LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
First Session — Fourteenth Legislature
39th Day

Wednesday, April 5, 1961.

The House met at 10:00 o'clock a.m.

On the Orders of the Day:

SECOND READINGS

Bill No. 34 — An Act respecting the Payment of Wages to Employees

Hon W.G. Davies (Minister of Public Works):

Mr. Speaker, on behalf of the hon. Minister, I would like to give a brief explanation of Bill No. 34, which replaces the Workmen's Wage Act, which has remained in force, more or less unchanged since 1913.

The experience of the Department of Labour has shown during recent years especially, that there have developed so many departures in practice from the provisions of the old Workmen's Wage Act short of the very serious disruption of current wage payment practices, it is now considered to be unenforceable. In addition, the experience of the Department would indicate that new provisions are necessary for a more adequate coverage and the better protection of wages.

Now, Mr. Speaker, a number of House amendments will be introduced to effect some alterations in sections of the printed Bill. The new Bill No. 34, as it will be presented, will enable an employee to request a written statement of wages, either at the time of hiring or at any time during employment. The reason for this new provision is that a great deal of difficulty has been experienced in establishing under verbal contracts of employment, the wages to which employees are entitled. The provisions of the new Bill have been extended to cover all employers and employees to whom any minimum wage order applies. Coverage, will therefore, apply to most employers, except those in agriculture, employers of domestic labour. Excluded also, of course, will be managerial employees.

Under the present Workmen's Wage Act only employees employed at an hourly, daily, or weekly wage receive coverage. The new Bill will provide for the method and the frequency of wage payments to employees. The old Act stipulated that hourly, daily, and weekly employees must be paid each week. Practices have in fact grown up over the years that violate this requirement.

The present Bill, as it will be House-amended, attempt the recognition of these practices that have grown up over the years, and at the same time endeavours to provide good protection to employees with respect to frequency of wage payments.

There will be a House amendment introduced to section 3 and section 4, as they refer to the frequency of wage payments. The House amendments will vary the pattern that exists at present for the payment of wages, at the same time stipulating a method whereby all periods of wage payments may be altered as considered necessary by action of the Government.

To put it another way, the new Bill as House-amended will permit wage payment practices as they were established, before March 1st, 1961 to be continued, subject to certain possible exceptions which may be brought about by Order-in-Council or by the wishes of the employees affected. Employers who have had no established practice before this date would be required to pay wages, not less frequently than semi-monthly, and pay such wages within six days of the end of each earning period.

There will also be special provisions which will deal with the wage payment on the termination of employment. The new Bill will provide for wage payment in Canadian currency or by cheque drawn upon a chartered bank, or a credit union. Now, the old Workman's Wage Act made it mandatory to pay in Canadian currency, and by certified cheque. The new Bill, however, will make it an offense to have a cheque issued by an employer that cannot be honoured.

A number of the provisions, Mr. Speaker, that are in the Bill deal with the time and the place and the manner of payment of wages. Under the new Bill there will also be a House amendment here — prime contractors engaged in contracting and demolition are to be made responsible for payment of wages of their sub-contractors. Experience has shown that there have been many cases of difficulty of workmen collecting their wages, where their employer is a sub-contractor.

The Minister of Labour, under the new Act would be

empowered to require a bond, or other form of security for wages, from any employer who has been convicted under any Act, of a failure to pay wages. Inspection, record keeping, penalties, wage collections, and other enforcement provisions have been brought in line with those contained in other Provincial Statues.

I think, Mr. Speaker, that this should suffice to supply the House with a general knowledge of the chief points in the Bill. A detailed examination will be possible in Committee, and I would, therefore, now like to move that Bill No. 34 be read a second time.

Mr. Thatcher: — Mr. Speaker, might I direct a question to the Hon. Minister? I don't want to speak at this time, but one of the features of the Bill which has caused some concern is the fact that, as some people have read it, employees who are employed hourly, daily, or on a weekly basis from now on would have to be paid on a weekly basis. As I understand it, the construction industry particularly was afraid of this feature. Now, did I understand the Minister to say that this is not correct, that they can still continue to be paid on a semi-monthly basis?

Hon Mr. Davies: — As a matter of fact . . .

Mr. Speaker: — I think that I would have to draw to the attention of the Members that if the Hon. Minister speaks at this time, he will be closing the debate. If there are further questions . . .

Mr. Cameron: — I would just like to ask, why the Minister found it necessary, on second reading, to introduce a Bill with so many, many House amendments? We have the Bill on our desks, and I have studied the Bill, now we find he has, I don't know how many, but at least a good armful, of House amendments in connection with the introducing of this Bill. I question the practice of bringing in so many House amendments with the introduction of a Bill. I can understand a House amendment being brought in on third reading to clarify a particular section, or sub-section but I wonder why it is found necessary more and more to bring in these House amendments in on second reading. Of course, we haven't a copy, we have no opportunity to peruse those amendments and we're asked to accept second reading that will be changed in many, many details from the Bill in front of us. That is the thing that I question, and I would like

the Minister to explain why he thought it was necessary to bring in so many House amendments on the second reading, without the Opposition or any other Member having the opportunity to peruse them.

Premier Douglas: — Mr. Speaker, if the Minister answers this he will close the debate, and there may be other Members who wish to speak. I think one has to recognize, that when you are dealing with a Bill of this kind that it affects, in the main, two classes of people — the employees who receive the wages, and the employers who have to look after the payrolls. Each see this problem from different points of view. The Department prepared this legislation because, as the Minister has pointed out, the existing legislation is completely obsolete, and is no longer observed in any particular. It limits all hourly, weekly and daily workers to payment once a week, and as the Minister has pointed out many employers have departed from this. The employees are quite satisfied with this departure. It would be silly to try and enforce it.

This legislation had to be brought up to date. Legislation was prepared, and following the custom which I think is a good one, as soon as the Members got copies of it, copies were sent out to the different groups. The employer groups have made representations, as have the labour organizations, and we have had recourse to their representations. We think they have made some very good points, and I think we have met most of their objections in the House amendments which will be submitted to the Committee of the Whole.

It doesn't alter the principle, but it does alter the techniques, and I think accomplishes the purpose of the Bill.

The purpose of the Bill is to see that some person who has worked hard and earned his wages, doesn't get rooked and that he gets paid within a reasonable period of the time he performed the service. We don't want legislation which is so harsh that in seeking to take care of the 2% or 3% of the employers who may try to deprive their employees of their due wages we put a hardship on all the other employers. This is always the danger when you are passing legislation to deal with a certain element, and so we have tried to meet the wishes of both sides. I think we have probably come fairly close to doing so. That is the reason why these House amendments are introduced.

The other way it could be done, if we wanted to

I suppose, would have been to send the Bill to a committee of the House, and let various groups come and make representations regarding it. Then the committee could have brought in suggested changes. The basic principle of the Bill is not altered. If Members agree with the principle of the Bill then the means of applying the principle can be discussed in Committee of the Whole, and at that time the House amendments can be considered.

I do think the Member for Maple Creek has a good point. When you have a lot of House amendments like this, it is not easy to catch the gist of them. I hope it is possible, for the Minister to have these House amendments dittoed, so that every Member would have a copy on his desk, when we are studying the Bill. If that were possible, I think it would help a great deal.

Mr. L.F. Coderre (Gravelbourg): — Mr. Speaker, I had that suggestion, and I am glad that the Premier brought it up. There are a few sections in the Bill I feel should be brought to the attention of the House. They are not in a sense disagreeable, but there are some features which could cause some hardships.

Now, in taking the third section of the Bill you will find that upon request some agreements are made between the employer and the employee in writing, stating the type of position that he is going to hold. I know that that is a new section to the Bill, and I believe that the particular section will have a tendency to penalize certain types of businesses — small businesses. You find, for instance in the sheet metal or plumbing industry, where they are small operations, they have to have a journeyman, and helpers to do certain jobs, and if you are going to conform to the regulations of the Bill, stating the type of work that the person is going to be doing, then during slack periods, you will not be able to use that person's services to do other odd jobs around the shop. After all, if an agreement is there, and the employee has made the agreement with the employer, and if for some reason or other he doesn't feel like possibly sweeping the shop, or stacking things in the warehouse, well the employer will have no alternative, but to lay him off.

I understand that the Minister mentioned a moment ago that there may be a House amendment in regard to that section, now I don't know if it is going to deal with that,

but I just thought I should bring this particular point to the attention of the House.

The other one is the question of time for payments of wages. Now, again I understand there is a House amendment, but not knowing exactly what is in it, I feel that some slight discussion should be brought into this matter. In some cases of businesses being paid from outside the province, the cheques are made in Winnipeg, Calgary as the case may be; it is an operation of national scope. Let us take the CPR for example, where they probably pay from Calgary, and I think pay all the western operations. If we are going to be too rigid about this, and ask that the payments be made in accordance with our regulations, I think it would create a tremendous hardship or quite an amount of trouble on the operation. Some of the retail industries that are operated in this province are also going to feel the effect, and if it means that some of these firms that have their pay offices outside of the province, will have to comply with this regulation, it would probably mean that they would have to establish a paying office here, which at this particular time would have a tendency to increase the cost for that operation in Saskatchewan.

Of course, it does mention, I believe, that the Minister may make provisions for it, but I am rather concerned at this point that there is the possibility that it could have a cost-price increase as the effect. I believe there are some amendments in that section, and if it doesn't deal with it we could probably deal with it in Committee. One that is a very good point, and I am very glad to see, is the question of the contractor having to assume some responsibility, because so often you find that sub-contracts are let out, and these people are really fleecing the wage-earners in many respects. I do believe that the wage-earner in this particular respect, certainly has to be protected. That is a very, very good step.

As I mentioned a moment ago, due to the fact that there is going to be some House amendments on sections 3 and 4, I believe we will be in a better position to deal with them. I do caution the House to section 3, because I am sure that it is going to cause hardships to small businesses throughout the province. I am not so concerned with the large businesses where they will employ a man and he will be working the year round in one particular job, but in the small operations, it will create some hardships, I know in that respect. I do hope that when we go into Committee this will be perused very thoroughly.

Mr. A.T. Stone (Saskatoon City): — Mr. Speaker, I would like to say a few words. The old Workmen's Wage Act, which I understand will be repealed if this Bill is passed, pointed out the need for this kind of legislation even back as far as, I think the Minister said, 1913, and since industry has increased and become more complicated it is only right, that even in this day and age, we should have a streamlined Bill, and I am glad to see it brought in even at this late date. I think the great majority of employers are fair, and want to live up to the contract, but as has been mentioned, many of these sub-contractors bid too low on the jobs, and then have to resort to sharp practices to come out on the right side of the contract.

I believe a lot of these instances have taken up a great deal of time and trouble of the Department. I am sure that the enforcement officers take days processing a lot of these cases, and I am glad to see that provision is made in the Act to overcome the problem that we are having with these sub-contractors. Now, I am a little bit disappointed, Mr. Speaker, in as far as there isn't a mandatory provision for a contract to be given to employees. I don't know why it should be left at the request of the employees. So many employees never bother to ask their wages, or hours until they find that possibly they are becoming exploited, and I am thinking particularly of young men and women that have gone out for the first time in the world to seek their first job, and they find that the world is far different from the world they were taught in school and Sunday school. I see no reason why it couldn't be made mandatory for an employer — I think it is the legal right of an employee to know the wages and hours that they are to have, when they are hired.

I believe a form could be supplied by the Department, and I think the Department would save money by supplying these forms, which will save time in processing. These are the kind of cases that take a considerable amount of the time of the enforcement officer. I was alarmed when I looked through the annual labour report, and the amount of inspections have gone down. In 1955-56, total inspections were over 11,000. Last year, 1959-60, they dropped down to 4,000 — well, pretty close to 4,000. The regular inspections in 1956 were 10,000, and this year was a little over 1,000. The special investigations are going up, and I suggest that a lot of this could be eliminated if this section 3 was made mandatory.

Now, as the other Members have suggested, I don't know what the House amendments are, but there are various

questions that I intend asking when the Bill gets in Committee. I am happy about the legislation, I think it would be pretty well perfect if clause 3 was made a mandatory contract for the employee.

Mr. Speaker: — I would like to draw to the attention of the hon. Members that the Minister is about to close the debate.

Hon Mr. Davies (Minister of Public Works):

Mr. Speaker, dealing with these questions one at a time, I think the Leader of the Opposition asked about weekly paid employees of contractors, and would they under the proposed Bill be paid in the same way. I want to point out that under the present Workmen's Wage Act all hourly, daily, and weekly workers that are covered are supposed to be paid by the week. Over a period of time, however, I think there have grown up practices in violation of this section. What we will be doing in the House amendments is providing for a procedure where, generally speaking, all employers may continue he present practices for payment of wages, subject to the action of the Minister in individual cases, or the action of the Government where there are whole classes of workmen concerned. However, in the case of hourly, daily, or weekly paid personnel, there will be a clause which will provide that where the majority of the employees in a bargaining unit prefer the weekly payment, they may do so upon their request to the Minister. I emphasize that the majority must petition for this practice.

Again, I say, that as the law is at present the contractors and hourly, daily and weekly workers to whom the Factories Act and Minimum Wage Act apply, should all now be paid by the week, and that many violations of the law have arisen over a period.

Mr. Thatcher: — . . . Would the Minister mind . . . Did anybody request that specific change? . . . this change whereby these people, by the majority of the union can now ask to be paid on a weekly basis instead of every two weeks? It is a costlier procedure, and I don't just see the value of it, and I was wondering who wants this change made.

Hon Mr. Davies: — I think the answer to that, Mr. Speaker, would be this, that

we have from time to time received complaints from the Trade Union bodies; also that wage inspectors of the Department of Labour have brought to our attention numerous cases, where because of the longer pay periods, workmen have lost their wages, due to the failure of contractors to pay or by like action of other employers that fall within the Schedule of the old Act. I think this procedure is far less restrictive then formerly, upon contractors, and certainly to my mind, offers an optimum of flexibility for all concerned.

I think it was the Member for Maple Creek who asked about the House amendments, and complained that frequently with other House amendments the Members didn't get them in advance. I want to reassure him and other Members of the House that I will see to it that there will be duplicated copies of the House amendments provided, not only to the Opposition Members, but to all Members of the House, so that the changes will be readily understood.

The Member from Gravelbourg referred to section 3. I think he asked "will it penalize the small business man", and "will it prevent employees from doing other jobs than the jobs for which they were specifically hired?"

I want to point out that the Bill as it is presented, with House amendments, provides for a procedure for requesting information on job rates at the time of hiring, or at any time after the hiring. I don't think there is anything in the section whatsoever that would prevent an employee working at another classification, or another trade, during the time that work was slack. I think there would be no question that that would be permitted. This section doesn't attempt to deny this. The purpose of the section is simply to provide for employees the opportunity of getting from the employer a statement on what their wages are; in other words what rates they will be paid. There is difficulty in the enforcement of wages in this province from time to time because the rate that was given verbally to the employee at the time he was hired was denied later, when a dispute arises on what he should be paid. I think this is a preferable procedure in every way and affords the Department an easier enforcement procedure, with those employers that are delinquent and are unscrupulous in not paying wages due.

I think also that the Member for Gravelbourg raised the question of the payment of wages from concerns that have their headquarters outside the province. He asked? "Will this not create some trouble, would it not increase costs?" Well, I think I have already pointed out that by House amendments

the Bill will provide that the present wage payment practices of employers may be continued, if they were in effect before March 1, 1961. If an employer considers that the twice-monthly method of payment that would be provided and stipulated for new employees is unduly restrictive, he will be able by application to the Minister to conceivably get a relaxation of the practice of payment twice monthly.

Where a concern could show that it had, over a period of years, established let us say, a monthly method of payment, and where it had been consistently free of any bad practices related to the payment of wages, and conceivably again, depending on the circumstances, there could be a relaxation by action of the Minister or the Government that would exclude him from the twice monthly payment. I say this again, that this is, I think, something that offers a maximum of flexibility. As the hon. Premier has already told us, there have been a number of presentations secured after the printing of the Bill, and these have really made necessary the House amendments that will be presented to you.

The question being put, it was agreed to.

BILL NO. 56 — An Act to provide for the Alteration of Certain Mineral Contracts.

Hon. A.E. Blakeney (Minister of Education): — Mr. Speaker, in the absence of the Hon. Mr. Walker, I would like to move second reading of Bill No. 56, being an Act that might be cited as the Mineral Contracts Alteration Act.

This Act provides for the Mineral Contract Renegotiation Board, which was set up under The Mineral Contracts Renegotiation Act, 1959, to consider those contracts which are before it, to classify them into various categories, and thereafter to report to the Lieutenant-Governor-in-Council making a recommendation with respect to action which might be taken with respect to the mineral contracts in each category. The Act further provides that upon receiving the recommendations of the Mineral Contracts Renegotiation Board, the Lieutenant-Governor-in-Council may issue an order which would have the effect of altering the contracts in any one or other of the various categories.

The rest of the Act, from section (6) onward deals

with the mechanics of registering an order and outlining the legal effect, and in a variety of alternative circumstances, of the order so issued.

I think, Mr. Speaker, that I might give a very brief resume of the background of this particular Act. Members who were here in the last Legislature will recall The Minerals Contract Renegotiation Act, 1959. This Act was passed because there was a widespread belief that certain mineral contracts which were acquired in this province in the early years of the last decade, in 1951 and 1952, were acquired from grantors who did not understand the nature and effect of the documents they were asked to sign, and which in many cases they did sign. Also there was a widespread belief, in respect of some of the contracts, that the terms were unconscionable, and that the documents in which the contracts were set out were such as would lead an inexperienced farmer who happened to own mineral rights, or could lead him, astray — that to put it charitably, the documents were ambiguous. There have been those who have been less charitable and said that they were purposely ambiguous. Be that as it may, this was the background. There was, I think, a widespread belief that many of these contracts had been acquired from grantors who did not understand the nature of the contract into which they had entered, or the nature of the document which they had signed, and there was some belief to the effect that the terms were so unfair to the grantor as to be unconscionable.

Stemming from this there was an investigation under The Public Inquiries Act, and following that there was a recommendation of the Royal Commission established under The Public Inquiries Act, that an Act similar to The Mineral Contracts Renegotiation Act, 1959 be passed. This then was passed at the Session in 1959 and Members who were here then will recall it. The Mineral Contracts Renegotiation Board then established itself and took from those grantors — mineral owners — who felt that they had been victims of fraud, applications in which the mineral owner set out the reasons why he felt that he had been defrauded, or alternatively, why the terms of the document which he had signed were unconscionable, or both.

After collecting these various applications which ran to a very substantial number, some twenty-three or twenty-four hundred, the Board set out, pursuant to the terms of the Act, to attempt a voluntary renegotiation of the terms. The procedure adopted by the Board was more to less to categorize

the contracts under very broad headings. The first heading took the so-called Prudential Trust documents as a group; the documents which had been reviewed exhaustively by the Graham Royal Commission. These were the documents, Members will recall, which were acquired in the name of the Prudential Trust Company, and by which the grantee acquired an undivided one-half interest of the mineral owner's mines and minerals, together with a right to lease the remaining one-half left to the mineral owner at the expiration of the existing lease. In most cases the situation was that Mr. Farmer had leased to, let us say Imperial Oil, and then the representatives who were acting in the name of the Prudential Trust Company came and acquired the farmer's signature to a document which was entitled 'Assignment', but which, in fact, operated as an agreement to transfer an undivided one-half interest in all the mines and minerals, and an agreement to lease the remaining one-half, which was left to the farmer, after the exploration of, in my example, the Imperial Oil Lease.

This large group of documents, and there were some thousands, I would think five or six thousand, (I don't quote that as an accurate figure, but of that order of magnitude, five or six thousand) of these particular assignments were picked up in the name of the Prudential Trust Company. Now, I should perhaps here say, in fairness, that Prudential Trust Company was acting as a trustee; the employees who acquired these assignments were not employees of Prudential Trust Company, but the documents were acquired in the name of Prudential Trust, who was acting as a bare trustee.

After the Mineral Contract Renegotiation Board had classified these documents very broadly, into the Prudential type documents, and the so-called Mutual Company documents — the documents which were acquired by some companies which had been popularly called Mutual, and which included Farmer's Mutual, Petroleums Limited, and Freeholders Oil Company Limited, and Landowners Mutual, and Midwest Farmers Mutual — the Board divided them into these several broad groups. Since the group which had received the most exhaustive investigation and which had perhaps the largest number, or one of the largest number of documents was the Prudential group. The Mineral Contract Renegotiation Board set out to attempt voluntary renegotiation of the Prudential documents. These documents found their way to the hands, broadly, of four companies: Canadian Williston Minerals Limited; Canuck Freehold Royalties Limited; Dome Petroleum Limited; and Bueno Oils Limited. The Mineral Contracts Renegotiation Board approached each of these companies and

attempted to convince it that the terms of the contract which they had acquired from the successors in title of Prudential Trust were, in fact, unconscionable, unfair to the mineral owner, and they ought to be altered.

The reaction which the Board received was varied. One of the companies readily agreed to renegotiations and two of the other companies were very co-operative, and so the Board was left with the situation whereby they felt they could make a good deal of progress with three of the companies. However, one of the companies did not feel that it should renegotiate. The co-operative companies were Canuck Freehold, Dome Petroleum and Bueno Oils. The fourth company did not feel that it wished to renegotiate on the basis on which the other three were willing to renegotiate their contracts.

The Board then was put in the exceedingly awkward position, they felt, of being faced with the problem of whether they should press the three co-operating companies when they felt that the fourth company which was in precisely the same shoes was not going to make any move.

The three co-operating companies were naturally rather reluctant to give up any rights that they might have had if a fourth company which was standing in precisely the same shoes was not going to do the same, and no steps were going to be taken in that regard. This was then the general situation which faced the Mineral Contract Renegotiation Board towards the end of 1960. Throughout the whole of 1960 they had laboured, in many cases carrying on individual negotiations, in two hundred and sixty or two hundred and seventy cases, actually arranging a settlement which both company and mineral owner were willing to accept and proceeding generally with efforts to arrive at a basis on which wholesale settlements could be made. The Board always ran into the situation where the one company felt it did not wish to move, and the other three companies were naturally reluctant to move, because they felt the fourth one was not going to move and nothing was going to be done about it.

This then was the situation a few months ago. During the whole period, I think during the last several years, but certainly during the year 1960, and up until the present time, there have been continued representations from many people with an interest in Saskatchewan oil rights, the major companies and others, to the effect that whatever disposition might be made of this particular problem, there was considerable merit in bringing it to a head. There were

some disadvantages, not major, but at any time they might become major, in having titles to mineral rights uncertain. There was a set of possible problems — who must drill the offset well, if the title is uncertain, — and there are a variety of other problems which arose because of the apparently unsettled state of some of these mineral contracts, which were as I say, subject to wholesale renegotiation.

With the background of the results of the Board's deliberations over the year of getting general agreements from three companies, and a reluctance to move on the part of the fourth, and with some continuing pressures to bring the matter to a head, the Government offers to the Legislature the Mineral Contracts Alteration Act, the principle of which I have previously described. This Act will permit the Mineral Contracts Renegotiation Board to continue its negotiations and if the situation transpires where three or four or five or six companies who are standing in the same shoes agree on the settlement, and one or two do not, then the Mineral Contracts Renegotiation Board would be in a position to recommend to the Lieutenant-Governor-in-Council alterations in the whole block of contracts and could proceed on the basis of the negotiations which had been satisfactory to most of the companies.

In order that this procedure might be brought to a head, so that we might quiet the titles to the mineral rights in the oil producing areas of Saskatchewan, it has been provided that this shall be done in a very short space of time. Members will have noted that there is really a cut-off date of next December and January for this particular procedure.

I think all will admit that the procedure proposed in this Act is not entirely a happy one. This is legislation which is in part distasteful. But, faced with this problem of wishing to quiet the titles, and secondly, and much more important, wishing to permit alteration of the mineral contracts, where there is general agreement that the terms are unconscionable, agreement not only on the part of the mineral owner, from whom you would expect the grievance to come, but agreement on the part of many of the companies who are giving up their rights, where such a general agreement exists, but where there is a hold-out, then in the interest of equity it is a matter more or less providing that majority decision shall govern all. I say, it is not entirely a happy solution, but I think it is one which upon reflection, will commend itself to hon. Members.

Mr. Speaker, I don't think I need to go into the particular provisions of the Act which would set in motion the changes in the terms of various leases, or the effect of the orders in the case of altered contracts, and that sort of thing. I think they could be best discussed in Committee. I think I have reviewed the principles which are set out in the Act, and accordingly, Mr. Speaker, I would move second reading of the Bill — Bill No. 56.

Mrs. Batten: — Mr. Speaker, I have a question to ask the hon. Minister before he sits down, if you will allow a question. What is the effect of this Bill on contracts that are before the courts, that is where a writ has been issued, but the matter has not been heard?

Hon. Mr. Blakeney: — Firstly I should say this — this Bill will only refer to contracts in respect of which an application has been made to the Mineral Contracts Renegotiation Board. If a writ has been issued and the contract is before the Board — I am not sure, Mr. Speaker, whether the Act deals with this particular situation . . .

Mrs. Batten: — It doesn't deal with this specific situation — I just wondered if the Minister knew what the effect would be?

Hon. Mr. Blakeney: — I don't, without considering the question further.

Mr. Ross Thatcher (Leader of the Opposition):

Mr. Speaker, I admit very frankly, on this Bill, our group finds itself in somewhat of a quandary. We are, of course, most sympathetic to the objective of the legislation. I think it is brought in quite sincerely, and we do feel that where some of these leases were obtained by fraud a few years ago that some kind of renegotiation is needed and if legislation with teeth is required to bring about this renegotiation, then the Legislature should act.

I noted that the Minister said that this particular Act in front of us is not a happy procedure, and that it is somewhat distasteful. We are rather of the same opinion. We want to make very sure that legitimate contracts which have been made are not going to be disturbed. We would like to

know for instance, if the major oil companies have been consulted in this legislation in any way. One thing that worries me very much — this morning I had a gentleman in the oil industry phone me, and he tells me that yesterday in Washington, the Security and Exchange Commission made a ruling which, as a result of this Bill, I think will have great significance to this province. If what this gentleman tells me is correct, from now on any security of a Saskatchewan Oil Company issued for sale in the United States, must have a copy of Bill 56 attached to the prospectus. Now, if that is correct, and I hope the Minister will try and find out if it is correct as soon as he can, it must mean that the Americans don't think very much of this legislation. What if they don't think very much about the legislation — what worry may we have?

Well these major oil companies have poured millions of dollars into this province for exploration work, and many other companies also. They have secured these mineral rights. Now, if I read this Bill 56 correctly, this Bill gives the Government the power to threaten these companies without outright confiscation of their mineral rights. I fear that the effect of the Bill may be to discourage even more oil companies in their exploration programs, and could be the last straw in deciding oil companies to leave this province. I fear that it may prevent any new companies, particularly American companies from coming into the province to do exploration work.

Now, I say again, that this party believes that this legislation has been brought in sincerely to endeavour to cope with a particular problem, but let's make sure in doing it that we are not cutting off our nose to spite our face.

Mr. Speaker, in view of this development in Washington, or alleged development, maybe that would be a better word, and in view of what the Minister has said this afternoon, and in view of the great importance of this Bill, I would hope that the Government would give us permission to adjourn this debate, possibly until tomorrow, to give us a chance to look it over a little more carefully. I believe the hon. Member for Humboldt is going to do a pretty thorough job on it, I hope she is anyway, and with your permission we would like to adjourn the debate.

The debate was, on motion of Mr. Thatcher, adjourned.

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