling — or referral selling if you prefer that term — on a direct sales basis.

Now, you mention franchises. As the member for Regina Centre (Mr. Blakeney) has indicated, he and I have had some discussions about his and we have had some correspondence. In my Department we have been taking a very serious look at a new piece of legislation dealing with franchises but it would be a new Bill and it would not be restricted to direct sales. It would be on the basis of controlling franchises. But, here again, a word of caution, Mr. Speaker. When you put a net down — and this is what you would be doing — you would be putting a net down and you would be controlling all franchising. And the question is whether or not you aren't trying to smite a mosquito with a sledgehammer. We have some evidence of abuse alright, but when you start controlling all franchises you are very, very seriously interfering with the normal day-to-day business in this country. Would you be controlling, for example, a franchise arrangement between, say, Eaton's and some supplier such as Philco Radio? Would you be interfering with the franchise between Ford motor Company and one of its franchise dealers? This is the kind of think that you get into. So all I can say is that we are considering it. We have looked at the Massachusetts and California legislation that the Member for Regina Centre referred to. We are looking at this but we don't think that this Bill is the place to really control franchises. We say that this is The Direct Sellers Act; this is where the most people in our province get involved is in direct sales. We are going to wipe out, by this legislation, the kind of vacuum-cleaner plan and some of these other plans where people get led into a false set-up — the scheme is in itself wrong or fraudulent by its very makeup. It is a chain letter concept as those figures that I gave you will show. It is wrong. It is basically wrong. It lends itself to abuse and this Bill take away that abuse.

Motion agreed to and Bill read a second time.

Mr. Heald (Attorney General): — Moved second reading of Bill No. 46 — An Act to amend The Partnership Act.

He said: Mr. Speaker, it has been a cornerstone of the policies of this Government to develop our natural resources to the greatest extent possible. In order to do this it has, of course, been necessary to facilitate the investment of outside capital and in many cases this is American capital.

Mr. Speaker, in the United States limited partnerships are extremely popular for oil and gas investors because of that country's income tax legislation. the provisions of our Partnership Act did not, however, up until now assist these limited partnerships to do business in Saskatchewan. It complicated rather their operations in this province.

Mr. Speaker, Alberta in 1968 adopted legislation which was similar to The Uniform Limited Partnerships Act of the United States. This has caused companies to register in Alberta rather that in Saskatchewan. The existing provisions with regard to limited partnerships are to be deleted in the proposed Bill and substituted will be provisions similar to those of Alberta which as I said have been taken from the united States Uniform Limited Partnerships Act. It must be kept in mind that this legislation now existing in the United States was a major legal reform and was the result of considerable legal research. Thus it is not unusual that provinces consider such legislation for themselves.

Mr. Speaker, these provisions will serve to bring The Partnership Act in line with reality and, instead of impeding the use of limited partnerships, will facilitate their existence when they are chosen to be the structure of a business enterprise.

I would like to draw Members' attention to a couple of provisions. For example, limited partnerships in the oil and gas industry require large amounts of capital and it is not reasonable to require the special partners to make the entire contribution in cash upon the formation of the partnership. the amendments would permit the limited partners to make periodic contributions and to contribute cash or property. The persons desirous of forming the limited partnership must sign a certificate companying with the conditions set out in Section 68 of the proposed amendments. The partnership is not formed until the certificate is made, filed and recorded in the office of the Provincial Secretary. If there is a false statement in this certificate, all persons signing the certificate can be liable as general partners.

The provisions in the Bill are designed to expedite the registration of those carrying on business in a particular way and to protect others who deal with the limited partnership. These aims and this Bill are, therefore, deserving of support from all Hon. Members, Mr. Speaker.

Mr. Romanow: — Mr. Speaker, just a word about this Act. We will not be opposing it and I think the Attorney General (Mr. Heald) is correct in saying that the Act seems to be writing new law.

There is one aspect of the amendments that I should like to draw to the attention of the House and that is the question of whether or not we ought to be looking at ways and means of publicizing and bringing to the attention of the persons who are dealing with limited partnerships the nature of the creature that they are dealing with. My reading of Bill No. 46 says that in effect what we have done here is to set up a new form of corporate bodies, that is to say, a person who declares himself to be a limited partner can, in association s with other limited partners, be forming a general partnership but with limited liability. Now this has changed the law in some areas. The law of partnership which in effect says that the partner who enters is liable to his own personal worth and value. Now the Act appears to say that he is only liable to the extent that he

puts by way of money into the partnership. I think this is a rather novel and revolutionary way of looking at partnerships. We ought to look possibly at giving some form of information or assistance to the person who deals with a limited partnership, so that he is fully aware of the fact that, when he enters into a contractual relationship or any other legal arrangement with a limited partner, he is looking at limited liability, that he doesn't have the advantage of a full partnership, of stepping in and moving in on them to the full extent of the law, as the old partnership provisions would be.

I agree with the Hon. Attorney General that it does have the desirability of being flexible and allowing for quick registration and quick dissolution.

With those few words I perhaps can reserve other comments in Committee of the Whole.

Motion agreed to and Bill read a second time.

Hon. D.G. Steuart (Provincial Treasurer): — Moved second reading of Bill No. 65 — An Act to amend The Estate Tax Rebate Act, 1969.

He said: Mr. Speaker, under the Act passed at the last session, that is The Estate Tax Rebate Act, the time within which the application for rebate must be made is fixed at 90 days in the Act. The director has no discretion to extend the time and there is no appeal to the courts. Experience has already shown us that this time limit is too short and the amendments we suggest in here will authorize the Lieutenant Governor in council to fix the time and to amend this time limit if necessary in the light of experience.

The amendments will be retroactive to deal with two cases of hardship that have already existed. In one case the executor was in a hospital, he was unable to apply and the 90 days went by, and in the other, the executor was unaware of the time limit in the Act. It is not the intention of the Government that a taxpayer should be denied the benefit of this legislation on a mere technicality.

So that is why we want to amend the Act to give us flexibility. We have found already that the 90 days is too short.

Motion agreed to and Bill read a second time.

The Assembly adjourned at 10:00 o'clock p.m.