

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Second Session - Fifteenth Legislature
39th Day

Friday, April 1, 1996

The assembly met at 10:00 o'clock a.m.
on the Orders of the Day.

**QUESTION RE CONGRATULATIONS TO MR. WILSON,
BRITISH PRIME MINISTER**

Mr. I. C. Nollet (Cutknife): — Mr. Speaker, before the Orders of the Day, there were reports in the press and on radio, and in view of these reports this morning that Prime Minister Pearson is sending congratulations to Harold Wilson, I was just wondering if the Premier also intended to send congratulations to Mr. Wilson.

Hon. W. Ross Thatcher (Premier): — I don't know if this tragedy for Great Britain should be rubbed in, Mr. Speaker. However, I think it does give one indication that once a government is elected, the second time is always easier.

Some Hon. Members: — Hear, hear!

QUESTION RE RETURN NO. 118

Mr. J. H. Brockelbank (Kelsey): — Mr. Speaker, I just suggest to the Premier, don't be too sure about that.

I would like to ask the Attorney General (Mr. Heald) when I might expect Return No. 118 which was ordered on March 22nd, 1966. It is a very simple thing, doesn't take a lot of work.

Hon. D. V. Heald (Attorney General): — Mr. Speaker, I will look into it. I think there aren't too many returns left. There is only one department in most cases that has not filed the returns and I have instructed my people every day to get on their back and bug them to do this. However, I will follow this one up.

SECOND READINGS

Hon. J. M. Cuelenaere (Minister of Natural Resources) moved second reading of Bill No. 90, **An Act to assist Prince Albert Pulp Company Limited in establishing a pulp mill in Saskatchewan.**

He said: Mr. Speaker, the purpose of this bill, An Act to assist the Prince Albert Pulp company Limited in establishing a pulp mill in Saskatchewan, may be described as three-fold. Firstly, to authorize the province, upon the recommendation of the Provincial Treasurer, to unconditionally guarantee the payments in U.S. funds of a \$46,500,000 loan and all interest and premiums, if any, thereon, to be made to the Prince Albert Pulp Mill Limited and to enter into an indemnity agreement whereby the mill company will indemnify the province against all claims which may be made against the government, and to provide for the acceptance by the province of collateral mortgage bonds and a floating charge on the assets of the company.

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Secondly, to ratify and confirm all agreements which have been entered into on behalf of the province by the Provincial Treasurer of the Minister of Natural Resources, and in particular, those agreements which are set out in the schedule to the act.

Thirdly, to authorize the province to purchase or acquire share capital in the company as provided in the Shareholders' Agreement.

Mr. Speaker, in all, nine contracts were signed on December 2nd, 1965. Of these, five directly involve the government as a party, or parties to the agreement. Two of these agreements involve a Crown corporation, namely, Saskatchewan Forest Products, and two are agreements entered into by the pulp company and Parsons and Whittemore Incorporated. The five agreements involving the province are the Master Agreement, the Shareholders Agreement, the Management License Agreement, the Supply and Construction Agreement, and finally the Guarantee Agreement. I am going to very briefly refer to each of these five agreements.

You will note that four of them are referred to in the schedule. Firstly, there is a Master Agreement. It provides for the execution of the eight other contracts and also provides for the sales by the Department of Natural Resources to the pulp mill company of the pulp mill site for \$20,000. It provides for certain services including a gas line, roads, and a bridge to be built by the province to the mill site, and it provides for certain matters with respect to water pollution, licenses, support of housing, railroad and one or two other matters.

Secondly, there is the Shareholders' Agreement. It provides for the incorporation of a pulp mill company as a private company to begin with, and an amendment to this agreement provides that it shall be a public company and it provides for six directors, two of whom shall be the nominees of the Provincial Treasurer. This agreement contains provisions relating to the Articles of Association and sets out under what circumstances a vote of five out of six directors shall be required as a safeguard to protect the interests of the province and the mill.

The agreement provides for the capital structure of the company and subscription of equity capital, namely seventy per cent by Parsons and Whittemore for \$7,000,000 cash and thirty per cent by the provincial government for \$1,500,000 cash and \$1,500,000 as compensation for the guarantee. It provides that neither party shall dispose of its equity shares without giving the other an option on a first refusal basis to purchase the shares.

Thirdly, the Management License Agreement is pretty well the standard form of agreement whereby the Minister of Natural Resources (Mr. Cuelenaere) under the Forest Act grants an exclusive license to cut and remove the timber mentioned in the agreement, in this case pulpwood, from the Crown land described in the agreement. The agreement requires that the mill company construct a pulp mill of the value of not less than \$50,000,000 and the granting of the license is conditional upon the completion of the mill. The term of the license is 30 years with right of renewal for a further 20 years. The total license fees or stumpage is fixed for a period of less than 20 years from the expected start-up date of the mill. Until December 31, 1979, the stumpage payable on pulpwood cut and removed from the licensed land is 70 cents per cord for spruce; 60 cents per cord for jack pine and 38 cents for poplar. From January 1st, 1980, to December 31, 1987, the rates are 90 cents for spruce, 80 cents for jackpine and 50 cents

for poplar. Thereafter, for the remainder of the licensed period the rates shall be determined by agreement. The agreement makes the usual provision for good forest management policies, reforestation, submission of annual working plan. the agreement also contains substantial reservations from both the area granted by the license and to preserve existing yearly cutting operations in the area. These include the exclusion from the area of two provincial parks, 14 Indian reserves, two other management license areas. It preserves a yearly cutting operation of 4,000,000 board feet of spruce saw timber; 1,750,000 board feet of jack pine, 120,000 poles, 500,000 fence posts; 2,000 cords poplar veneer bolts; and 10,000 cords of fuel wood.

Fourthly, the Supply and Construction Agreement is mainly an agreement between the mill company and Parsons and Whittemore Incorporated for the construction of a completed and operating mill at a total cost, exclusive of the land, of \$52,184,000 within 28 months following execution of the agreement. It is expected that the start-up date will not be later than July 1st, 1968. The Provincial Treasurer is a party to this agreement because the agreement provides that the Provincial Treasurer may appoint an independent engineer, acceptable to Parsons and Whittemore, to certify any major changes in the plans and specifications; attend mechanical tests and trials and verify that the mill has reached full rated production capacity. This agreement also provides that, if requested by the Provincial Treasurer, Parsons and Whittemore will provide a surety bond or satisfactory bank guarantee, guaranteeing due performance of the agreement.

Fifthly, the Guarantee Agreement provides that the Provincial Treasurer will in consideration of \$1,500,000 unconditionally guarantee the due and punctual payment of the principal of, and premium, if any, and the interest on notes to be given by the company covering loans in an aggregate sum of \$46,500,000 in U.S. funds. The Provincial Treasurer's obligation to give the guarantee is conditional upon the pulp mill company entering loan agreements with responsible institutional investors on or prior to March 31, 1966, now extended by amendment to April 30, 1966, providing for the loan. The terms of the loan agreement and notes are to be in form and substance satisfactory to the Provincial Treasurer. The company agrees to execute an indemnity agreement to indemnify and save harmless the Provincial Treasurer from all or any claim arising or by reason of the guarantee. The company is also required to execute a trust deed, a first mortgage on its real property and a first floating charge on all its assets in favour of the Provincial Treasurer, so that, if there is default on the part of the company, and the Provincial Treasurer is required to make payment, all the assets of the company shall belong to the province. In other words, the province has security on all the assets of the company for its guarantee. There is also provision in the agreement to maintain working capital and requiring the province and Parsons and Whittemore to contribute in the proportion of their shareholdings. The agreement places limitation on the declaration of dividends, investment, incurring of liability while the guarantee is outstanding.

The form of Note Purchase Agreement: Notes to be given by the Pulp Mill Company; the Note Guarantee to be executed by the Provincial Treasurer; the Deed of Trust and Mortgage; and the other documents to be approved by the Provincial Treasurer under the Guarantee Agreement have now been completed and approved and the form of these agreements have been placed before the legislature.

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So far I have dealt with the five agreements in which the provincial government is directly involved. As I said earlier, there are two agreements between the Pulp Mill Company and Saskatchewan Forest Products; and two agreements between the mill and Parsons and Whittemore.

The two agreements with the Timber Board are the Logging Agreement and the Acquisition Agreement. I do not intend to deal with these agreements at any length. The Logging and Acquisition Agreements provide that the Timber Board will supply 1,500,000 cords of pulpwood to the mill over a four-year period ending June, 1971, at prices fixed in the agreement and at the expiration of that period the mill will take over the pulpwood operation of the Timber Board.

The two agreements between the Pulp Mill Company and parsons and Whittemore cover management, consultant and technical services to be performed by Parsons and Whittemore for the mill and an undertaking on the part of Parsons and Whittemore that it will sell on a first requirement best effort basis all the pulp which the company will produce on a commission basis of three per cent on all sales of pulp made by it, with no commission on sales made by the mill with the intervention of Parsons and Whittemore.

In the foregoing I have attempted to summarize the many and varied agreements executed and to be executed in connection with the pulp mill. I can assure the assembly that if I have omitted any important aspect of these agreements, and I know I have, these omissions are not because of any desire to hide anything, but solely for the sake of brevity.

I know that this mill has been criticized in and out of the House for the so-called "massive support" being given. I disagree that the assistance is more than is reasonable and more than is require. I know that it has been said by some members of the opposition that they are not necessarily opposed to the mill, nor to the assistance proposed to be given, but that before they could support it, they will require the answers to a number of questions.

The first one is that a full and complete study has been made showing that the mill is feasible, Mr. Speaker. I have with me a copy of a confidential report setting out in detail the feasibility study completed before final negotiations opened. Mr. Speaker, it is a very interesting document; it is entitled "Feasibility Study for Saskatchewan Pulp Mill Project, NY998". It contains an analysis of market surveys, wood supply and pulp quality, water and effluent treatment and climatic conditions, fuel, power and steam, labour, construction, site location, chemical, equipment lists, process description, project cost and proposed financial structure, manufacturing costs and profitability, plant layout and flow diagrams, time schedule and some appendices.

Now, Mr. Speaker, I don't pretend to have read all these feasibility studies, and I certainly don't pretend to understand all that I have read. It is much too complicated and too technical for my limited capacity, but I do pretend to be able to understand the conclusion, and the conclusion set out at the beginning of the summary, and I am going to read only the last paragraph which says this:

Cash flow projections indicate that sufficient cash will be generated in each year of operation to cover all debt obligations with a substantial margin of safety, and still provide for a conservative dividend policy and a reasonable

capital improvement program. Even during the first year of operation there is no cash outflow as depreciation charges will exceed the estimated operating costs.

Mr. R. A. Walker (Hanley): — Will the hon. minister table the report?

Mr. Cuelenaere: — Mr. Speaker, I do not propose to table this feasibility study. I do not think it is in the public interests or is it fair to the company . . .

An Hon. Member: — What are you reading it for then?

Mr. Cuelenaere: — As I stated, Mr. Speaker, I take full responsibility for this feasibility study that was handed to me as a confidential report and I would not want to table it without permission of the people who undertook the study.

The question was asked, I think, by the hon. member from Regina West (Mr. Blakeney). He posed a question as to whether we were satisfied that this project was feasible and I am merely telling the House that before negotiations were opened the conclusion was arrived at that this project was, in fact, feasible, and that not only would it be capable of meeting debt charges and obligations which is, of course, very essential and very important as far as the province is concerned, but before negotiations were opened they satisfied themselves that it was feasible and they satisfied us as members of the government that the mill is definitely feasible and that when it is in full operation it will be able not only to meet all its operating expenses and debt charges but will be able to make a profit.

Mr. J. H. Brockelbank (Kelsey): — Mr. Speaker, I would just like to ask the minister a question if he will permit. Who made this study? What company was it?

Mr. Cuelenaere: — It was made by a branch of P and W. It is called the Parsons and Whittemore-Lyddon Organization with offices in New York, London and Paris, and Mr. Speaker, there were independent consultants engaged in the study. Furthermore, these people who are coming into the province and are prepared to invest their money, came here, made a study and satisfied themselves that this was a feasible project.

Mr. Brockelbank (Kelsey): — Mr. Speaker, to clear this point, wasn't there an independent engineering company, and there are lots of them, hired to take responsibility for this report? Parsons and Whittemore themselves take responsibility for the report.

Mr. Cuelenaere: — Mr. Speaker, I don't propose to answer that question now because I am going to deal with it in a few moments. I am going to deal with it because we as a provincial government did engage the services of a consulting firm to look at this report and I propose to deal with it in a moment. All I want to point out at this time is that the company which is coming to Saskatchewan to build this pulp mill satisfied themselves that such a project

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is feasible, that they would be capable of meeting debt obligations as I said before, and furthermore, Mr. Speaker, . . .

Mr. Walker: — They are not risking very much.

Mr. Cuelenaere: — The study shows that the mill could break even despite some drop in prices below existing prices, a risk which any industry, or commercial undertaking must be prepared to face.

The second matter brought up is that the freight rate hurdle has been overcome. The answer, Mr. Speaker, is, not completely. A concession has been made on the original rate fixed by the railways amounting to five per cent, as an example an 80-cent per ton reduction on a \$15.80 rate. Further representations must be made and the government has undertaken to join in such representation. We believe that because of the injustice in the existing freight rate structure further concession will be given but the mill is viable under existing rates.

Thirdly, it was asked whether the sponsors of the mill are going to go ahead with its construction within a fixed period of time. The answer to that question is, “Yes”, and I wish to make it an emphatic, “Yes”. I want to point out that this is not a CCF-NDP pre-election mill. Already there is evidence everywhere that construction of the mill is underway now. The construction and equipment contract of December 2nd, 1965, provides as follows:

P and W will begin site preparation and construction of the buildings and necessary facilities within the site within eight months from the date of execution of this agreement and will substantially complete construction within 24 months from such date. P and W will start delivery of the machinery and equipment within 12 months from the date of execution of this agreement and will deliver at least 95 per cent of the machinery and equipment agreed upon with 24 months thereafter. P and W will substantially complete erection and installation of the machinery and equipment with 28 months from the date of execution of this agreement; provided, however, that People and W shall not be held responsible for delays due to non-receipt of any equipment or materials for which orders have been duly placed and expedited.

There is, of course, the usual provision for delay in the event of strikes, force majeure, acts of God, the Queen's enemy. No provision was made for opposition by Her Majesty's loyal Socialist opposition. It is no longer deemed a sufficiently major force in Saskatchewan.

The fourth question is “What is the assistance which will be given to the mill in road construction and any other benefits? Article III of the Master Agreement provides that the province will do certain things as follows:

(a) The minister shall construct, or cause to be constructed, a gas line to the mill. It provides that the gas pipe line shall be capable of producing 450,000 cubic feet per hour from the nearest existing line of adequate capacity to the mill site at a pressure suitable for firing the gas-fired steam boiler, line kiln and recovery boiler. No concession is given on rates. The pulp mill will be treated as any industrial customer. It cannot be said that there is any assistance in this provision.

(b) It is agreed that the province will construct a road and bridge from highway no. 2 in the vicinity of Prince Albert to the pulp mill site. The road will be a multipurpose, black topped, 24-foot surface road capable of carrying 100-ton loads at a speed of 50 miles per hour. The bridge referred to is the bridge over the Little Red River. This road and bridge will form part of the highway system and the estimated cost from highway no. 2 to the mill site is in the neighbourhood of \$575,000.

(c) In addition, it is agreed that during each ten year period of the original 30 year term of the management license, the government will construct 200 miles of main, public, multipurpose, all-weather roads as specified in Schedule "C" of the agreement. This means that the government has undertaken to construct an average of 20 miles of road per year. It is to be noted that the provision covers only public multipurpose roads, and that no agreement or concession has been made toward the construction of forest access roads. Some of these roads would be built whether or not a pulp mill had been built. The development resulting from the pulp mill itself would have required the construction of many of these roads regardless of whether they were provided for in the agreement. It is difficult to estimate the cost of these roads, or even more difficult to say what proportions are attributable to the mill.

Fifthly, it has been asked whether firm commitments that the sponsors are not making a large profit from the construction of the mill which would offset any investments which they may be making in the mill. Now, Mr. Speaker, the answer is that the Construction and Supply Agreement contains provision for the appointment by the government of a consultant to advise on this and other matters. Before signing the agreement the government obtained expert opinion on this very matter. The opinion given is that the Prince Albert Mill is being constructed at a price equal to or below the average cost of similar mills.

It engaged the services of a firm recognized as one of the leading firms in the USA on pulp mill construction located at San Francisco, far removed from any area where Parsons and Whittemore have ever operated. I will give the assembly the substance of the report It opens with:

This is to present my comments on the contract price of \$52,184,000 submitted by Parsons and Whittemore Incorporated, for a 650 ton bleached kraft market pulp mill and on the process for that mill proposed for the Prince Albert Pulp Company, Prince Albert, Saskatchewan. The price is to cover . . .

Mr. Walker: — Would the minister tell us what he is quoting from now?

Mr. Cuelenaere: — Yes, I am quoting from the report of Associated Consultants International Incorporated of San Francisco, which was engaged by the government to examine the feasibility of this mill and to report to the government . . .

Mr. Walker: — Mr. Speaker, I am asking if the minister is prepared to table the report that he is quoting from?

Mr. Cuelenaere: — Mr. Speaker, this is a report made to the Saskatchewan

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Economic Development Corporation, addressed to Mr. Wilshire, General Manger, and it merely gives the opinion of the feasibility and I am going to quote from it and I am taking full responsibility . . .

Mr. Walker: — Mr. Speaker, this is the second time the minister has quoted from documents which are not available to the members of the House to peruse. The rules are quite clear; no member of the House may pretend to the existence of documents he is not prepared to show to the House, or put on the table. It is perfectly obvious that this puts the rest of the House at a disadvantage. We have no knowledge of whether he has taken these statements out of context, whether, indeed, they may be misrepresented. The rules of the House prevent that sort of thing. I suggest, Your Honour, that Your Honour must now require the hon. member to table both documents that he has quoted from. I refer Your honour to Citation 159 of Beauchesne's Rules and forms, Clause II, it deals with precisely this point, Mr. Speaker:

A minister of the Crown is not at liberty to read or quote from a dispatch or other state paper not before the House unless he is prepared to lay it upon the table. This restraint is similar to the rules of evidence in Courts of Law which prevent counsel from citing documents which have not been produced in evidence. The principle is so reasonable that it has not been contested; and when the objection had been made in time, it has been generally acquiesced in . . .

Mr. Cuelenaere: — Mr. Speaker, I will table this document that I am quoting from.

Mr. Walker: — Mr. Speaker, there are two documents which the member has quoted from, and the rule is so plain that it is open to any member to mislead the House by quoting something from context unless he is prepared to table the document. The rule is so plain that the hon. member should table both documents, otherwise the House cannot be asked to place any credence in the documents whatever. The minister may say that someone told him this, but that is gossip as far as the House is concerned unless he is prepared to put the documents . . .

Hon. A. C. Cameron (Minister of Mineral Resources): — Why don't you sit down . . .

Mr. Speaker: — The member has indicated that he is prepared to table the documents that he has in his hand, and that ends that part of the argument. As to the other part of the argument, if that was a point of order, I think it should have been raised at the time. The member did state that this was a confidential report. I can't recall just what specific part of that report he read if he read any at all. Now, I can't recall that, although he said he had a confidential report. I think this is where we have a question of a conflict of interests as to what is and is not in the interests of the public. At a previous session of the House I gave a ruling on this subject to the following effect:

The basic rule governing the laying of state papers as stated in Erskine May, 17th Edition, page 458, is as

follows:

‘A minister of the Crown is not at liberty to read or quote from a despatch or other state paper not before the House, unless he is prepared to lay it on the table’.

There is, however, a qualification to this rule, for while a State paper cited in debate ought to be tabled a minister can decline to table such a paper on the grounds that it is not in the public interest to make the document public. Herein lies the source of conflict between a minister’s responsibility to the House and his responsibility to safeguard the public interest. The speaker must be careful that in defending the rights of the House he doesn’t place the minister in a position in which he must act contrary to that interest.

Mr. Walker: — I’m sorry I didn’t get the citation of the second reference.

Mr. Speaker: — The same holds true today as held then and the minister indicated that he is going to table the matter from which is he presently quoting . . .

Mr. Walker: — Would Your Honour be kind enough to tell me the citation of the second authority he is quoting.

Mr. Speaker: — You will find it in the journals of the House, and I think I was the authority, but I will dig it up for you. It is a ruling that I made some time ago in regard to a similar set of circumstances.

Mr. Walker: — Your Honour, may I just draw attention to a distinction between a ruling that the Crown is entitled to refrain from producing a document at the request of the House. It is undoubtedly the rules of the House that if a member of the House asks for the production of a document, the Crown may take the view that it is not in the public interest to disclose it, but I submit that is not the same situation as where a minister of the Crown himself puts the thing before the House by reading from it. The rule is quite different, then, because the minister has himself chosen to make it an issue, to put it before the House.

Mr. Cuelenaere: — Mr. Speaker, may I speak in reply?

In connection with the first document, I pointed out that this is not a state paper, it is a privately owned document belonging to the Prince Albert Pulp Mill Company and Parsons and Whittemore. A specific question was raised in the House as to whether or not a proper feasibility study had been made. I am trying to point out to the House that the people coming to Saskatchewan had made a proper feasibility study, and that they had nothing to hide. They had presented this in a confidential manner to the government and to myself, as a minister of the Crown.

I don’t think it would be in the interests of the province, it would not be in the interests of this company to make this costly document available to all competitors and to everyone else.

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I did not quote from this document, all I said was that it covered a multitude of subjects and I said that there was a summary. I said that I did not pretend to understand it and I merely referred to the conclusion in the summary presented over here and what it indicated. All I did was say there was one paragraph that said in effect that the conclusion was that the mill was a feasible one and that there would be sufficient cash to meet all obligations and to show an excess.

Now, as far as this other document is concerned, it may be described as a state paper, I have indicated that I am prepared to file it and I will file it now.

Mr. Brockelbank (Kelsey): — Mr. Speaker, on the point of order . . .

Hon. D. G. Steuart (Minister of Health): — You'd like the pulp mill kept out.

Mr. Brockelbank (Kelsey): — The very fact that the minister produced this document, the feasibility report, that he has it in his possession makes it certainly an official paper, otherwise he should not have it. If somebody stole it the members of the government would be the first to say this document, this state paper, has been stolen, and just by an interpretation of the term "state paper" I don't think we can get around it. Now, the minister did quote from it. He quoted the headings of the different chapters, all through the report first. Then he turned to the conclusions of the report which he said are in the beginning and he read a paragraph, at least one paragraph on the conclusions. Now, I agree that under the circumstances this document should not have been brought in it should be tabled, but I am willing to forgive the mistake made by the minister on this occasion. It was a mistake because he could expect that members would want it once that was done. He is not playing quite fair with Parsons and Whittemore if he agreed to keep this confidential when he did that. I am willing to forgive him this and accept the tabling of the later document, but just don't in the future start quoting documents if you are not prepared to table.

Mr. I. C. Nollet (Cutknife): — Mr. Speaker, I don't quite agree with that view. I think this document should be tabled. The hon. minister mentioned that it wasn't tabled principally because competitors, etc., might get a hold of it. May I suggest there are no competitors now. The same company who made the feasibility study now have an agreement and large areas of land and other concessions for the construction of a pulp mill. Therefore, the feasibility study in terms of being of any value to competitors is redundant. Since the minister has brought the document into the House and read from it, the minister should table it.

An Hon. Member: — Why don't you admit you don't want this Bill passed?

Mr. Cuelenaere: — Thank you, Mr. Speaker, and I am not going to discuss the matter of whether there was a mistake made or not in bringing

in this feasibility study. All I can say is that I, or rather the government, was challenged to establish whether or not a feasibility study had been made. If I could not have come into this House and stated and demonstrated that there was, in fact, a feasibility study made, I would have probably been accused of taking a step that was unwarranted in giving and executing some of these. Now, all I wanted to point out is, Mr. Speaker, that there was a feasibility study made. It was a good one, and the study had demonstrated that a pulp mill was feasible. And it was stated that this would be of no value to others because there are no other competitors. Well, I would like to tell the House now that at this very moment there is a second feasibility study being made by another company in Saskatchewan and it is being made under a contract at a cost of not less than \$300,000. Would it be fair that one company would have spent approximately that amount and we would make it available, even if it is in the same province, to another company? Mr. Speaker, work is going ahead so much faster in the last two years than during the last twenty years that they want to do anything that they possibly can to hamper the development of this mill, and there is no doubt about it.

Some Hon. Members: — Hear, hear!

Mr. Cuelenaere: — I am now going to proceed, Mr. Speaker, and I am going to refer to the report which I have tabled, a copy of which I have tabled. The whole project was given very careful study by this independent group of consultants and this is what it says:

This is to present my comments on the contract price of \$52,184,000 submitted by Parsons and Whittemore, Incorporated, for a 650 ton bleached kraft market pulp mill and on the process for that mill proposed for the Prince Albert Pulp Company. The price is to cover all capital charges for the complete mill as outlined in your letter of October 19th, but excuses the cost of the site itself, and financial charges such as interest during construction, working capital, etc.

Now, this is the comment on the contract price:

A common measure used to judge the comparative cost of a mill is the 'cost per daily ton', that is the cost of the mill divided by the tons of product per day for which it is designed. In this case the cost per daily ton figure is \$80,300 which is considered normal for current construction costs of a mill of this type.

The report then refers to two lists attached to the report which compare construction costs of the Prince Albert mill with 12 mills in B.C., five in the U.S.A. and two in eastern Canada.

It is interesting to note that the "cost per daily ton" of the P.A. mill is \$12,000 below the average cost in B.C. — only three mills there are being constructed at a cost slightly less, with nine mills at costs ranging from \$4,000 to \$26,000 higher than the P.A. mill. A mill in Quebec is . . .

Mr. Nollet: — May I ask the hon. member a question? Does this take into consideration the \$5,000,000 federal grant?

Mr. Cuelenaere: — This is taking the entire cost of \$52,000,000 to build

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the mill and it has nothing to do with the \$5,000,000 or where the money comes from. It is quite plain that this report says that the construction of this mill at a cost of \$52,000,000 is a cost below the average cost that is being incurred by other similar mills elsewhere.

Now, a mill in Quebec is being constructed at \$7,000 less per daily ton; the one in Nova Scotia is being constructed at a cost of \$20,000 more per ton than the P.A. mill. Then the report goes on to say:

We submit these lists as support to our statement that the figure of \$80,300 daily ton as quoted by Parsons and Whittemore, Incorporated, for the Prince Albert mill is normal and acceptable for today's construction costs of a bleached kraft market pulp mill.

And then it goes on and concludes its report by saying this:

Comments on process:

You will recall that I scanned the preliminary flow diagrams for the Prince Albert mill in your presence in New York and gave you my verbal comments. My opinion is still the same, namely, that the proposed process is standard according to modern practice, and if translated into a mill using competent engineering and good quality construction, the mill should produce the desired quality pulp in the proposed quantity and at a competitive price. This assumes that the wood supply will be available according to . . .

Mr. Walker: — Will the member tell us what he is quoting from?

Mr. Cuelenaere: — I am quoting from the document that I filed. I told you I was quoting from the document I filed.

This assumes that the wood supply will be available according to species and quality and at the price per cord as described to me. The pieces of major equipment in the various departments are those commonly specified for the specific functions, and the process flow as proposed is that in general use in many mills. I saw no 'experimental' features which, because of unknown performance, could cause trouble.

Now, this is the report which we were able to obtain and which we obtained before these agreements were signed. This report has been placed on the table before the legislature.

Now, finally the sixth question was: what concessions have been made by local government? The answer is, "none" other than fixing the yearly tax as set forth in the private Bill now before the House.

Mr. Speaker, I have attempted to briefly summarize the arrangements and agreements made or proposed in respect to this important industry. I have attempted to answer questions that have arisen in connection with this mill. I believe that this mill is the answer to the dream of many for many years on both sides of the House and certainly the dream of many in the northern part of Saskatchewan. I assure the House that the terms under which the

mill is coming to Saskatchewan were not entered into lightly but following weeks and months of intensive study and negotiations and following major concessions in the stand originally taken by both sides.

The passage of this Bill is the final step required to assure a pulp mill for Saskatchewan and I earnestly appeal to all members to support the Bill. Mr. Speaker, I beg leave of the assembly to move second reading.

Some Hon. Members: — Hear, hear!

Mr. A. E. Blakeney (Regina West): — Mr. Speaker, I will want to make some comments on the Bill. I want first to thank the hon. Minister of Natural Resources (Mr. Cuelenaere) for his presentation and for the pattern of his remarks by which he attempted to answer queries which were raised in this House previously and were raised as genuine queries. He has filed some additional material this morning, and he, a few days ago, filed some amendments to agreements which were earlier before the House and which I had had an opportunity to peruse. I apologize for not having had an opportunity to peruse the amendments fully and, of course, I have not perused the report which was filed this morning. Accordingly, I beg leave of the assembly to adjourn the debate.

Debate adjourned.

Hon. D. V. Heald (Attorney General) moved second reading of bNo. 4 — **An Act to amend The Securities Act.**

He said: Mr. Speaker, these amendments to The Securities Act are two small amendments.

Section 2 of the Bill amends sub-section 2 of section 18. This sub-section now gives the registrar power to recommend to the Board of Revenue Commissioners that a refund of all or part of the fees would be made where an application is refused or a registration is cancelled. This amendment, the effect of the amendment, would be to extend the power to grant a refund in cases where an application is withdrawn by the applicant. It is really the same sort of situation whether an application is refused or the registration is cancelled. This would simply give us the same power. The Board of Revenue Commissioners would look into the circumstances and if we thought it was advisable we could refund the fees in the case of an application being withdrawn.

Now, the other amendment, Mr. Speaker, sub-section 2 of section 20 at the present time contains a list of 18 securities in respect of which registration is not required in order to trade. This amendment would add another type of securities to this list of exemption, securities of a private company which have not been previously distributed and where the securities are not offered for sale to the public. Mr. Speaker, in 1959 there was a similar type of exemption in the act. It was deemed at that time advisable to repeal a similar exemption as to private companies because of a case, a lawsuit before the courts in Ontario in which a prosecution had failed under the section. It has since been found that the case in Ontario was limited to its particular facts in that it only held that a single trade was insufficient to constitute offering to the public. We checked with the Ontario Securities Commission and they advised us that they haven't had any difficulty since with the exemption. They have been instituting

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prosecutions and getting convictions.

Now, the reason why we want to put this exemption back in the act, Mr. Speaker, is that the lack of such an exemption with private companies may mean, I don't say it does mean, but it may mean that, for example, a father owning most of the shares in a private company, strictly speaking, may not be able to issue shares, treasury shares to his sons, for example, or to other members of his family without registration. This is because of the uncertainty sometimes as to what constitutes an offering to the public. It has been so represented to us and my officials have recommended to me that there may be a problem. There may be some question in private companies strictly speaking with this exemption in that there should be a prospectus and this was never intended, of course.

We are putting this amendment back in. We have altered a few words in it to make it clear that the exemption is limited to sales of treasury stock by private companies which is what I think the former exemption was intended to cover and probably did cover, as a company cannot issue other shares than treasury shares. We have specifically stated in the proposed amendment that securities of a private company which have not been previously distributed are exempt. So with the explanation, Mr. Speaker, I now beg leave of the assembly to move second reading.

Motion agreed to and Bill read the second time.

Hon. D. V. Heald (Attorney General) moved second reading of Bill No. 83, **An Act to amend The Magistrates Court Act.**

He said: Mr. Speaker, this proposed amendment is patterned pretty well after section three of the Summary Convictions Act in Ontario which was amended in 1964. The main reason for amending this section is to make it clear that section 426 of the criminal code applies to prosecutions under provincial statutes. Now, section 426 of the criminal code says that:

Every judge or magistrate has the same power and authority to preserve order in a court over which he presides as may be exercised by the superior Court of criminal jurisdiction in the province during the sittings thereof.

It is by virtue of this power in section 426 of the code, Mr. Speaker, that judges can commit for contempt of court. Now, there was a case in Ontario in 1964, the case of *Re — Harry Rose*, and in that case it was held that a summary conviction court has no power to commit for contempt unless that power is expressly given by the statute. The court in that case pointed out that section 426 was not included in the applicable parts in sections set out in the Ontario Summary Convictions Act. So following this case before the courts in Ontario, the Ontario act was amended by including specifically section 426.

Now, in Saskatchewan we have always considered the section 426 and other sections of the criminal code did apply in Saskatchewan and under the present section 26 of the act. However, we deem it advisable now to expressly set out in the Magistrate Courts Act those parts of the code that are to be applicable to summary conviction proceedings under provincial statutes and municipal bylaws.

It is a clarification really to make it crystal clear that

our courts of summary jurisdiction, our magistrate courts, do have the power to commit for contempt. This doesn't happen very often but every once in a while there is some suggestion that somebody before the court has been guilty of contempt and there is a bit of doubt as to whether or not the courts have power to commit. The other sections that are referred to and are made applicable to proceedings in each court, part 19 of the code as referred to in the amendment, that part contains sections having to do with procuring the attendance of witnesses. Part 23 contains sections having to do with proceedings in criminal matters by way of certiorari, habeas corpus, mandamus, and prohibition. We're making that whole part applicable, part 24 which is referred to as the part of the code dealing with summary convictions. Section 20 which is referred to is made applicable. It provides for the execution of a warrant or a summons on a Sunday or statutory holiday and for the granting of bail on such days. Section 21 deals with parties to offences. Section 22 deals with persons counselling other persons to be a party to an offence and makes such persons guilty of an offence. Section 446 is made applicable insofar as it relates to obtaining the attendance of witnesses who are in custody in a jail or similar institution. Section 621 provides for the court having a discretion as to whether punishment is to be by way of fine or imprisonment and also for the court making a number of sentences cumulative.

Section 624 provides that a sentence commences when it is imposed unless the statute provides otherwise. It also provides that the time when the person is out on bail does not count as part of the imprisonment. It also provides that the sentence only commences when the person is taken into custody under the warrant. Section 625, which is made applicable, deals with the effect of a part payment of a fine, provision for program rating of the number of days where part payment is made. The new subsection two of section 26, which is in the amendment, provides for an appeal to the Court of Appeal for a conviction for contempt against the punishment imposed. We feel this provision is necessary in order to provide for an appeal in the case of contempt of court committed in the face of the court. Subsection one of section nine in the criminal code limits the field to one against punishment and we deem it advisable to provide for an appeal against the conviction in the case of a conviction by a judge of the magistrate's court. Section three of the Bill provides for a new section 40 which enables the Lieutenant Governor to make regulations governing hours of work, holidays, and so on and generally for carrying out the provisions of the act. I might say, Mr. Speaker, that the Magistrates' Association has asked for this section three that these matters be dealt with by regulations under their act rather than to have them dealt with under the Public Service Act. With that explanation, Mr. Speaker, I beg leave of the assembly to move second reading of this Bill.

Motion agreed to and Bill read the second time.

Hon. D. V. Heald (Attorney General) moved second reading of Bill No. 84, **An Act to amend The Provincial Magistrates Act.**

He said: Mr. Speaker, these amendments are identical with the amendment to the Magistrates' Courts Act. As most of you will know we have judges in the magistrate's court and we also have provincial magistrates. The amendments for this act covering provincial magistrates are exactly the same as the amendments which I have just explained in connection with the Magistrates' Courts Act. Mr. Speaker, I beg leave of the assembly to move second reading

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of this Bill.

Motion agreed to and Bill read the second time.

Hon. D. V. Heald (Attorney General) moved second reading of Bill No. 86, **An Act to amend The Interpretation Act.**

He said: Mr. Speaker, this is a continuation of the same amendments. This Bill amends section 27 of the Interpretation Act and is necessary in order to make the same sections to the criminal code applicable to justices' of peace as are made applicable to judges of the magistrates court and provincial magistrates. The only difference between these amendments and the last two are that section 426 which provides for contempt of court proceedings is not made applicable to justices of the peace. We feel that perhaps justices of the peace should not have contempt powers. They have all the other powers, the same as the other two courts, but we felt that probably it wasn't a good idea to give justices of the peace contempt powers so we haven't made section 426 applicable to justices of peace. Other than that one change it's the same as the other two act s. I beg leave of the assembly to move second reading of this Bill.

Motion agreed to and Bill read the second time.

Hon. D. V. Heald (Attorney General) moved second reading of Bill No. 85, **An Act to amend the Surrogate Court Act.**

He said: Mr. Speaker, this is a small amendment to the Surrogate Court Act which has been asked for by the surrogate court judges. All it does is that it increases the number of judges on the Surrogate Court Board which is responsible for setting the rules for the surrogate court and providing the schedule of fees for the surrogate court. It simply increases the number of judges from three to five and makes provision for a majority acting when there are more than two present. It also provides for payment of reasonable expenses incurred by members attending the meeting of the board. They have felt that they could do the job better if they had a board consisting of a chairman and four members rather than simply three. So the purpose of this amendment is to comply with their request. Mr. Speaker, I beg leave of the assembly to move second reading of this Bill.

Motion agreed to and Bill read the second time.

Hon. G. J. Trapp (Minister of Education) moved second reading of Bill No.87, **An Act to amend The Teachers' Life Insurance (Government Contributory) Act.**

He said: Mr. Speaker, the amendment here would give to the government the legal right to pay to the Saskatchewan Teachers' Federation the teachers' portion of the accrued premium surplus of the Teachers' Group Life Insurance Fund. The Saskatchewan Teachers' Federation will use this money to pay extended sick leave benefits to teachers. Earlier this year when it was desirable to pay these funds over to the Saskatchewan Teachers' Federation, it was found there was no agreement or legal basis to pay this money to the Saskatchewan Teachers' Federation on behalf of the teachers of Saskatchewan. It could have been returned to the individual teacher but this was never the intention. So this amendment is needed so that this amount of money can be paid over to the Saskatchewan Teachers' Federation on behalf of the teachers and it is to

be used for extended sick leave benefits. There never was any doubt in my mind or anyone that had anything to do with it that this money belonged to the teachers in the proportion in which they paid the premiums. The other portion belonged to the government. Mr. Speaker, I beg leave of the assembly to move second reading of this Bill.

Mr. D. W. Michayluk (Redberry): — Would the minister permit one question? Is this for the teachers being superannuated due to disability?

Mr. Trapp: — No. This is to do with the group life insurance. You understand, there was a . . . I'll put it this way. The teachers had been paying, we knew this, more than necessary to keep the funds solvent in the group insurance. Now, there is an accrued premium surplus and this is being divided proportionately, the government's portion and the teacher's portion, and it is to give a legal basis for paying this portion that belongs to the teachers to the Teachers Federation which will pay extended sick leave benefits to its members.

Mr. Michayluk: — On what basis will they be paying teachers?

Mr. Trapp: — I cannot state right offhand, but I can get it for you if you like. The rates of pay — this is not involved in this amendment mind you — the rates of pay are not involved. The amount here is to be paid over to the Federation to pay extended sick leave benefits. Do you understand? They are now paying the rates, by the way, since last September. The Teachers' Federation has borrowed money and it is paying these sick leave benefits now, out to a few teachers in the province who have need. You are allowed 20 sick days in a year and you may have accumulative sick leave buy beyond that this fund will pay the sick leave. I think, up to 25 months.

Mr. Michayluk: — Mr. Speaker, I am still not clear. Under the School Act the teacher is allowed 20 days every year sick leave with pay. Teachers have through collective bargaining accumulative sick leave up to a maximum of 200 days. Will this fund then be used to pay for teachers who are sick over and above the 200 days, if they have so bargained?

Mr. Trapp: — That's right. This is an extra insurance benefit.

Mr. R. A. Walker (Hanley): — On a point of order. Is the member closing the debate now?

Mr. Trapp: — I think it's a question.

Mr. Speaker: — If it's a question it might as well be pursued in committee. But if anybody wishes to make a speech this is his prerogative at the present time. I have just put an end to this line of questioning. This is something that can take place in committee. If the member from Redberry (Mr. Michayluk) wishes to make a speech on this, this is his privilege now.

Mr. Michayluk: — Mr. Speaker, I'll bring this up in committee.

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Motion agreed to and Bill read the second time.

Hon. J. C. McIsaac (Minister of Municipal Affairs) moved second reading of Bill No. 89 — **An Act to amend The Saskatchewan Municipal Advisory Commission Act.**

He said: Mr. Speaker, the act before us is an act to amend the Saskatchewan Municipal Advisory Commission Act. As of the beginning of this year there were no members of the commission and yet the act in its present form states that there shall be a commission. If it is felt that the services of a commission may again be required to some future time and therefore rather than repeal the act, it is being amended so that the existence of the commission is not mandatory but permissive. I explained in an earlier debate and I can briefly review here some of the reasoning behind the move that was made at the end of the year to dissolve the membership of the commission. I would again like to express my appreciation of the work performed by members of the commission during its lifetime.

As many of the members might know, this commission was originally established by an act of the legislature in 1952. The terms of reference were very broad as set out in the act; to conduct research in municipal matters; to consult with and make recommendations to municipal authorities on any matter relating to municipal administration; to examine the problem of obtaining additional sources of revenue for municipalities; and generally speaking to do a number of other things relating to municipal government including dealing from time to time with special problems referred to the commission by the Minister of Municipal Affairs. All in all very broad powers. It appears that the commission would be able to carry on studies in almost any matter affecting municipal government. However, during the last four, or five, or six years, it's fair to say that almost all of the time of the commission has been devoted to the question of negotiating locations of grid roads with rural municipalities. The initial ten-year grid road program has now been completed and we are beginning another phase of construction. It is our feeling at this time that a new approach must be taken to the determination of grid road locations, an approach which rationalizes the routes on the basis of traffic volume. Therefore, we feel that the Grid Road Authority itself is best equipped with its trained personnel in the field to carry out this function. In an act that we passed earlier, the Grid Road Authority was given this task. The commission's main function of undertaking research in municipal problems was, I believe it is fair to say, largely neglected in the past, perhaps chiefly because proper research staff was never assigned to it. As a matter of fact, the entire department has not had adequate research staff. I am sure, Mr. Speaker, that members on both sides would agree that there is no use having duplication of research staff, and this year we intend to increase the research staff in the department itself. If at any time a task presents itself that could be best handled by an independent commission then a commission will be appointed to carry out such duties as may be assigned to it. Accordingly, Mr. Speaker, I beg leave of the assembly to move second reading of this Bill.

Motion agreed to and Bill read the second time.

Hon. A. C. Cameron (Minister of Mineral Resources) moved second reading of Bill No. 91 — **An Act to amend The Telephone Department Act.**

He said: Mr. Speaker, this is a Bill designed to amend the Telephone Department Act. As members will recall I announced in the House that we had launched a program to bring telephone services to the un-served areas of the province. We had hoped this year to pick up the costs of this service from the earnings of Saskatchewan Government Telephones. We have set aside some \$500,000 for this purpose in our present planning but the requests are coming in for this type of service from the vast majority of all of the un-served areas. It would look as if this program will receive wide acceptance. It indicates that there is a genuine need for this type of program to bring telephone service to the rural areas. Because of this it may be that the demand will exceed the financial capacity of SGT to carry from retained earnings. Rather than have the program delayed or bogged down because of insufficient funds available in SGT, we are asking in this Bill the right of the legislature to vote certain specific sums to this program. That, in essence, Mr. Speaker, is the substance of the Bill and I beg leave of the assembly to move second reading.

Motion agreed to and Bill read the second time.

Hon. A. C. Cameron (Minister of Mineral Resources) moved second reading of Bill No. 92 — **An Act to amend the Mineral Taxation Act.**

He said: This, Mr. Speaker, is an Act to amend the Mineral Taxation Act. The proposed amendments have been designed to clarify certain sections in the act . There is some question as to how you assess the mineral tax against a fraction of an acre. So an amendment is proposed in one section clarifying that a fraction of an acre shall be taxed as a whole acre, not as a fraction of an acre. Three cents an acre, one-third of an acre as some maintain is one cent. It's not clear that it should be three cents for a fraction of an acre.

Under section 32 of the present act , a notice that unless the arrears of taxes be paid on or before a certain date specified, must be mailed. In the notice, it says: It shall not be less than six months after the date of the mailing of the notice. Now, there is some question here as to the precise meaning of six months. If your notice, for example, stated February 10th and it was mailed that day and in the notice it stated that if your arrears weren't paid on or before August 10th, they would be forfeited. There is some question whether that is a clear six months, from February 10th to August 10th. I find on looking back over the records that this has been the general course followed, namely to take six months hence from the same date. There is some question whether or not it is legally proper because there may not be exactly six months and one day and this is to clarify that the six months as so specified in the date shall be the time necessary for notice. Such period as this would be deemed to be sufficient for the purpose of this act and make no mistake that this is the intent of the act .

Section 32 of the present act also says that the mineral tax administrator shall cause a notice of arrears and a forfeiture for failure to pay the arrears to be sent by registered mail to the owner of the minerals. It does not, however, spell out any particular address of the registered owner. This puts a heavy onus on the tax administrator to be sure that he had the proper address of the owner. The amendment proposes that the address of the owner as registered in the Land titles Office shall be the address for service of notices. If it has been mailed to the address as shown

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by an abstract in the Land Titles Office, then that should be sufficient to meet the requirements of the act. But it also says that the tax administrator may, if he knows the present address of the owner and it is different from that shown in the Land Titles Office, send it to the address which he knows to be the correct one.

The new section serves to validate a notice properly sent in accordance with the act, notwithstanding any allegation by the owner that he did not receive the notice of the tax arrears, stating that failure to pay will result in the forfeiture of the minerals. Now, some may maintain perhaps that they did not receive the notice. I want to clarify this: if it is sent by registered mail to the address shown in the Land titles Office, that is evidence that the letter went forward and if it has been returned, it is assumed to be received. With these few remarks, Mr. Speaker, I beg leave of the assembly to move second reading of this Bill.

Mr. J. H. Brockelbank (Kelsey): — Mr. Speaker, I am certainly not going to oppose the Bill because I believe, as the minister stated, it is clarifying, it is a housekeeping Bill, but we will want to ask some questions to get details on each clause when it is in committee.

Motion agreed to and Bill read the second time.

Hon. A. C. Cameron (Minister of Mineral Resources) moved second reading of Bill No. 93 — **An Act to amend The Mineral Resources Act.**

He said: This, Mr. Speaker, is an Act to amend The Mineral Resources Act. I think it is complementary to the other act which permitted the setting up of voluntary units. These amendments provide in the Mineral Resources Act that the minister may enter a voluntary unit on behalf of the Crown land in that particular unit. If we have some Crown land in a voluntary unit that is being formed we have to sign as well as the participants in a unit because we are a royalty owner. It gives the minister the right to sign on behalf of that Crown land within a voluntary unit. If he agrees that the tract factors and working arrangement and sharing of profits are agreeable to the department and to the minister, then he may sign on its behalf. If he doesn't then, of course, he can withhold his signature the same as any other individual. Of course, it will then be sent to the Oil and Gas Conservation Board for a public hearing and become an ordered unit. It is just simply to permit the minister to sign on behalf of the Crown if there is a quarter section or half section of Crown land in a unit that is being organized in a voluntary unit. I beg leave of the assembly to move second reading of this Bill.

Mr. J. H. Brockelbank (Kelsey): — Mr. Speaker, I have some doubts about this Bill. I am not too sure that we are justified in giving these additional powers to the minister. To deal with land and property and royalties in the case of unit operations of an oil field at the present time, the royalty has to be settled by Order in Council. I think we are getting very close to the position in this where the minister's actions in regard to these agreements concerning lands probably should be subject to the approval of the Lieutenant Governor in Council, but we will be able to discuss that further in committee.

Motion agreed to and Bill read the second time.

The assembly recessed at 12:30 o'clock p.m. until 2:30 o'clock p.m.

WELCOME TO VISITORS

Hon. D. Boldt (Minister of Social Welfare): — Mr. Speaker, I would like to introduce a group of students from my constituency from the town of Alvena, the Alvena High School, together with their principal, Mr. Bob Saborney. They are touring the city and they will be in the Legislative Building this afternoon. I am sure you and all the members of the assembly will join with me in wishing them a pleasant stay here and a safe trip home.

Mr. H. A. Broten (Watrous): — Mr. Speaker, I would like to draw the attention of the House to a group of boys and girls in the first row in the Speaker's gallery. They are from the Morris 4H Home craft class and they are accompanied by Mr. & Mrs. Murdens, Mr. and Mrs. Rayner, Mr. & Mrs. Soelid, Mrs. Stone and Mr. Johnson, who are the drivers and attendants of these children. I would like to pay tribute to all the 4H people that do take the time in Saskatchewan to teach and to organize these things because I think these children are learning a lot in their 4H Clubs. We hope that these children have a great time — they have said so already — and that they have an enjoyable afternoon and a fine trip home.

Mr. J. E. Brockelbank (Saskatoon City): — Mr. Speaker, there is supposed to be a group of children here from Henry Kelsey School in Saskatoon. Perhaps they haven't arrived so I will take a page out of the book of the member from Moose Jaw yesterday when he said welcome to the students from Saskatoon wherever you are.

SECOND READINGS

Hon. W. Ross Thatcher (Premier) moved second reading of Bill No. 82 — **An Act respecting Home-owner Grants.**

He said: Mr. Speaker, as hon. members know, the purpose of this Bill is to bring relief to Saskatchewan taxpayers, and to encourage home ownership. Our government has felt for a good number of years that local government taxes have reached the danger point. Earlier this session we attempted to bring indirect relief to the local government taxpayer, by increasing grants of various kinds to municipalities and school units. In addition, this Bill brings or provides direct aid.

In the coming year these Home-owner grants will be paid to most rural and urban home-owners. The amount of the grant will be \$50, or one-half of the property tax, whichever is the lesser. We think that some families will have their property taxes reduced by as much as 50 per cent. On the average, we expect that this Bill will provide a seven per cent reduction across the province.

As I said during the Budget Debate, we think it will cost the Provincial Treasurer between \$8,000,000 and \$10,000,000. The Royal Commission on Taxation, to which members opposite frequently make reference, suggested that immediate steps be taken to shift the burden of property taxes, which is regarded as one of the most regressive taxes, to other fields. This we are accomplishing, or trying to accomplish by the Bill before us. We go even further

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than the Royal Commission's recommendation, in that the overall tax burden of Saskatchewan citizens has been reduced rather than merely shifted from municipal taxes to provincial taxes. I propose to deal with the details of this legislation in committee. However, perhaps at this stage I should set down a few of the principles involved and some of the mechanics.

The proposed act sets out a number of conditions of eligibility for the Home-owner grant. First, the applicant must own his own dwelling which is affixed to land, and reside in it for the greater part of the year. It is recognized that there are differences in assessment practices between rural and urban areas. In urban areas the property tax is assessed on the land, plus the dwelling which is affixed to the land.

The eligible application in urban areas must own the dwelling and the land on which the dwelling is affixed. In rural areas the property tax is assessed on the land, and the farm dwelling is exempt. The farmer, who owns and resides in a dwelling located outside an urban area, will be permitted to designate any parcel of rural land which he owns and operates for his farming operation and in respect of which he has paid property tax. It has been drawn to our attention, Mr. Speaker, that some farmers own their dwellings but do not hold a title to the parcel of land on which the dwelling is affixed. A house amendment has been prepared which will enable a farmer who owns and resides in a dwelling on rural land, title of which is held by some other owner, to obtain a Home-owner grant in respect of general property taxes paid on farm land which he owns and operates.

Secondly, he must give evidence that he has been assessed and has paid the current year's taxes on his property, or paid an amount at least equal to the current year's taxes.

Thirdly, an individual and family who owns and resides in a multiple purpose dwelling, such as a boarding house, rooming houses and small apartment blocks, will be eligible for a Home-owner grant. However, hotel or motel owners and owners of large apartment blocks of seven or more self-contained units will not be eligible.

Fourth, the applicant must be a resident of Saskatchewan; a valid hospital and medical card will serve as proof of Saskatchewan residence. However, again a House amendment has been prepared to ensure eligibility of Armed Service and RCMP personnel with no dependents who are not required to pay the hospital and Medicare premium tax.

Fifth, the Home-owner grant will be limited to one grant per family unit or household.

Six, only one Home-owner grant per year will be paid for each eligible resident.

Seven, as I mentioned in the Budget Speech, Saskatchewan residents in the city of Lloydminster and residents in the outlying area will not be eligible for the Home-owner grant. The exact boundaries will be described in the regulations and will approximate a radius of about six miles surrounding the city of Lloydminster. Even this exclusion will not completely offset the estimated tax loss of approximately \$140,000 in Lloydminster. We estimate that approximately 600 homeowners in the city of Lloydminster and surrounding area will not receive the Home-owner grant. However, the government will consider this arrangement as a solution to the tax problem in Lloydminster until such time as a more

effective alternative can be adopted by the city of Lloydminster in consultation with the provincial governments of Alberta and Saskatchewan.

I might say, Mr. Speaker, that we have had a number of questions about trailers. It is the intention in the regulations to permit trailer owners to receive the Home-owner grant if they pay local taxes. If, on the other hand, they do not pay local taxes but merely a rental to a particular owner of a trailer park, they will not receive the grant.

The amount of the tax, as I said, will be determined by making it \$50 or one-half of the current year's taxes, whichever is less. Local improvement taxes and other special purpose tax levies will be excluded from the definition of a general property tax. The reason these types of taxes are excluded is that such taxes are generally not of a permanent nature. A person would be discouraged from prepaying local improvement taxes if he was allowed each year to include local improvement tax in the general property tax, for the purpose of obtaining the maximum grant.

The Department of Municipal Affairs has obtained a qualified official to design the procedures and forms, and to recruit and train the clerical staff required to process applications for the Home-owner grant. These procedures will be designed in consultation with the SARM and SUMA, and we will announce when applications can be submitted to the Department of Municipal Affairs. I believe it is the intention of the department to have each homeowner pay his local taxes. The Municipal Secretary in the rural areas will forward receipts at the end of each month to the department.

To conclude, I want to repeat what I said in my Budget Speech. The Home-owner grant is made possible by the industrial development and diversification which has recently taken place in Saskatchewan. The resulting buoyancy of the economy has made it possible for this Liberal government to pay a dividend to the people of Saskatchewan. We hope, of course, that the amount of the dividend can be gradually increased as our province moves ahead economically.

Mr. Speaker, I beg leave of the assembly to move second reading of the Bill.

Mr. E. I. Wood (Swift Current): — Mr. Speaker, I would like to say that I favour this Bill. This is one way in which money can be gotten into the hands of the taxpayers of Saskatchewan and, goodness knows, since the Liberals have come into office they sure need it.

Mr. J. H. Brockelbank (Kelsey): — I applaud that.

Mr. Wood: — Without this bill which is before us, the Budget which was brought down would have added a good deal to the tax load of the ratepayers. Without this, it surely would have. There were more tax additions than there were tax reductions, aside from the \$8,000,000 which is outlined in this Bill. And even with this \$8,000,000, if you take into consideration other tax increases by the Saskatchewan government, such as Medicare and so on, and when we consider the increases in property taxes which are very likely to come and will undoubtedly come, it is quite sure that the taxpayers of Saskatchewan will be paying more this year, even

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with this Bill, than they have previously. So I can't see, Mr. Speaker, how I can very well help but support this Bill, because the taxpayers of Saskatchewan need this money.

I kind of snicker a little softly to myself, Mr. Speaker, when the Premier introduces it by saying that the reason they are able to do this is because of the great increase in productivity in the province when DBS shows that in general the average income in the province is down last year and the year before compared with what it was back in 1963; and a good many other things prove otherwise. It is still good for a little merriment for the Premier to get up and make statements like this. You know it kind of makes it interesting to be in the legislature.

But there are some things about the Bill, Mr. Speaker, that I don't just care for. One point I would like to make is that in this Bill, in regard to the small taxpayer, there are instances in which when complete taxes are only \$50 he only gets \$25 help. In the province of British Columbia, for instance, they pay all the taxes except for one dollar. The taxpayer has to pay one dollar. And this would be a good deal more beneficial to the little taxpayer, the man who actually needs it possibly more than the larger one. I think this is something possibly the government should take a look at: that, instead of only paying half of the taxes for the little fellow, he will only be getting \$25, they should give the full \$50 to the persons who need it. This is one thing that I don't like about it.

Another thing I don't like about it is that it doesn't pay this \$50 grant in regard to the people of Lloydminster. Mr. Speaker, two wrongs don't make a right. The fact is agreed that the people of Lloydminster should be paying their taxes as well as anybody else should, but not paying them this grant by way of retribution, I don't think is going to help the overall situation. In the first place, it is going to be the little people who are hurt again. There are those people who buy enough taxable products in a year that the taxes that they would normally pay, that they fail to pay, amount to more than \$50 and they are going to be ahead of the game, even if they don't receive this 450. But the little people who don't, under any circumstances, even if they paid all their tax — and many of them will be paying part of their taxes at least — even if they paid all the sales tax that there is payable on their small incomes, it would not amount to \$50. And these people are going to be hurt because the Premier is prepared to take it out on the city of Lloydminster in regard to this and I don't think this is fair.

Another thing too that this will not clear up is in regard to the trades people in outlying areas. As I understand, one of the troubles which we have had up there is that the people in the small towns and such around Lloydminster have a habit of going to Lloydminster where they are able to buy things without tax. This has been quite a thorn in the side of the small shopkeepers in this area. But this Bill, Mr. Speaker, is not going to help this in the least. These people are still going to go to Lloydminster to obtain any tax-free items and they are going to have to do it now in order to break even because the province isn't going to be paying them this \$50 grant. They are going to feel it is a matter of religious duty that they go and get this tax-free gasoline and get these tax-free materials in order to make up for what they are being robbed of by the provincial government. I think the whole situation, instead of being improved, is going to deteriorate.

There is another matter on which I would like to speak and this is in regard to renters. I am very pleased to hear the Premier say what he did just now. I am very glad to hear that at least some of the renters are going to be able to obtain this grant. I hadn't gotten this information earlier . . .

Mr. Thatcher: — That is not correct. Where did you get that?

Mr. Wood: — I thought that was what you said.

Mr. Thatcher: — Most certainly not. No. I said the RCMP and Armed Forces who own their own homes would get it but no renters will get it under this Bill.

Mr. Wood: — I thought you indicated that in some of the blocks there would be, only not in the larger blocks. I'm sorry, I misunderstood. Then my earlier fears in regard to this Bill are still here. I was thinking that the Premier had said something today that it was going to mean that the renters were going to be able to obtain help under this Bill. Now, whereas the city of Lloydminster is cut out entirely, if this is true that no renters are able to obtain assistance under this Bill, then 40 per cent of the people of the city which I represent are going to be cut out, not the total city like Lloydminster is, but 40 per cent. I think this is something that I, as a representative of that city, should stand up and say something about. I don't think this can be just blandly brushed aside.

I have before me here a breakdown, according to the census of Canada, of the percentage of people who are renters throughout Saskatchewan, the average I believe is 23.3 per cent. This means that for all of Saskatchewan very nearly a quarter are not receiving any help under this Bill which is brought before us today. Mr. Speaker, again these are the people who need the help, the Metis people and the people who can't afford to own a home. These are the ones that are being left out. They will still have to pay their sales tax; they will still have to pay the taxes of the province to help to support this payment which is going to others who don't need it nearly as badly as they do. In rural Saskatchewan I see they are 17 per cent; in the farm portion of rural Saskatchewan, 11 ½ per cent; and in the non-farm portion of the rural area, 24.7 per cent. So there is even a good percentage of the rural people who won't be qualifying for this tax, this grant. Pardon me, we get so used to talking about taxes here, that is what we get most of the time, that I forget to use the word "grant" when we come to one that has a grant. In the urban areas the overall average is 30 per cent, Mr. Speaker, and in those cities over 5,000 the average is 32 per cent. In the city of Estevan there are 27.4 per cent of the people who are renters. In Lloydminster, I guess this is beside the point really, but just for interest sake, it is 27.4 per cent. In Estevan it is 32.1; in Lloydminster 27.4; in Melville 27.6; in Moose Jaw 22.3; in North Battleford, 34.9; in Prince Albert 33.8; in Regina, 32.9; in Saskatoon 29.1; in Swift Current, 39.5; Weyburn, 34; and in Yorkton, 31.7. So in these cities, Mr. Speaker, over 30 per cent of the people in these areas are not obtaining this grant and I think this is a very poor situation. I feel that the fact that this large percentage of the people of our province are being bypassed, while they are still paying taxes the same as other people are, means that this Bill is unfair. It is unfair to these people

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and I think this could be avoided.

As nearly as I can ascertain from what the Premier said today the municipalities will be sending the tax receipts in to the Department of Municipal Affairs which will notify the Treasurer's office and the Treasurer's office, after the taxpayer has made direct application to the Premier, will make payment of \$50 or what portion of it the small people are able to obtain. I think that this is rather a poor way of doing things. I think it is a wasteful thing to first collect the money from people by way of taxes and after taxing it away, then return it to them in this manner. I think that it could be done in a much less complicated and easier manner. If, for instance, these monies which have been obtained from the people of the province — if they are going to help the municipalities and help the municipal taxpayer — could be paid directly in a lump sum to the municipalities. this would save a great deal of red tape and I think it would be a good deal better.

There is one thing that has not been cleared up to my satisfaction and that is as to whether or not this grant is going to be taxable for income tax purposes. This is something that we can bring up in the Committee of the Whole, but at the present time I have not been satisfied by reading the Bill that this grant is not going to be taxable for income tax purposes, that is the money that is turned back to the homeowner. If he has to pay taxes in the first place, then sends it to the Provincial Treasurer, gets it back as a grant and then has to pay income tax on it again, this is going to be rather a serious situation, it would appear to me.

I think too, that instead of going through the roundabout rigmarole that is proposed in this Bill, when the municipal secretary receives the taxes from the individual, he might make a note in his receipt book to the effect that it has been paid. He will then know how much, according to the act, the taxpayer is supposed to have deducted from his taxes because of this Bill and he could make the deduction right there in the municipal office and save a good deal of this roundabout method of the taxpayers having to make application to the Premier and so on. The deduction could be made directly in the municipal office when the tax is being paid. This would be the end of it as far as the taxpayer is concerned and he wouldn't have to go through all this rigmarole. then the municipality could requisition the minister and this could be handled in this manner. I think it would be a good deal easier and a good deal less expensive to the people of the province and with a good deal more sense to it than what is proposed by this Bill. I will say, of course, that it wouldn't have the political impact that this Bill will give to these payments by having a cheque directly from the Premier's hands with the Premier's signature on it in the hand of the taxpayer. This, I will admit, does have some very strong political kudos for it, but I think this should be foregone due to the fact that we could save some money for the people of the province in setting this up in a realistic manner.

They have had these grants in other provinces — Saskatchewan is following suit in regard to this matter — but I would like, if I may, to make a few comments on what has been said in other provinces about them. I have in my hand a report on provincial-municipal financial relations as prepared by the executive of the Union of British Columbia Municipalities and presented in abridged form to the 59th Annual Convention of the Union of British Columbia Municipalities, September, 1962. The proposals with regard to the

Bill — they are not just proposals in British Columbia — there the regulations in regard to the payment of this householder grant are somewhat different to what are proposed in this Bill, so all the things which are said in the section of this booklet about these householder grants are not applicable in this case. But I could, with your consent, Mr. Speaker, read the concluding paragraph of this portion which deals with householder grants:

Whether or not the provincial government can be persuaded to give effect to its own statements is possibly a question outside the terms of reference. But, it is not outside the terms of reference to say and to say categorically that unless the Home-owner grant can be fitted into the school finance structure on the lines of the compromise proposed, so that it serves a definite and a reasonable fiscal purpose, it will remain what it is now, an insuperable obstacle to the pursuit of the Union of British Columbia Municipalities' search for a better deal for municipal taxpayers.

They don't think very much of it there, where they have had it for a good many years. they are not happy about this way of handling the taxes, the moneys which are collected from the taxpayers of British Columbia.

Now, Mr. Speaker, I would also like to quote, if I may, from a clipping from the Calgary Herald of Saturday, February 26th, 1966. It has in here a few excerpts from the speech of one Bill Switzer, a Liberal who was just recently elected in Edson. It is in regard to his first major speech in the House and it goes on — there is one little excerpt that I think the members of this House might be interested in:

He describes the government's homeowner bonus as a handout and hinted that the Liberals are going to offer some alternatives to ease the burden of property taxation.

I am glad the Liberals elsewhere are able to see through this sort of hoax that is being perpetrated upon the people of Saskatchewan in regard to this Bill.

Mr. I. H. MacDougall (Souris-Estevan): — Are you going to vote against it?

Mr. Wood: — No, I am going to vote for it, as I said earlier, as I think this is the only way that the people of this province are going to get their money out of this government, but I just don't quite like the way they are going about it and I have a few succinct things to say about it as we are going along.

Mr. MacDougall: — Good old honest Woody!

Mr. Wood: — I think, Mr. Speaker, that as I said earlier, this tax, this grant, should be given to renters because they pay taxes too. Saying that the renters do not pay taxes is pure sophistry because renters do pay taxes and same as anybody else does. They not only pay the taxes on the House in which they live but they also pay the upkeep and the capital cost of this House. they also pay profit to the owner. These people are the people who need the help more than anyone else and they are the ones who are not getting it.

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I think the fact that this Bill does not take in renters is a great weakness in the Bill which should be remedied. It is not something I can move any motion about because it would mean an extra charge upon the treasury of the province, but I think the hon. members opposite should definitely take this into consideration, that they are leaving out the people of this province who need the most help and are by-passing them in this way. They may not numerically be as numerous as those who do own houses and thus may not be as important politically. But simply because they are not important politically does not, I think, excuse the fact that they should be treated in this manner.

Now, I think there are inadequacies in this Bill. I think this money could be handled in a better way, as I pointed out, and I will be having some more things to say in this regard when the Bill is in committee.

Some Hon. Members: — Hear, hear!

Mr. I. C. Nollet (Cutknife): — Mr. Speaker, I want to say immediately that, as I said previously in the House, I oppose this Bill on every fundamental count. It is not only wrong in principle; it is not only inconsistent with the jurisdictional responsibilities of a provincial government or a municipality to attempt to make a redistribution of wealth, but to do so in a manner as discriminatory as that mentioned by the hon. member for Swift Current (Mr. Wood), makes it entirely worse. I am also not impressed by the basis on which these grants are being paid. The impression is being left that this after all is not tax money; furthermore, it is being handed back to a special group of taxpayers regardless of their ability, their wealth or economic position. I said previously in the House and I say again that it would have been much more appropriate and more responsible had the government used this money to do such things as build a university hospital in southern Saskatchewan, or raise the Old Age Pension and not vote against it as they did in this legislature; to do something for those people in great need. This certainly, this type of redistribution does not do anything for people in great need, Mr. Speaker. But his argument was that the buoyancy of the economy makes possible this beneficence, sort of “from the Premier of the province direct from me to you, Mr. Homeowner, as a means of reducing your taxes”. I said before, Mr. Speaker, and I repeat again, this will not reduce property taxes in Saskatchewan. This is nothing more than a political handout consistent with the type and make-up of the Premier of this province.

I oppose it, too, because it not only discriminates in other areas, but the Premier (Mr. Thatcher), this magician, this man of wonder, who in the space of two years can make our economy so buoyant that he can make this Home-owner grant, is unable to solve a comparative miniature tax problem in Lloydminster area and has to, in his frustration, discriminate against those people in the worst possible manner, thereby not correcting or solving anything at all, Mr. Speaker, but heaping fuel on the problem which is already serious enough and has grown increasingly serious since this so-called new Liberal administration assumed office in this province.

I want to draw to the attention of the House and of the Premier that the contributions made by the people in the Lloydminster area to the economic prosperity of Saskatchewan are tremendous. They were the ones that pioneered in oil development. As a result of the exploratory and development work done in that

area this gave stimulus to further oil development and exploration throughout the province. Lloydminster was the first urban centre of any size in Saskatchewan — if not the only one — had natural gas services. As a result of this contribution, in the area of resource development, plus agricultural development, these people have contributed immensely to the general economic wealth of Saskatchewan. In terms of revenue from these oil resources, I say to the Premier, you can very easily say how much you might be losing in sales tax, but tell the House too how much oil revenue you get from that area of the province as well, and it will increase in the years ahead. Then, the crude oil from the Lloydminster area is being conveyed by pipeline to the Trans-Canada pipeline and to eastern Canada. these are some of the contributions made to the economy of Saskatchewan by these pioneer forward-looking people in this part of the province.

I might also say this that the people in that entire area pay the sales tax on automobiles, which are bought in great quantities because of the prosperity there. There is no loss there and this is the big revenue item. the Premier doesn't mention this at all. Of course, he glosses over entirely the serious problem that confronts the merchants in the city of Lloydminster whom he requires to collect this tax. The merchants and residents, Mr. Speaker, did not create the tax enforcement problem in that area. The responsibility for correcting this problem rests on the shoulders of the provincial government. I say this because the people of this area should not be discriminated against by virtue of their geographic position because of having originally settled at or near the Saskatchewan-Alberta boundary, where the city is cut through the middle by the 4th meridian. This is no fault of the people in that area. The complex problems created in that area were also created by provincial law. This was recognized when both Saskatchewan and Alberta gave legal status by special clauses in the charter of the city of Lloydminster, which, through no fault of its own, placed this city and the surrounding area in a most unique position. This is recognized in the charter granted to that city.

The Premier has merely taken advantage of this situation by refusing to assume responsibility for rectifying a growing tax collection problem. It is an accepted taxation principle that the application of taxation should not discriminate in terms of the application and enforcement. Neither should it discriminate against merchants who place their business in jeopardy by asking them to perform the impossible task of collecting such taxes when their own business competitors across the street are free from this obligation and when their customers can so easily purchase in a tax-free area whether by choice or for other business reasons. There is an unique situation in the Lloydminster area and it is beyond question that the government itself must accept its responsibility to collect the now higher sales tax and gas tax, as it does in other unusual circumstances. May I give an example, Mr. Speaker. Let's assume that my wife, if she had the money, and if I were, I suppose, generous enough, purchased a \$2,000,000 - \$2,000 (God help me) mink coat in Manitoba or Alberta and came into Saskatchewan, and this was brought to the attention of the taxation officials, they would collect that sales tax. I am saying, Mr. Speaker, this applies also to a person who buys a motor car in Alberta or Manitoba and comes to Saskatchewan and endeavours to register it. He must identify where he bought it; he must pay the sales tax. I am saying that, where the government is compelled to collect in these unusual circumstances, it must also assume its responsibility to collect this tax in the Lloydminster area. Certainly the Premier has come up with no magic formula in

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this regard. He blandly says it is up to the city of Lloydminster to tell us. I say to him, it is up to you and your administrators to find out and explore the possibility of some alternative method of taxation, or a better method of tax enforcement with the government assuming its responsibility for it.

I have here, Mr. Speaker, a letter which pretty well expresses the situation and the viewpoint of merchants in the city of Lloydminster. It was written to the editor of the Leader Post and Star Phoenix by L. J. Doucette, the manager of the Co-operative store in Lloydminster, which is situated on the Saskatchewan side, and he says:

The news report carried in the Star Phoenix, March 3, 1966, quotes the Premier as saying, 'Residents of Lloydminster pay little or no sales tax, no tobacco tax and less than 14 cents a gallon gasoline tax.' This statement distorts the truth and is misleading. When the Premier said this he said it knowing it to be untrue and for purposes other than ascertaining facts.

I think if the Premier were more interested in ascertaining facts and less interested in political manoeuvres he would find an answer to this problem. And then it goes on:

On June 16th, 1965, the Premier of Saskatchewan met a delegation from Lloydminster who presented a brief protesting the fact that the Premier was insisting publicly that the merchants be responsible for the collection of all tobacco tax in Lloydminster and remittance of same to the government. Fifty per cent of all tobacco sold in Lloydminster, Saskatchewan side, are to Saskatchewan residents. Fifty per cent of the shoppers live in Alberta and the tobacco vendor has no way of differentiating between the two. Mr. Thatcher, on June 16th, 1965, upon being presented with the above facts ruled imperiously that all tobacco merchants would pay the treasury 40 per cent of the tobacco tax due, knowing at the time that it was not possible for the Saskatchewan merchants to collect this from the customer.

This is obvious, Mr. Speaker. Then it goes on:

Rather than say the Lloydminster residents pay no tobacco tax, Mr. Thatcher should say the Liberal Lloydminster merchants are paying the government 40 per cent of all tobacco taxes out of their earnings.

And, incidentally, in the Co-opposition store alone, in 10 months time, they paid in \$1,650 for the tobacco tax alone. It goes on:

Lloydminster is a very complex and complicated problem created by provincial law; when the community was first established, special clauses were agreed to by both Alberta and Saskatchewan in its charter recognizing these unique problems. Some of North America's leading authorities have been approached to solve the problem but with no apparent solution.

But, Mr. Speaker, I thought the magician would surely be able to solve it. Then it goes on:

Mr. Thatcher has taken advantage of the complexities of the situation and has seized the opportunity to distort

true facts to the problem. Instead of saying Lloydminster merchants subsidize the tobacco tax, Mr. Thatcher says Lloydminster residents pay no tobacco tax. Instead of saying Lloydminster service stations remit 12 cents per gallon gas tax in Saskatchewan, which is the same as Alberta, Mr. Thatcher says Lloydminster residents receive full benefit while paying less than the 14 cents a gallon tax. The Premier has ruled Lloydminster residents will be denied \$30,000 in homeowner tax rebates which he justifies by the aforementioned statements. Many retired old Saskatchewan residents are being denied these rebates which would be available to them anywhere else in Alberta or Saskatchewan. This is discrimination at its worst. The Premier of any province has a responsibility to enforce the laws of the province. His inability to do so does not justify passing discriminatory legislation. The Premier has a responsibility to the minority as well as to the majority. Passing legislation which discriminates against any minority group is a dangerous step. If this legislation becomes law, where do we go from here and what minority group can rest easy? The very essence of our democratic society dictates that legislation be positive and constructive; that ethics and principles rule over position and power. Mr. Thatcher has taken advantage of his position. In addition to shifting his responsibility where possible to the merchants he continues to condemn the Lloydminster citizens for failure to obey the laws of his government.

In addition to this, he is now passing discriminatory legislation which is far worse and far more unfair and, indeed, I might add, that will only complicate tax collection enforcement problems for him in his method of discrimination. I will say a bit more about that later. The letter then goes on:

In the meantime Lloydminster merchants continue to subsidize the Saskatchewan treasury with 40 per cent tobacco tax out of their earnings. the service station operators will also absorb the additional one-cent per gallon tax on gasoline, effective march 15, 1966. The Premier stated last week: 'No relaxation of present regulations in Lloydminster', even though he has announced the discriminatory legislation. It is bad enough for a community to be written off politically, but it is almost intolerable for it to be harassed by discrimination and prejudice by its own Premier.

This was written by the manager of the Lloydminster and District Co-operative Association store.

Mr. Speaker, let's deal with this matter of an area surrounding Lloydminster that is going to be discriminated against and the possibilities, or the impossibilities of ever making it stick. He suggests that an area roughly six miles surrounding Lloydminster and the people in it will be denied the Home-owner grant. May I point out to him that the farmers within that area are eligible as residents under this legislation and no arbitrary drawing of lines by the Premier can deny that. They are still the residents; they are farmers living on their land. But this dictator Premier says I am going to draw a line and exclude them from the benefits of Home-owner grants. Now, this is six miles out but may I tell the Premier people travel to trade in Lloydminster from as far as 45 miles away . . .

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Mr. Thatcher: — We haven't made those lines yet.

Mr. Nollet: — The Premier can use his discretion if he wants to. I am talking against this, I am asking him to find a solution to the taxation problem in Lloydminster, which I think can be found, and not deny these people anywhere in Lloydminster or outside of Lloydminster the right to share in the benefits so-called of the Home-owner grant.

All right, here we will find this unhappy situation, which compounds the difficulties of discrimination and injustice. Here is one farmer six miles out, he is denied the Home-owner grant. His neighbour just across the road allowance can receive it. Where do you stop? Is this justice? This indicates so clearly, mps the injustice of discriminatory legislation and of drawing arbitrary lines and of saying that people on this side of that line can't get a benefit but people on that side can receive the benefit, although the people on the other side of the line also trade in Lloydminster. They could walk over to the other side of the border and not pay their sales tax or their gas tax either. I notice the Premier has departed. I don't think he wants to hear. I don't think he wants to give any sensible and serious thought to this problem. All I can say, from my point of view, I am not raising this for political reasons but for cold, factual reasons of discrimination. If I were politically minded I would say, "Sure, include my whole constituency and see where you land". But it is wrong; it is completely wrong. No people, either in Lloydminster or outside of Lloydminster, either six miles out or 25 miles out or any distance, should be denied the Home-owner grant, Mr. Speaker. It is only fair that they all get it.

Now, Mr. Speaker, as you know, Lloydminster is in what is termed a so-called depressed area. They are much more greatly depressed now as a result of the discriminatory action taken and I am sure that the residents in that area, particularly the old pioneers who live in their own homes will be very greatly disappointed in the action of the Premier.

The Lloydminster and District Co-operative Association are establishing a feed mill in that area. A press release was made that I just received a short while ago to indicate that at least there is one agency of government that doesn't discriminate. I want to draw attention to this press release. It says:

The city council's . . .

That is the city of Lloydminster council.

. . . decision to sell industrial property assures the building of a new feed mix mill in Lloydminster. The Co-operative Centre announced building of a new feed mix mill in Lloydminster which will give service to grinding of customer's grain, mixing of grain with concentrates, molasses, mixing, blending, etc.

This is quite an enterprise. It goes on:

The expected capacity of the mill will be 20,000 tons annually. the estimated cost of the total project when completed will be in the neighbourhood of \$150,000. Capital costs on the eligible assets are agreed to by Ottawa. The total amount of grants for the development of the project

from the federal government could reach \$60,000.

These federal grants are being made available. I hope it will take them out of the depression somewhat in an economic sense because federal grants do not discriminate against people in a particular area. But the provincial Liberal government does discriminate against them in receiving benefits that they rightfully should have access to and are being denied by the Premier of this province.

Mr. Speaker, again may I say I am going to vote against this Bill on second reading, endeavour to have amendments made in committee, and certainly vote against it if necessary, in third reading as well.

Mr. Wood: — Mr. Speaker, could I crave the indulgence of the House to make a correction in the speech that I just made?

Mr. Speaker: — I think the House will be more than willing to afford the courtesy.

Mr. Wood: — When I was reading these figures in regard to the percentages of the renters in each city I did not have my two thumbs even and I did not have the right figures for each city. I gave the incorrect information. Could I correct it? Estevan was 27.4; Lloydminster, 27.6; Melville, 22.3; Moose Jaw, 34.9; North Battleford, 33.8; Prince Albert, 32.9; Regina, 33.4; Saskatoon, 29.1; Swift Current, 39.5; Weyburn, 34 per cent; Yorkton, 31.7. I got those slightly mixed in the first part earlier, Mr. Speaker.

Mr. Speaker: — I must draw the attention of the members to the fact that the mover of the motion is about to close the debate, if anybody wishes to speak he must do so now.

Hon. W. Ross Thatcher (Premier): — Mr. Speaker, as I said a moment ago, the purpose of this legislation is to pay Home-owner grants to all rural and urban residents, in the amount of \$50. The only group or the main group, that it excludes, is in the vicinity of Lloydminster city and the country immediately surrounding it.

I am not going into all the arguments again why we propose not to include Lloydminster. This has been a thorny problem for many, many years. The former government failed to solve it; indeed I don't think they even tried to solve it. We have found that in the city of Lloydminster today, the sales tax for the most part is not collected except on automobiles and liquor. Oh, there is some revenue but generally speaking residents of Lloydminster and area do not pay the sales tax. Neither, Mr. Speaker, do they pay the gasoline tax in full. the Saskatchewan gasoline tax is 15 cents. the Alberta gasoline tax is 12 cents. When we imposed the tobacco tax we ran into the same problem. We did not feel it was fair that the residents of all Saskatchewan should pay the tobacco tax, and yet the residents of this small area be allowed to ignore it. We had representations from the merchants led by this man, Doucette, who incidentally is a very strong Socialist. That, of course, is his privilege. This man Doucette came down with some other businessmen. They said, in effect, if we attempted to collect the whole tax on tobacco from Lloydminster residents, it will simply mean they could not handle tobacco

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because people would go across to the Alberta side. We asked, "What is your alternative?" Some of the merchants suggest that if we would take a percentage of the tax, they would be willing to absorb that portion under the circumstances. The figure we arrived at was what we would ask the merchants on the Saskatchewan side to pay directly if they did not want to collect a tax from the consumer. The figure suggested was 40 per cent of the regular tax. I may tell the hon. member for Lloydminster (Mr. Nollet) that if the merchants of his city and area do not feel that the 40 per cent is fair, we will immediately be pleased to take that regulation out and let them collect the full tax from the consumer, the same as residents do all over the rest of Saskatchewan.

This problem has caused the government a good deal of concern because merchants and consumers in other areas of the province object very strenuously to the privileged status of Lloydminster. The hon. member for Cutknife (Mr. Nollet) quoted a letter from Mr. Doucette. I want to quote one that I received from Lashburn. I'm going to quote three or four paragraphs of it:

We all realize that we are losing considerable business to Lloydminster on account of the tax privileges that are available to them. We must also realize that we are sacrificing our profits by absorbing health and education costs in an effort to remain competitive with Lloydminster. With our present trend towards centralization we are also losing our schools, our hospitals, our agricultural representative, our aged people, as well as our business expansion to this larger centre. All of these things are being absorbed by the city of Lloydminster which is not paying its share toward maintaining the very things that it is stealing from us.

But what do we hear from this city which has been endowed with special tax privileges? Do we hear thanks to the rest of the people of Saskatchewan for paying the taxes that they themselves avoid? No, we do not. Do we hear appreciation of the favoured position enjoyed by citizens and businessmen alike in the city of Lloydminster? No, we do not. What then do we hear from the city of Lloydminster?

First, we hear a constant clamouring for more and better schools for which government grants are required. Secondly, we hear of greater needs for hospital facilities which require government assistance. Third, we hear of various complaints about imposing a sales tax on tobacco in Lloydminster. Fourth, we hear continual refusal to pay health and education tax as is required of every other Saskatchewan resident. Fifth, we hear the mayor of Lloydminster whining because his city, which has been successful in avoiding thousands of dollars of taxes throughout the year, must now forego a \$50 Home-owner grant.

If these people want the benefits, why should they not pay taxes on the same basis as you and I? It is quite obvious that the residents of Lloydminster want all the benefits that health and education tax can provide. It is also quite evident that they expect the rest of the province to provide the funds.

Now, Mr. Speaker, this government has had representations from towns, up and down the Manitoba border. We have had representations from many town up and down the Alberta border.

This is no solution. We don't put it forward as a solution, but we do say that if the people of Lloydminster and area are going to take all the benefits of being citizens of Saskatchewan, like school grants, hospital grants, and so on, then they must also assume some of the responsibilities. The fact that we are not paying the Home-owner grant to people in this area still does not solve the problem. I may tell you that I intend to ask our tax people to go up into this area in the ensuing months, to take more strenuous efforts to see that these people do begin paying their fair share of taxes to Saskatchewan. I know there are special problems, but we are not going to sit back and treat the people of Lloydminster one way and the rest of the people of Saskatchewan the other way.

The hon. member for Cutknife (Mr. Nollet) talked about discrimination. There has been discrimination, Mr. Speaker, discrimination against the rest of the people of Saskatchewan by the people of Lloydminster, because they are not paying their way.

Mr. Nollet: — You haven't got the guts to enforce your own laws.

Mr. Thatcher: — Hon. members were in power for 20 years and did nothing.

An Hon. Member: — They created the situation.

Mr. Nollet: — You're the new one. You're the great man.

Mr. Thatcher: — Then, Mr. Speaker, the hon. member from Kelsey (Mr. Brockelbank) said, "Why, this Home-owner grant is nothing but a political bribe". If he thinks it's a political bribe I'll tell my officials they don't need to pay it to him. We won't send it to anyone in Saskatchewan who doesn't want it. All they have to do is write us, and we will see that the grant is not forced upon them. We wouldn't want to bribe anyone, Mr. Speaker.

Mr. Walker: — Louder.

Mr. Thatcher: — I think it was the hon. member for Swift Current (Mr. Wood) who said he had been out in British Columbia. He said, "I talked to a lot of people and they don't like that homeowner grant". I have talked to a lot of people too, and I haven't found anyone that doesn't like it. I don't think there will be many people in Saskatchewan, who won't like it either.

Then the hon. member for Swift Current said, of course, this legislation is unfair to the little man, because it doesn't pay the Home-owner grant to renters. I said in the Budget Speech and I said elsewhere, it does not pay the Home-owner grant to renters. Why doesn't it? This Bill is designed for one purpose, to bring tax relief to the property owner. Renters don't pay the property tax. If they don't pay any tax, how can you bring them relief? We make no apology whatever for not including renters in this particular legislation.

I think the hon. member for Swift Current (Mr. Wood) also asked why we didn't pay \$50 to everyone, instead of paying \$50 or one-half of the tax assessed or whichever was the lesser. At first we had considered doing this, but the SARM came to us and said, "If a man has a tax of only \$60 or \$70, we think the most

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you should give them is one-half of the tax that he would ordinarily pay". Thus we changed the regulations at the request of the SARM. Mr. Speaker, I say again that this is a measure which really tries to do something to help the property owner. We intend to do more as the years go by, I think it will be very interesting to see how many of my hon. friends opposite vote against it. Perhaps my hon. friend from Cutknife (Mr. Nollet) who won't be running again, will vote against the motion. Most of my hon. friends on this particular issue will do as they always do. They will get up and talk against it. When the chips are down most of the socialists will vote for it.

Mr. Speaker, I beg leave of the assembly to move second reading of this Bill.

Mr. Nollet: — Mr. Speaker, before the Premier takes his seat, could I ask a question? He referred to the contention of a customer, potential customer in Lashburn or Lloydminster, I forget which, that claimed that because the merchant on the Saskatchewan side wasn't collecting the tax it was hurting his business. Now, the Premier might answer this question. Even though the merchant on the Saskatchewan side was compelled to collect the tax, couldn't this prospective customer from Lashburn, from Maidstone, from Neilburg, still go across to the Alberta side and buy the goods? Would it make any difference? This argument is invalid.

Mr. Thatcher: — You might argue that way. The hard facts are that under the previous government — and I must admit up to this time under this government — the people of Lloydminster or the merchants in Lloydminster have not been collecting the sales tax. The government officials have been looking the other way. Maybe they could not do anything else. I don't know. But there are other border towns like Alsask, Lashburn and others where the merchants are having to collect the tax, and they feel that this is discrimination. This Bill doesn't remove the discrimination but at least it goes part way.

The motion was agreed to on the following recorded division:

YEAS — 49

Thatcher	MacDonald	Blakeney
Howes	Breker	Davies
McFarlane	Leith	Thibault
Boldt	Radloff	Willis
Cameron	Romuld	Whelan
Steuart	Weatherald	Nicholson
Heald	MacLennan	Kramer
Guy	Larochelle	Dewhurst
Merchant (Mrs.)	Hooker	Michayluk
Loken	Coupland	Smishek
MacDougall	Gardner (Moosomin)	Snyder
Grant	Mitchell	Brotten
Coderre	Lloyd	Larson
Bjarnason	Cooper (Mrs.)	Pepper
Trapp	Wood	Brockelbank (Saskatoon City)
Cuelenaere	Walker	
McIsaac	Brockelbank (Kelsey)	

NAYS — 1

Nollet

Hon. D. McFarlane (Minister of Agriculture) moved second reading of Bill No. 49 — **An Act to provide for the establishment and development of the South Saskatchewan River Irrigation Project.**

He said: Mr. Speaker, in this act we are requesting of the legislature necessary authority and powers to develop the irrigation potential of the South Saskatchewan River Project. I am sure that all members of the legislature are reasonably aware of the history of the South Saskatchewan River Project. Therefore, I will mention two points only in this regard.

First, that in 1958, following protracted negotiations an agreement was signed whereby the Canadian government, the people of Canada in other words, agreed to build the South Saskatchewan river dam and pay at least \$75,000,000 towards its cost.

Secondly, that one of the undertakings given by the government of Saskatchewan, that is on behalf of the people of Saskatchewan, was that the province would develop the irrigation potential. As a particular emphasis, the agreement required that one year after the reservoir was filled an irrigation system would be constructed sufficient to irrigate 50,000 acres. I am equally sure that all members of this legislature will also recall the repeated representations made by the government of Saskatchewan in urging this undertaking on the Canadian government. The representations made to the Hogg commission in 1952 and the disappointment, in fact almost the outrage expressed when the Commission's report at that time was unfavourable.

Through all this the main theme for the arguments advanced was that we needed the dam for irrigation in this province. The recreation and industrial development were spoken of but the principal need advanced was for irrigation. In fact, of course, the only justification of the large federal contribution was for irrigation.

Now, Mr. Speaker, we are on the threshold of this development. Now, we are faced with the near realization of the visions of many people in the province who have supported and who have worked for this project. Like many great developments it doesn't come easy. It does not come without disturbance and it does not come without cost. This is the only major irrigation development that appears feasible or likely in our province. Altogether we have about 200,000 acres of very good irrigable land that may be served by this South Saskatchewan River dam. I have no doubt as works are installed and land is developed that additional acreage will be irrigated both by sprinkler system and by ditch methods. I am confident that members of this legislature realize, at least in general terms, what this development can mean to our economy.

First to our great agricultural industry lying within 150 miles of the great part of our drought area, we look to it for some insurance for fodder supplies in the future. The dairy industry particularly, and the milk shed areas of Saskatoon, Regina and Moose Jaw will no longer have to look to the Tilley and the

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Rolling Hills area, 200 miles west of Moose Jaw, for the good quality hay they require in the future.

Second, to our growing industrial economy for the many foods that are now imported from Manitoba and the irrigated areas of Alberta.

Thirdly, with regard to the potential for secondary industry in the province.

It is no secret, Mr. Speaker, that if we can develop sufficient area quickly enough that a sugar beet plant is available to us in Saskatchewan. In the Broderick area, making no allowances for additional acreage, that would undoubtedly be brought in by sprinkler above the ditch, there are 42,000 acres irrigable. In the Conquest area, similarly there are 28,000 acres irrigable. These are conservative estimates and we have no doubt that the project will yield acreage in the Outlook area that will adequately support a sugar beet plant.

Members will be interested in nothing the recent statement of Ian Angus, the general manager of the Taber Sugar Refinery, that 45,000 acres in sugar beets injects \$17,500,000 into the southern Alberta economy. half that acreage may be assumed to inject \$8,000,000 into our central Saskatchewan economy. Compare that with our present situation of 100,000 acres in dry land farming with perhaps 60,000 acres in crop averaging say 17 bushels of wheat per acre to give a total value in store at Fort William of just over \$2,000,000 or 1,130,000 bushels at \$2 per bushel.

Under irrigation the area will produce not only the sugar beets, but twice as much wheat as at present plus hay and other crops. We are convinced that in this project the people of Canada have given us in Saskatchewan a golden opportunity for development. We are equally convinced that not to seize the opportunity would be not only the height of ingratitude but the unilateral voiding of an agreement as well as the height of folly, I suggest, Mr. Speaker.

I refer now more specifically to the legislation before you. Of necessity it involves some arbitrary powers and these are essentially three in number. It authorizes the establishment of an irrigation district without the vote that is prescribed in the present irrigation. District Act, incidentally, Mr. Speaker, under which no irrigation district has ever operated though it dates back from the ordinances of the North West Territories. It provides for expropriation of rights of way for the necessary works of the district and it provides for the application of water charges necessary for the operation and the maintenance of the works being assessed against irrigable land even though it is not irrigated, but only on the basis of a schedule approved by the minister. It is necessary in any system of continuous works whether it be a highway or a power line or an irrigation system that there be expropriation authority for right of way.

The major difference in the powers conveyed through this act and the old Irrigation District Act or the irrigation district legislation of Alberta is the authority for the Lieutenant Governor in Council in section three to declare or order the establishment of an irrigation district. This is the major difference, this is the main point at issue, and this is the point that those opposed to irrigation in the area dispute.

Mr. Speaker, how could a vote be held in good faith now when

we have formerly committed to irrigation, when we have been formally committed to irrigation in the area since 1958 and what would we hold a vote about at the present time? I suggest that we would be holding a vote asking perhaps 200 people to vote on whether or not we should abrogate the agreement signed in good faith by two governments in 1958. We would be asking them, in effect, to vote on whether or not this government should break faith with the people in the rest of Canada or the people in the rest of Saskatchewan who through their tax dollars are paying for the dam.

We have said before and I repeat again that if a vote was to be held, if the decision of whether to irrigate or not was still to be made, that vote should have been held before the agreement was signed, and before we said definitely and irrevocably that we would irrigate. A deal has been made. The former government made the deal. They said to the government of Canada that they would build the dam and pay 75 per cent of the cost of it, if Saskatchewan would proceed as rapidly as practicable with the construction of the said irrigation works. We, Mr. Speaker, are simply living up to that deal.

Perhaps I should say a word further regarding the authority which might be termed arbitrary or compulsory, namely, that of assessing irrigable lands the water rate, even though they are not developed for irrigating. This authority, Mr. Speaker, is included in irrigation legislation. The launching of the area without a direct vote of those involved does, of course, make a substantial difference to the implication of this owner. This authority is Canada conferred in section 28, subsection 2 and in this section the board of the district is required to impose the appropriate water rate on land that is to be irrigated and also on an acreage of irrigable land on which the imposition of such rates has been approved by the board and by the minister. This policy was set out clearly in our interim policy statement issued in October, 1964. This statement says that the policy being considered would be application of water rates against 20 acres per year or 10 per cent of the owner's irrigable acreage whichever is the larger. In other words, we are looking to a ten-year development period.

In actual practice we would expect that land would be developed in blocks of 40 or 50 or 60 acres. Our experts tell us that development of 20 acres at a time is really not sensible as it does not give sufficient acreage to be worth the attention it requires. The policy will permit a starting irrigation farmer to develop or improve an acreage one year, irrigate it the next year, and then undertake improvement during the second year of another block. I would draw to members' attention the fact that this gradual transition that is envisaged still leaves farmers in the area some time to reach their decision regarding irrigation.

We consider it necessary that some development be required because we will be asking the legislature to embark on an irrigation project that will involve the expenditures of about \$8,000,000. To undertake such a development without some assurance of use would seem foolhardy in the extreme. Without some requirement for development the landowner, whether absentee or resident, could simply hold land awaiting further price increases. This policy provides some deterrent against this. Without it other even more distasteful measures such as requiring a landowner to divest himself of surplus acreage or of approving or disapproving private sales would seem necessary to discourage purchases of land for

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speculation purposes.

Finally, I would note that all the advice that we can get reading the history of other projects, the experience of Alberta, and so on, all confirm that it is necessary for the ultimate success of the irrigation project that it be developed as rapidly as possible. This is true of the individual farmer as well as of the project itself. The sooner we can reach full development, the sooner the new irrigation farmer can bring his full acreage under the ditch, and the more profitable it is to the farmer the greater the benefits to the economy as a whole. The act proposed authorizes the establishment of an irrigation District by Order in council. It authorizes construction, operation, and maintenance of works by the minister and authorizes disposition of utilization of lands acquired under existing legislation.

I would draw the attention of the legislature particularly to clause E of section five. This section authorizes the making of grants for the operation and maintenance of the project; for meeting deficits of the irrigation district Board and for assisting farmers with land development and for the construction of the works.

We recognize very well that if we are to have a viable and useful project the farmers operating it must have every opportunity of success. We recognize that farmers in the district cannot pay for the capital works. We recognize that in the early years of development water rates will have to be subsidized. It is our full intention to render every assistance necessary to be sure that farmers in the project have every opportunity to develop the irrigable acreage on their farms properly. We are placing no limit on the size of the farms and this will depend entirely on the individual's own initiative and resources.

On page four, section 7 and 14 inclusive, confer authority for direct credit up to \$50,000 per farmer for provincial guarantees to banks and credit unions and for the possible agreements with the federal government to support its agency the Farm Credit Corporation in making loans in the district. These loans may be for a considerable variety of purposes; for land development, for land purchased, for the purchase of livestock, for machinery purchase, and for the equipment that is included in all these. Members will have noticed various press comments to the effect that this Bill did not make it possible to waive interest on loans for land development. This was suggested in the interim policy that interest would be waived on loans used for land levelling during the initial period. May I, Mr. Speaker, draw your attention to subsection two of section ten, at the bottom of page four of the Bill. This clearly gives the government authority to waive or to defer interest. We recognize that during the first few years this would be desirable encouragement and support to the farmers who are developing their land for irrigation. May I repeat that we are convinced that the way to get this project going, the way that farmers in it will make the most money, the way that it will contribute most to the provincial economy, is to give it every support that we can and as quickly as we can. And the government, Mr. Speaker, intends to do just that.

The act provides for the district being managed by a Board of Trustees of five people. Initially three of these including the chairman will be appointed by the government and two elected by the district. It is our intention to set up the board as soon as the project approaches the operation stage. Through agreement with the board, authorized in section 21, we look forward to

vesting in this board just as much responsibility for the project as we can including the administration of land and of loans. Provisions are made in the act that when most of the land is under irrigation the board may be transferred to an entirely elected local board, believing that when it is on its feet the project can be best operated by its own members. The act sets out in some detail the procedures that are to be following in establishing water rates, notification of them and the collection of these rates. Members will note features contained in section 28, subsection Canada, clauses A and B, on page 12 of the Bill, again referring to the schedule of imposing water rates and the ceiling on water rates and grants made to the board.

One of the troublesome areas in irrigation districts is the classification of land. The general tendency is for the manager and the board to wish to extend the irrigable area as much as possible. Section 29 provides for the board classifying land as irrigable but in subsection four provides the right of appeal to the Saskatchewan Assessment Commission from decisions of the board. Section 34 makes provision for the waiving of water rates on particular parcels. It is included to provide for extraordinary or compassionate cases. When such waivers are made the province would compensate the district accordingly.

In conclusion, Mr. Speaker, I will just briefly review the general framework of the act. Section three, as I have mentioned, authorizes the establishment of a district by Order in Council. Section four is a section to provide for formally listing lands in the district in the Land Titles Office and in the offices of the government that may have irrigation land under control. This is considered desirable so that all who are dealing with land by purchase, by lien, or by mortgage will know that it is subject to this act. Sections five and six outline the powers of the minister regarding construction of the project, grants to the board in land development and entering agreements with the board. Sections 7 and 14 deal with the loans, section 15 with acquiring land for right of way, sections 16 to 20 to make provisions for the Board of Trustees and for procedures for the nomination and election of these members. Sections 21 to 25 set out the various powers of the board. Sections 28 to 35 set out the procedures for establishing water rates, the notification of them and the maintenance of water rates records. Sections 36 to 39 deal with and confer on the board the necessary authority for enforcement and collection of water rates. Sections 40 to 49 deal with a miscellaneous number of matters regarding liabilities, reports, penalties and regulations. May I emphasize, that in undertaking this first phase of irrigation development that we are doing, we are so convinced that it offers an usual opportunity for the development of our province and to the farmers who will be involved in it. We appreciate the opportunity that has been given to us and I would pay tribute to the many people who have worked long and hard toward its realization with no thought of the possibility of personal gain. We see this as the first phase of a tremendous project in the heart of Saskatchewan, providing food, employment and security, an altogether fitting development to further support the total development now occurring in our province.

Mr. Speaker, I beg leave of the assembly to move second reading of this Bill.

Mr. I. C. Nollet (Cutknife): — Mr. Speaker, I listened very carefully and attentively to the reasons given by the Minister of Agriculture (Mr. McFarlane)

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for compulsory irrigation in Saskatchewan. I wasn't at all impressed by the reasons he gave. I probably had many more years of experience in irrigation development and the administration of the legislation apropos to irrigation development than he has. My total experience points in the opposite direction that irrigation cannot be hastened on any justifiable grounds by compulsion. He mentioned the comparatively large investment that we are committed to for the irrigation phase of the project. This does not justify compulsory irrigation. As a matter of fact, Mr. Speaker, this would be a new first. This is the first time that legislation of this kind has ever been introduced in the history of Saskatchewan. It is evident that where this approach has been attempted elsewhere, it proved to be not only unsuccessful but very costly indeed. I will have more to say about it and will deal a bit more with some of the reasons and justification for this hasty and unwise act .

He mentioned or he posed a question: how would it be possible to take a vote in this area under existing circumstances? May I suggest to you, Mr. Speaker, and to the government, that it is not necessary to take a vote where an irrigation project is being initiated. Innumerable projects have been initiated in this province without any vote at all by mutual arrangements between the farmer who is interested in irrigation and the department and eventually by petition, e.g. the establishment of a Water Users' Association. So this argument is without foundation. the minister suggested that if the vote were to have been taken that it should have been taken at the time or previous to the time when the province of Saskatchewan and the federal government committed themselves to the development of this project. this, Mr. Speaker, is sheer undisguised nonsense and shows a complete lack of knowledge or irrigation farming and all of the factors that a farmer must have available to him before he can intelligently decide whether he is going to vote himself into an irrigation area or not. This information has been painstakingly made available to farmers in that area precisely for that reason, so that, when the time came when they were prepared to irrigate, they could vote if they wished to vote themselves into an area or not vote themselves into an irrigation area.

Now, Mr. Speaker, I have a few notes that I want to place before the committee in this regard and in some further detail, outlining my very firm objections to this legislation and the reasons for it, and also to propose a more acceptable and alternative policy to the farmers in the area to be chosen for initialling irrigation development in Saskatchewan. Mr. Speaker, the agreement which was signed on July 25th, 1958, merely called for the province to have works constructed to provide water to some 50,000 acres on or before one year from the date the main reservoir is filled. This was the only obligation to construct those works and it wasn't as the preamble to the Bill said, "Whereas Saskatchewan agreed to complete construction of irrigation works to the extent necessary to provide full irrigation to not less than 50,000 acres of land". That is not the way the agreement was worded at all. It was worded as I mentioned previously.

Mr. Speaker, this is irrigation, as I stated, by compulsion and it also involves a grossly unfair method of land acquisition. The objectives of orderly development of irrigation cannot be achieved by this method. It will not only prove to be more costly but will generate much ill will and strong resistance to irrigation development throughout other areas of Saskatchewan. The only practical conclusion that can be drawn from this legislation is that the government is not justified in committing itself so

drastically, when this policy will not in fact expedite satisfactory irrigation development or provide any more evidence of successful irrigation benefits to farmers. The success of irrigation depends on good will and on establishing a forthright understanding regarding the problems associated with the transition from dry land to irrigation farming. Previous to irrigation the farmer naturally fears all the unknown factors involved. This fear can only be removed by gradual and voluntary irrigation experience. Above all else he wants to know, and rightly so, if his income benefits will be commensurate with the extra cost and labour involved. In short the fear of unknown factors must be removed before and during the initial development period in order to achieve general acceptability of irrigation by farmers. The results of compulsion will only heighten their fears, and outright resistance could very easily develop. I certainly would not want to have the duty of endeavouring to enforce compulsory irrigation on Saskatchewan farmers. There is nothing, Mr. Speaker, that removes fear better than knowledge and experience. This cannot be obtained by compulsion. In addition, compulsion will not speed up but retard the general acceptance of irrigation because of resentment against this approach. Mr. Speaker, the government must first of all discharge its own responsibility before expecting farmers to respond favourable to irrigation. The government's first responsibility is to provide an acceptable policy for initial development. With reference to this the minister has outlined the policy announced by the previous minister in October, 1964, when it was then forecast that we could anticipate compulsory irrigation. More of the same, Mr. Speaker, then again this is evidence of frustration in some circles of the government and their inability to deal with the problem realistically and in a responsible and fair manner. It says, in effect, we've got a big investment; we're going to make you irrigate whether you like it or not and we are going to justify this hasty actions, this arbitrary action, on the basis that we know what's good for you better than you do. There need be no compulsion by law for a viable irrigation project acceptable and beneficial to farmers. Farmers like people in every other line of business will voluntarily accept irrigation if there is reasonable prospect of return on investment and improved income. Therefore, given an optional right in this regard, farmers will gradually develop irrigation on their land to the point where it will be experience and results become generally acceptable within an irrigation area. When this point is reached an expression of viewpoint by petition or plebiscite should be provided for the establishment of a Water Users' Association, or a full-fledged irrigation District which would determine water rates based on assigned costs as agreed upon between the individual farmers or the local organization and the minister. All of this has been swept aside in this arbitrary legislation.

To expedite and achieve progressive irrigation development the government must of necessity first discharge, as I say, its own responsibility by:

1. Construction of the main works including reservoirs, other main works, canals and laterals to the farm turnout without cost to the farmer.
2. Operation and maintenance costs of the reservoirs and other main works such as pumps, canals, lateral to the farm turnout, etc., without cost to the farmers and relieving the farmer of the full cost of operation and maintenance of other works during the initial development period by making grants available on

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a sliding scale over a five year period, based on costs as follows: first year, 100 per cent; second year, 90 per cent; third year, 60 per cent; fourth year, 40 per cent; fifth year, 20 per cent.

3.(a) Direct financial and other assistance for construction of field ditches and land levelling up to at least 75 per cent of the cost on the first 80 acres to be irrigated by each farmer. This would give greater incentive to bringing acreage under irrigation quicker than compulsion, Mr. Speaker. It is the kind of policy and help one makes available to the farmer to enable him to get into irrigation as rapidly as possible but which will achieve results better than by compulsion.

(b) Equivalent alternative assistance for sprinkler systems. Here I emphasize that every thought should be given to an alternative method of irrigation by giving assistance for sprinkler systems. I personally believe that the old ditch system of conveying water and the old method of spreading water is pretty well out of date. It is inefficient, it involves costly land levelling, costly maintenance of ditches and proper efficient water utilization and control, avoids tremendous water losses. It is inefficient on every count and I would suggest to the minister that he had his people make careful cost studies as between the sprinkler method and the ditch irrigation method and between the old method and permanent sprinkler systems.

(c) Assurance to the farmer that his prospects for return on his added investment and labour will be justified.

4. No water charge for the first ten years after water is available.

5. Providing technical assistance such as engineering service, practical irrigation specialists, farm management help and extension service free of charge.

6. Long term low interest loans with an initial interest free period of five years to farmers for all matters relating to irrigation development.

7. (a) Any land purchased by the government should be by voluntary arrangement between the farmer and government at an agreed price and certainly not under compulsion as it will be under the legislation being proposed by the minister.

(b) Preference to Saskatchewan residents in disposition of Crown-owned land.

8. Further financial assistance to be requested of the federal government through ARDA for irrigation development.

9. Assistance when warranted under SEDCO for the establishment of storage and processing of facilities.

Mr. Speaker, this type of policy has proven to be acceptable and successful for innumerable irrigation projects developed to date primarily for fodder and field production. Going over some of these policies, Mr. Speaker, one can look in the annual report of the Provincial Department of Agriculture and find that thousands of acres of land have been developed successfully in the province by this approach without any compulsion. We have gained a great deal of experience in irrigation in these other projects.

There is no reason that I can see anywhere why a different approach should be taken to the South Saskatchewan project. As a matter of fact looking back, well over 65,000 or 70,000 acres of land have been developed outside of the South Saskatchewan project.

I would like to underline some of these policies. The purpose of the policy which I just enumerated has been the policy of the department for many years which has for its purpose the effective use of land for irrigation by active local responsibility which rests fundamentally on local assumption of control and on the clear understanding of the respective roles of the province and the local irrigation, this being a function of legislation and day to day relationship between the administration and its clientele. Effective use will be encouraged by proper financial and economic conditions. And these are the keys. Farmers will irrigate if the economic circumstances are proven and no compulsion whatever is needed. Under our former policy, if reasonable feasibility was demonstrated, it was proposed that the agricultural representative would call meetings in the area, would carry on extension work, would provide full information to each prospective irrigation farmer as to what his land levelling cost would be and more particularly, what specialist assistance would be made available and what the division of cost would be between himself and the department in relation to operation and maintenance and all other facts. By following this type of policy we have had no difficulty whatever. Surely there is no need for the drastic action envisioned in this legislation. The same policies followed in the past could have been applied initially and if by any chance it appeared that there was insufficient interest after a reasonable period of time, consideration might then have been given to an alternative approach.

Now, Mr. Speaker, this legislation comes strangely indeed from members of the government who, when in opposition so strongly opposed even the mildest kind of legislation which would provide access to land for the purpose of making the necessary surveys required to obtain vital information to define the irrigable area, plan works and to give farmers information regarding costs of irrigation to them without the farmer being first contacted and consent obtained. I am going to go back, Mr. Speaker, to a debate that revolved around an amendment to the Department of Agriculture Act which was requested by the department in, I believe, the 1962 session of the legislature. It contained a simple amendment giving the officials of the department authority to make these surveys, and the opposition at that time made a great to-do in opposing this legislation. So I am amazed that they have gone as far as they have, to now go all out by introducing legislation, denying local autonomy completely, having no regard to individual property rights whatever. This will give them authority to go in with their seven league boots, stride across the farmers' land, build ditches, construct and say, "We're the almighty Lord's best; we know you don't know anything; we're going to do it for you". Treating farmers under a trusteeship much as they would treat Indians on an Indian reserve, Mr. Speaker. May I refer to some of the things that were said at that time in this legislature about a comparatively very mild amendment to the Department of Agriculture Act. I have here in my hand, Mr. Speaker, Hansard Debates and Proceedings, March 22, 1962, and here are some quotes, most interesting ones. I will go first to the Minister of Agriculture himself (Mr. McFarlane) and let us hear what he had to say on that occasion:

I notice that the act is being amended as the Minister of Agriculture has stated . . .

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That reference was to me at the time.

Mr. Speaker, I believe that I am in agreement with much that the member for Saltcoats (Mr. Snedker) has said. He has said, and I believe that the farmers in this province today do not look very favourably towards this government for some of the actions they have taken in the past and by different departments of this government in dealing with the farmers in general. There are a great many farmers in the province today who remember the treatment they got from one Crown corporation and I refer to the Power corporation and the Department of highways, etc.

And then it goes on:

I would hope before any official from the Department of Agriculture goes on to any farmer's land, this act gives him the authority to do so that the first thing that he will have from the farmer is written consent and agreement to go on to this land, not the type of practice that was employed by some of these other corporations in the past.

He expected we would get permission and get consent but here he now comes in with legislation that denies any right whatever to the farmer. He can go in, he can do anything. He can construct, he can take land away, he can levy water rates in an arbitrary manner, at least in the minds of the farmers, without any say at all, without any local autonomy. He can do all of those things, Mr. Speaker. and he goes on:

The first consideration to serve, I would suggest, that the government give to the farmers in this province is that they obtain a gentleman's agreement, a written consent and first of all exhibit good public relationship between the farmer and the government before anything is done.

Is this legislation an example of good public relationship? If anything is going to make these farmers grow in their resistance — there is wide resistance to irrigation — this is the kind of legislation that will do it. I am saying that this will retard and put irrigation in Saskatchewan back many, many years. It will discourage other farmers in other areas of the province from going into irrigation development. Certainly this is a free county and a free people. these people are intelligent. We give them guidance. Give them information and they will do the rest, if you can demonstrate that your policies are sufficiently meaningful, that their income position will be improved as a result of irrigation. No amount of compulsion is going to hasten the development in this regard.

Now, I have a quotation from the hon. member from Gravelbourg (Mr. Coderre) and he had something to say too. He said:

I am leading up to this, Mr. Speaker, this is just the thin edge of the wedge that has been mentioned. I am very sorry, I am very, very opposed to the principle of giving the government any right to enter a farm or anyone's property without the proper permission being given by the owner.

I am going to watch the minister of Labour (Mr. Coderre) the member

for Gravelbourg, to see how he votes now, to see if he still stands up and defends the rights of the farmer to have some say about who is going to walk through his property.

The Minister of Public Works (Mr. Gardiner) the hon. member for Melville, what did he have to say?

Mr. Speaker, I would like to join with other members of the opposition side of the House in raising objections to the Bill that is now before us with regard to providing a minister and his workers, his department, surveyors, engineers, agrologists, workmen and servants to enter upon any land to whomever it belongs, and survey and take levels of the land and take such borings and samples of surface or lower levels, ready to study for investigation of irrigation, etc.

I will be glad to see how this hon. member votes on this particular legislation. I am amazed that he should now be a party to bringing in legislation that will give power to have access to land, to obtain information, etc., and to ride roughshod over the farmer and do things the farmers can do better themselves and more democratically. And also, Mr. Speaker, by the exertion of pressure to enforce water rates and other compulsory measures thereby to put these farmers in an unfavourable position in terms of finding buyers for their land. Under the circumstances they are almost being compelled to sell their land to the government and no one else. No wonder we see so much in the estimates for land acquisition. The hon. Minister of Public Works (Mr. Gardiner) and member from Melville, goes on and says this:

It has been pointed out by the previous speaker that this is placing too much power in the minister to decide in the first place as to which of these projects necessitates this act to be . . .

What about the power of the minister now? My heavens, they are not comparable, Mr. Speaker. I jotted them down when the legislation was being presented to this House. He not only has destroyed local autonomy completely, but he has given himself power to do everything, to set up a trusteeship in which local people have no voice for many, many years. I think it is pretty typical of the Premier of this province when he can't find a viable solution to a problem he proceeds to exert force. Under this legislation it establishes an irrigation area by compulsion and it puts farmers under an arbitrary trusteeship, like Indians, and third, it gives entry upon land not only for surveys but for construction and to do other things associated with irrigation, and to expropriate land too, Mr. Speaker.

Now, for some more quotes, there are a few other members who also had some things to say. I think the hon. member from Maple Creek (Mr. Cameron) had some things to say regarding the amendment to the Department of Agriculture Act. He said this:

Well, we are trying to bring this legislation up in keeping with the 20th century. Well, if that is the thinking of the 20th century, that the government should have the right without consultation with the farmer, to walk over his fields, go into his backyard next to his barn, go around all his buildings, and say to the farmer, 'So what'. Then I can't go along with such thinking. We talked about the old days in history, yes, about some of the things that William the Conqueror did. I noted that even in

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William the Conqueror's day in British history there was always an understanding that a man's home was his castle; even in those days they didn't invade a man's home. No one dared . . .

I can see him yet, hear him yet, working himself up to a high crescendo . . .

. . . invade a man's home or property without a duly sworn search warrant to do it, because they respected that man's castle. That is where a man would hide away from the world and its problems. You would destroy all that because you think you are in keeping with the 20th century outlook of things.

And he went on and said a great deal more:

I say that I am not going to prolong this; it isn't necessary: it is too wide in its scope; it is giving complete authority to the Minister of Agriculture to have anything at any time, or anyone at any time run over anybody's property without even a rap at the door and asking permission to do so. Such sweeping legislation I cannot support.

I ask the hon. member from Maple Creek (Mr. Cameron) now, not to support this legislation that is ten times more arbitrary in its scope. I would just like to hear how he can build up his justification for it on any logical ground. Now, there were other members who had a few nicer things to say — at least in their opinion they were nicer — and I can still remember them being hurled at me. Here are some more quotes. Another hon. member said:

At present, the Minister of Agriculture . . .

That was under the old act .

. . . has no authority to enter upon the land if the owner objects.

And the member went on.

I suggest this is a jolly good way to keep it.

If the owner objected under the old Agriculture Act and the minister thought that he had some project at hand that was in the interests of all the people, then he could make application to the courts of this land to decide the question. Why don't you go to the courts now? The courts would issue an order as to whether or not he could tramp over the farmer's land or whether he should not. I would suggest that he is trying to bypass and short-circuit the courts of Saskatchewan by bringing in this amendment. Well, if we were short-circuiting the courts then we are certainly bypassing them by a wide margin now.

Then he went on:

This gives the Minister of Agriculture permission to send in any of his minions across our land without any permission whatever.

Then there was an altercation here. Exception was taken to some of the things that were said and that weak watered-down legislation that we proposed in the Department of Agriculture was referred to in these terms:

It is all part and parcel of the Socialist invasion of the rights and freedoms of human beings. This is an infringement on the rights and freedoms of farmers who own land, on our rights and privileges. This is part of the Socialist dictatorship. You deny me the right to speak on this, typical of the Socialist arrogance that is displayed towards farmers. You would arrogantly march across our land with the minions of the Department of Agriculture without even having the courtesy to say you are coming or asking our permission. When you have left you will raise our taxes up.

That is another one, and I say to the minister now (Mr. McFarlane) that when you get through with your compulsion, you will not only raise taxes on the land you will devalue the land because of the situation and the predicament which you are putting these farmers in. But then this speaker wound up, he wound up like this:

What you are trying to do is lay the groundwork, take your land samples, survey our fields, lay the groundwork for the boundary of the collectivised farms that you are proposing to set up.

So, here we have got compulsion in legislation . . .

Hon. A. C. Cameron (Minister of Mineral Resources): — That is most interesting. Who spoke those words?

Mr. Nollet: — It was His Honour, The speaker, and I imagine he would have second thoughts . . .

Mr. Cameron: — Well, I heartily agree with the speaker whoever he was.

Mr. Nollet: — I don't think he would let me say these same things now. He wouldn't let me call you a bunch of collective Communists, and everything else. I don't think so. Regarding the other kind of legislation you brought in, it would be much more justifiable for me to say that you are hell-bent for Communism in these areas. I am not going to say that. I think you are hell-bent for great disappointments if you think that you are going to speed up irrigation by this method.

An Hon. Member: —Get . . . brown shirts on.

Mr. Nollet: — Compare now, compare this legislation to a simple amendment to the Department of Agriculture Act, Mr. Speaker. There is no comparison and I am going to watch with great interest how these good defenders of freedom and liberty, these Liberals, that have personified freedom and human rights, stand on this legislation they are bringing in. I am in the position now where I am arguing against the most arbitrary, unnecessary piece of legislation that was ever introduced in this legislature and you cannot justify it on any grounds whatever. It was absolutely unnecessary.

Hon. D. G. Stuart (Minister of Health): — If you had done your duty

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when you were the government we wouldn't have to do this.

Mr. Nollet: — What can be done? This legislation which is completely compulsory is not only enforcing irrigation but it is a big stick method of acquiring the land of the farmer who does not choose to irrigate. The farmer is denied any choice whatever; his basic right as a free citizen is denied once the trusteeship under this legislation is established. Cost charges are levied against the farmer's land without regard to his view or the possibility of any benefit being obtained, as a result of the establishment of the irrigation. You had better prove your point and convince the farmers first before you start pushing them around. This is a fact because commensurate benefits can only be ascertained by actual irrigation experience. Without this knowledge the fear of unknown factors still haunts the dry land farmer whether he lives within or outside the irrigable area. This factor plus the burden of an arbitrary irrigation cost charge will inhibit a land sale to anyone other than the government. This places the farmer in an impossible position to bargain for the sale of his land plus the added cost of moving and acquiring land at a comparative price elsewhere. This is in a practical sense compulsory expropriation of the farmer's home and holdings without a shred of justification. Where are the great freedom fighters now, who so strongly opposed a mild amendment to the legislature? It is now they who are moving in with seven league boots under a Bill to regiment irrigation farmers for the first time in the history of this province.

We are now to have without real justification regimented irrigation development for Saskatchewan. Under Socialism? No! Under Thatcher Liberalism? Yes! Yes, they have not only taken legal power to invade a man's property but to take it unfairly as well. May I now remind the hon. member for Maple Creek (Mr. Cameron) of the words he spoke in this legislature in 1962, Volume 22, page 1, of the *Hansard*, when he said:

Well, if that is the thinking of the 20th century that the government should have the right without consultation with the farmer, to walk over his field, to go into his backyard, etc.

and he said:

We talked about the old days in history, yes, some of the things that William the Conqueror did. I noted that even in William the Conqueror's day they would not do these things; they respected a man's home as his castle.

And now I will assume that the hon. member from Maple Creek (Mr. Cameron) to be consistent will oppose the new personality that we have in terms of William the Conqueror in the person of Thatcher's Liberal government.

It is true we do not have William the Conqueror to contend with now, but Thatcher, the Blunderer. It seems to me he might have used his super-salesmanship qualifications to better advantage in the field of irrigation rather than the strong-arm methods inherent in this legislation. Or is it merely a case of billing and cooing to big business abroad while using the big stick on farmers in his own province.

Big cash grants, loans, guarantees and tax subsidies for an

outside pulp company by mutual agreement on the one hand, while on the other hand compulsory agreement and regimentation of farmers under a government trusteeship for irrigation development.

This approach runs counter to all 20th century concepts of advanced technological progress made in successful irrigation farming to date. He will learn that Saskatchewan farmers cannot be led around by the nose and made to irrigate. They can be led by providing frank information, explanations and appropriate assistance policies to make irrigation attractive and beneficial to them by way of improved income. Once the fear of unknown factors is removed by actual experience, irrigation will automatically spread to other parts of Saskatchewan as it has done elsewhere. Compulsion will prove to be much more costly and will retard rather than expedite irrigation development in our province. This legislation should go to the Select Standing Committee of this legislature, Mr. Speaker, so that we can hear the viewpoint of the farmers involved. This would be the least that I would ask members opposite to do, to at least give the farmers in the area an opportunity to express their viewpoint and their reaction to this kind of legislation.

I say again that if you proceed with it you are, indeed, in deep, deep trouble, and you will set irrigation development back in this province for at least 25 or 30 years. I will not support the Bill.

Mr. F. Larochelle (Shaunavon): — Could I ask the hon. gentleman a question? This is typical Socialist talk as usual, talk one way and act another. I would like to ask him the question: under what authority did you put irrigation canals through my property when you were minister in 1956?

Mr. Nollet: — The authority was in the hands of the local Water Users' Association and the minister at that time, and still doesn't have any authority to put any ditches or water across any farmer's land. This is a typical Liberal question. He prefaced it by saying these are typical Socialist attitudes. Well, if this is his view, the hon. member should then stand up and vote against this legislation, if he complains that the government hasn't any right to go across his land, to construct ditches across his land, etc. I'm going to be watching his reaction to this legislation in view of his question.

Hon. J. M. Cuenaere (Minister of Natural Resources): — Could I ask the hon. member a question? You quoted the hon. member from Maple Creek (Mr. Cameron) a moment ago when he spoke in 1962, to what act was he speaking at the time?

Mr. Nollet: — He was speaking in opposition to an amendment to the Department of Agriculture Act which would give the minister authority to enter upon land for the purpose of surveying and obtaining information necessary to be made available to farmers who wished to irrigate. We had to get in to determine the cost of land levelling, the cost of ditches, etc., just for information so that we could give it to farmers in the area who expressed an interest in irrigation as to how much their cost would be. This was necessary. You can't make any agreement with farmers at all unless you have

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the information available to them to make a decision as to whether they wish to irrigate or not irrigate.

Hon. A. C. Cameron (Minister of Mineral Resources): — Mr. Speaker, just a few comments I wish to make. I want to reiterate what I said in 1962. When I came in, it rather warmed my heart to hear those words being repeated because I subscribe to them today, but I must point out that the member from Cutknife (Mr. Nollet) is speaking about two entirely different matters. I was interested in his commend when asked what were the changes that were proposed in 1961. It said it was to give the minister authority to go over a farmer's land to make surveys, to test the soil, to see the formation in order that they could devise some plan or pattern of an irrigation work — to assess what the costs might be in order to get all of the information possible to set up a system of irrigation, which is pretty sweeping, which gives him the right to go over every quarter of land, to put his surveyors on, to go into the barnyard, the back door. He had a sweeping right to go over every acre of that farmer's land, to drive around every slough bottom, to tramp through every field, and he didn't even have to bid the time of day to the farmer. He didn't have to at all.

Now, look at the act here and if this act was as sweeping as that I would have fought it bitterly, but this act says here — and he conveniently neglected to read this part:

The minister may for the purpose of an irrigation system of works, which means water mains, pipes to carry water, ditches, etc., that would carry the water in order to convey the water from point A to point B.

That is all, period. He is not interested in tramping over the farmer's whole quarter section. He is not interested in drilling holes with an auger or some machine to test every 20 acres. It says:

He may acquire the land, or an interest in the land, by an agreement or by an easement, or if the farmer does not agree . . .

And thus you can't get from A to B to continue on from B to C.

. . . he may go on and dig his ditch, or lay his pipeline,

Now, that is precisely what the minister is empowered to do, nothing more. An amazing thing is that it gives exactly the same power that the minister of highways enjoys if he wants to build a highway from A to B, and there is one fellow in between who won't let them cross his land. He can't deny the other nine farmers because one farmer says, "No", so he has the power to build his highway across there. A municipality has precisely the same power; an operating railroad, precisely the same power. Under many of our Acts, in mineral resources the oil companies have precisely the same power; they are granted right of entry. If the farmer refuses right of entry the minister may grant right of entry because you can't permit one individual to hold up the development which is in the interests of all, or in the community good.

This is restricted precisely to that, one operation . . .

Mr. Nollet (Cutknife): — Would the minister read clause five . . .

Mr. Cameron: — . . . laying your pipeline and believe me this is as restrictive as you can give any power to a minister.

Mr. Nollet: — Would you read clause five?

Mr. Cameron: — I want to make this distinction. This does not give the minister or any of his officials the right to wander over the farmer's land. It doesn't give him the right to punch holes here and there all over the land.

Mr. Nollet: — Read clause five.

Mr. Cameron: — You made your speech. I am making mine. This does not give him the right to survey the land or see whether it is suitable for irrigation. It doesn't give him the right to put levels on, to gauge the rise and slope of the hills and valleys and the peaks. It doesn't give that right . . .

Mr. Nollet: — Mr. Speaker, clause five . . .

Mr. Cameron: — Oh no, under the sections you are referring to, merely for the construction of the irrigation work. It does not give the right to assess whether or not the farmer's land can be irrigated, not to soil test, not to drill here and there, not to put your machinery on the farmer's land except for this one particular purpose which is the same as must be granted to highways, to towns, villages, and RMs. It is precisely in line with all of these public bodies which must enjoy certain rights in order to accomplish these specific things that are spelled out. That is why I can wholeheartedly support this legislation because it is a right granted for one specific purpose and that specific purpose only. Your legislation was so broad and so wide, and so sweeping they could tramp all over any place they wished under the pretext they wanted to come in and survey. That is what we strenuously objected to. If this act was drafted like that one I would be on my feet together with the member from Cutknife (Mr. Nollet), shoulder to shoulder opposing this if he says we should be doing it.

Mr. Nollet: — Mr. Speaker, may I ask the minister a question? After his strong opposition, I want to draw this to his attention. It says:

Subject to the regulation, the minister may with respect to a district, by surveyors, engineers, agrologists, workmen, and servants, enter upon any land for the purpose of carrying out surveys and the planning, construction, operation, and maintenance of an irrigation system and works, and any alterations, improvements or extension in respect to the irrigation system or works and the provisions of section . . .

Mr. Cameron: — We're not in Committee of the Whole.

Mr. Nollet: — Is this wide ranging?

Mr. Cameron: — You made your speech.

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Mr. Nollet: — You're in the hole.

Mr. Speaker: — Order! Order! I think these matters can well be discussed in committee.

Mr. R. A. Walker (Hanley): — Mr. Speaker, I want to say something about this Bill and before I sit down I want to move an amendment. I will read it to the House so that I can address my remarks to the amendment as well as to the motion. Mr. Speaker, I beg leave of the assembly to move, seconded by Mr. Nollet, to leave out all the words after "That" and add the following words in substitution therefore:

the second reading of the Bill be deferred until the Select Standing Committee on Agriculture has inquired into all matters relating to the South Saskatchewan River Irrigation project and in particular into its impact on the Broderick Area; and that this committee be authorized for the purposes of this inquiry to require the attendance of any person and the production of all relevant papers and documents.

Now, Mr. Speaker, we have been treated here to a rather singular spectacle. The Minister of Mineral Resources (Mr. Cameron) has said that the entrance upon land for the purpose of a survey is a more severe encroachment upon the rights of the owner than the entrance upon land with bulldozers and earth moving equipment and tractors for the purpose of building a ditch. Now, the fact is that the amendment which was before the House some years ago and to which he made reference dealt only with the powers of the minister to send surveyors on the land for the purpose of taking soil samples and doing surveys. And that is the only power that the minister had under the Department of Agriculture Act. The hon. member for Shaunavon (Mr. Larochelle) misconceives the situation — I can understand how he got into the Liberal party. He only sees part of the picture. He always sees things wrong, sees things backwards. The fact of the matter is that it was not the Minister of Agriculture or the provincial government that crossed his land with a ditch. It was the Water Users' Association that has the powers of expropriation and not the minister.

Hon. J. W. Gardiner (Minister of Public Works): — Given by the legislature.

Mr. Walker: — Long ago. And as a matter of fact, the Department of Agriculture has no right under its act to do this. As a matter of fact, Mr. Speaker, I was rather struck by the fact that in 1961 the Liberals took the attitude that there should be the consent of the farmer before there were any surveys. I notice that provision is lacking in the Bill before the House. I was struck by the remarks made by the member for Saltcoats (Mr. Snedker) in a previous debate, in 1961, when he suggested that there ought to be provision for a decision or an order of the court before there was any encroachment upon the land for any purpose. As a matter of fact, the Irrigation District Act says, - and that is the act which prevails until this one is passed — that the secretary may apply as party to a judge of the Court of Queen's Bench for an order vesting the land in the board. This is the only way that an irrigation district, as it stands today, can expropriate land for the purposes of a ditch. As the law stands now it can only be done, Your Honour, by first appealing to the court for an

order. So, Mr. Speaker, quite literally the words which Your Honour used in 1961 apply to this Bill today. This Bill bypasses that provision contained in the Irrigation District Act requiring that an application be made to the court before there can be any expropriation. So, the hon. member from Maple Creek (Mr. Cameron), if he would just the member for Shellbrook (Mr. Cuelenaere) to explain to him what the issues are, will see that he is making a laughing stock of himself when he says, "Where I would object most strongly to anybody going to make a soil survey or sampling of the soil, to go on with transits and other surveying instruments, that is a severe encroachment. But bring on your bulldozers and your earth movers and your le Tourneaus. That's no encroachment on the man's land; after all that's only to build a ditch across it". When the surveyor leaves he leaves no damage of any permanent nature but when the ditch is built the man has suffered many damages.

An Hon. Member: — He gets paid.

Mr. Walker: — He has suffered many damages. As a matter of fact, there is no provision anywhere which allows the surveyor to move the man's house if it's in the way of his survey. But under this act, that's being proposed now, if his house is in the way it can be simply shunted aside and the ditch put right through the living room.

Hon. D. G. Stuart (Minister of Health): — that would sure louse up the TV.

Mr. Walker: — As a matter of fact, the hon. member for Maple Creek (Mr. Cameron) with his smart perception of what is going on in this House can explain his peculiar attitude toward these two Bills.

Mr. Stuart: — You could have an indoor swimming pool.

Mr. Walker: — If he is objective and realistic and understands what this House is doing, Mr. Speaker, he would regard the 1961 amendments as picayune and trifling and of no consequence as compared with this act. Now, I don't know if I made it clear but the act which presently applies will permit the department or the Irrigation District to go on the land only after obtaining a court order. I read the section from the Irrigation District Act. This act applies the formula used by the Department of Highways. The Department of Highways merely has to draw up a plan and register it in the Land Titles Office and then the land or the easement is henceforth the property of the department, henceforth the property of the Irrigation District. There is no comparison between the two Bills. This Bill uses the harshest, most abrupt, most direct method of expropriating; whereas the irrigation District Act was one of the few Acts which provided that there had to be a court order before the land could be taken, could be expropriated or used.

Now, Mr. Speaker, I want to make it perfectly clear here, on my own behalf at least, that I welcome and endorse any practical proposal for improving the food production capacity of our agricultural land. We on this side of the House welcomed the construction of the South Saskatchewan River project. We on this side

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of the House urged it in season and out of season and we were only able to get it in Saskatchewan after we got a Liberal government out of office in this province and got the one out of office in Ottawa, so that nobody needs to say that we on this side of the House are in any way averse to progress. We on this side of the House promoted the idea, fought for it, and it was only after we got Jimmy Gardiner out of office in Ottawa that we were able to get something done about it. As far as we are concerned in Saskatchewan no one on that side of the House can say that we are opposed to the progress that is possible under this project. But on this side of the House, Mr. Speaker, we like to consider that while we are in favour of progress we are not in favour of trampling upon the rights of people who have no other means of defending themselves. We on this side of the House say that progress must come in harmony with protection for the rights of individuals. We on this side of the House will not willingly accept the arbitrary and the dictatorial provisions in the present act .

Now, Mr. Speaker, I think it is obvious that if you are to have irrigation you can't just build ditches and then bring a bunch of Egyptian coolies in and turn them loose and tell them to irrigate. If we are going to irrigate this land, Mr. Speaker, we are going to have it irrigated by free farmers, free to make choices of their own volition, free to pursue their own self-interest in this matter. I regret the paternalistic attitude which the department now takes with reference to this project. The department can be wrong and can be very wrong as evidenced by the experience in other places. For example, I have here a clipping from the Family Herald of October 14, 1965, which refers to Alberta's dilemma and the opening sentence says:

Alberta which pioneered the use of irrigation in this country is now trying to extricate itself from the mire left by unequal basis of public funds and government intervention.

It goes on:

For sometime now a government appointed policy committee has been holding meetings with irrigational officials, advisory committees, farmer boards, and trustees, in an effort to find a way to get out from under the old policies and establish a program which would be more equitable both to the farmers and to the irrigation districts and the taxpayers in general.

Mr. Speaker, the people who should be consulted first off in any proposals to irrigate ought to be the people on the land themselves. The previous government took great pains to consult with the people on the land. the previous government did not single out a little area and say, "You are going to have irrigation thrust down your throats whether you like it or not." The previous government recognized that there was some 400,000 or 500,000 acres of irrigable land within the range of the South Saskatchewan dam. This was, I understand, sometime after the agreement cut down to 300,000 or 350,000 acres, but that there was at least five or six or seven times as much land subject to irrigation, capable of being irrigated economically within the range of the South Saskatchewan dam. The previous government engaged in promotion work, in extension work, amongst farmers in most of these area, with the idea that in at least one 50,000 acre area it would be possible to find farmers who would find the government's policy sufficiently acceptable, that they would accept willingly the government's policy for irrigation. The

previous government always made it clear that it had no notion of thrusting irrigation down the throat of any particular designed group but rather it was going to be a matter of local choice. This was made clear over and over again. For the Minister of Agriculture (Mr. McFarlane) and the Premier to do as they have done on occasions in the past, to say that the farmers of Broderick were singled out by the previous government on the 25th of July, 1958, at the time of the signing of the agreement for irrigation, was to misrepresent the facts. The previous government did not single out the farmers of the Broderick area or of any of the other irrigable areas for irrigation by entering into this agreement. The previous government believed that its policies would have found themselves acceptable to enough people in some of these irrigable areas so that they would accept irrigation. This is why the extension program was carried on so actively during those years and in so many different alternative areas during those years.

I don't want to try to say that the present government is wrong in trying to induce farmers to irrigate 50,000 acres. I don't say this at all. What I say is that if the policies of this government are arousing so much opposition, so much hostility on the part of the people on the land, then those policies should be looked at. They should be re-examined and the government should be prepared to reassess its policies in the light of that. So, Mr. Speaker, I was rather struck by the fact that on February 8, the day before the session commenced, I received a letter and I think other members did too, which I would like to place on record, from the president of the irrigation Investigation group at Outlook. The letter reads:

Robert Walker, MLA,
Legislative Building
Regina, Saskatchewan.

We understand that legislation pertaining to irrigation will be discussed in this session of parliament. We respectfully request that you consider our views on these matters, and have enclosed articles bearing on the economics of irrigation.

We are not against the principles of irrigation. We are not interested in irrigating our farms because we feel that irrigation in the Broderick area may not be economically feasible under present steel costs and uncertain market conditions. We request that the government abide by the Saskatchewan Irrigation Act, 1953, a statute that was law before the agreement was made to irrigate our lands. This agreement was made without consulting the farmers concerned. This act requires a two-thirds majority vote before any canals can be placed on our property. This act is valid and protects our property rights. Any infringement of these rights will concern all the farmers in Saskatchewan.

We have repeatedly asked the government for a vote and our municipal council has sent a resolution to the Department of Agriculture to this effect. We feel that irrigation canals are not public utilities. Why should we be compelled to accept them, pay water rates and adopt farming practices we feel to be risky and possibly no more profitable than our present dry land operations without a vote on the issue? We also feel that the government's land policy is not equitable with respect to land values

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and severance compensation. We have been here for two generations. Had we preferred to farm in another area we would have moved before now.

Earl R. Duncan,
President.

(Signed on behalf of the Irrigation Investigation Group)

Now, Mr. Speaker, apart altogether from who turned the first sod in this matter or who first committed this province to irrigate 50,000 acres that is not the issue at all. Why are these farmers so adamant? What can be done by the Department of Agriculture to make irrigation acceptable to them? How can the Department of Agriculture establish communication with them in order to find out how to remedy their policies to make irrigation more acceptable? I think there is only one way and that is to establish fresh lines of communication between the Department of Agriculture and the farmers. Furthermore, Mr. Speaker, I think that the members of this legislature are not as well acquainted and as familiar with the problems connected with irrigation as are those farmers who have been concerned about this now for several years. I think it will be an excellent thing for the members of this legislature to have an opportunity to hear from them at first hand what their problems are, what their views are, what their proposals are to further this project. I think they will recognize — certainly they tell me this — they recognize that they can't stand in the way of irrigation. They can't prevent irrigation in Saskatchewan. They don't want to but what they do want is to see an irrigation policy implemented under policies which are practical, which are viable, which will make it possible for them to make a living. So often the experience in irrigation districts has been that the first generation to go on the land simply invest their lives without any return, and then the irrigation project becomes productive, perhaps, a generation later. These folks think that there is some way of avoiding these hardships and they would like to have an opportunity to present their case to this legislature.

Now, Mr. Speaker, I don't want to cash any blame on the government for having denied them this opportunity for so long. I don't want to leave any suggestion that the motives of the minister in introducing this Bill five or six weeks ago and letting it stand on the Order Paper until this late date, for the deliberate purpose of preventing these farmers from coming and presenting their views, I don't say that, but I do say that the minister, if he had wished to hear from these farmers and if he had wished you and me to hear from the, could have allowed my motion to pass without bringing this Bill thereby crowding it off the Order paper as he did five or six weeks ago. The government could have allowed this legislature to express its views on this question of public consultation. But for some reason this government has brazenly and arrogantly turned its back on farmers. It has said we don't want to hear from these farmers. They may say something unpleasant. They may say something to crack the stucco image of the Premier. Well, whatever explanation is there for the government's failure to welcome these people to a committee of this House to hear them? So having brought the Bill down four or five or six weeks ago, thereby crowding the resolution off the Order Paper and then sitting on the Bill until practically the last item of business on the Order Paper, the government has made it very difficult for the members of the legislature to have the benefit of hearing from these farmers. Are you so afraid of what

these farmers might say that you don't want to hear from them? Are you so afraid of public consultations that you clamp down and shut off any opportunity from the citizens to be heard on this important matter? I say, Mr. Speaker, that it isn't just the farmers of the Broderick area who feel a keen sense of resentment over this denial of their rights of access to the foot of the throne. It is everybody who is concerned about civil liberty and human rights who will see this denial and who will judge this government accordingly. But it is not too late. It's not too late yet for the minister, and the government to accept this motion. So far as I am concerned I don't think it would take very long for those farmers to come in here and tell their story, present their case, but I think it might take a good deal longer for the government to explain its policies to the committee. It might take a good deal longer for the government to satisfy the committee that its policies are the right policies.

The press up to now have been limited to those handouts which the minister (Mr. McFarlane) makes periodically, those self-serving statements which he issues trying to justify the government and the only very brief and occasional replies that are printed by the local farmers there. There is no opportunity to have an exchange or contest of ideas in a public forum where the public can hear the arguments and make its own judgment as to their merits. This is what is needed. I say, Mr. Speaker, that if the minister doesn't take advantage of every opportunity to acquaint himself with the grassroots problems of irrigation, to afford the government the benefit of ideas which come from the men of the soil themselves, and this irrigation project takes 50 years to get on its feet — as it very well might — the blindness and the short-sightedness of this government in refusing to consult with the farmers, refusing to lay its policies before some kind of an independent tribunal will be the reason for that failure. I put this forward in all sincerity to the minister that it wouldn't be a bad idea right now to accept the idea of consultation between the legislature and these farmers because it is going to involve, year after year, adjusting the statutes, and adjusting the policies of the government to meet their problems.

I accept the fact that we are pioneering a new area in this province and that there will be new problems which cannot possibly occur to the minister or to any of them at this stage and as the years go on. I think it would be a healthy thing if he would right now start the policy of consultation, because when we are dealing with municipal affairs, when we are dealing with social aid, when we are dealing with education, when we are dealing with all the other aspects of provincial government policy, we are all more or less expert in these fields because we are all more or less acquainted with the functioning of local government and the administration of government programs. But so far as irrigation is concerned many of those problems will be unique. They will be of knowledge only to members who are well acquainted with the farmers of that area, who see the problems at first hand. Other members of the legislature will have no opportunity at first hand to learn of those local problems. I think that it would be highly statesmanlike on the part of the minister (Mr. McFarlane) now to accept the principle that there should every year be consultation between an interested committee of the legislature and the farmers concerned.

Mr. Speaker, I know that the government will continue to try to extricate itself from this issue by saying that, "Oh well, the whole thing was launched by the previous government". I say again, I made no apologies on behalf of the previous government for

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having entered into an agreement to provide the works to irrigate 50,000 acres in this province, but I say that the previous government made no decision that it had to be this or that particular 50,000 acres. I think the previous government could have laid down policies which would have been sufficiently attractive, if not to the farmers of the Broderick area, to the farmers in some other 300,000 irrigable acres so that they would have embraced this idea of irrigation and would have developed it accordingly.

So, Mr. Speaker, before I sit down I would beg leave of the assembly to move the foregoing amendment.

Hon. J. M. Cuelenaere (Minister of Natural Resources): — Mr. Speaker, I had no intention of entering into the debate but after listening to the diatribe that we were treated to this afternoon by the member from Cutknife (Mr. Nollet) and by the member from Hanley (Mr. Walker) it is very difficult to refrain from doing so.

The hon. member from Hanley (Mr. Walker) said that the 50,000 acres that had to be irrigated was not an issue. Well, Mr. Speaker, I suggest to you that it is the very issue, the fact that 50,000 acres must be irrigated under the terms of the contract. The hon. member says it doesn't say what 50,000 acres but it does say 50,000 acres. If there are other 50,000 acres to be irrigated elsewhere, why doesn't he come forward and tell us where they are? Why doesn't he come forward and say that in some other area the people there would be satisfied? What guarantee is there that there would not be equal dissatisfaction no matter where you went?

Now, the recommendations of the engineers, the recommendations of the people that are in charge of this work, recommend that this is the 50,000 acres that can be irrigated most economically, most rapidly, and most effectively. So it is only natural that this is the area that has been chosen. If some other area had been chosen, I could venture to say that probably the same situation would arise.

Mr. Speaker, he says, the hon. member says this, that we are afraid to listen to what the farmers have to say. Mr. Speaker, I know that the farmers in the areas have been contacted. I know that the Minister of Agriculture, the predecessor to the present Minister of Agriculture (Mr. McDonald), met with the farmers. Secondly, we, the cabinet, have met with the farmers from the Broderick district. There were at least 20 of them who came to Regina with their organization their president and their spokesman and we met with these people. They came and we were very pleased to listen to them and I think, I am quite satisfied, that when they left many of them were satisfied that it wasn't the fault of this government that they were in the predicament that they are in but the fault of the men, some of whom now sit across the say. Mr. Speaker, they talk now about protecting the interests of the farmer. What were they doing back in 1959 when they were signing this agreement to protect the interests of the farmer? What steps were they taking to put into the agreement that there would be some safeguard, that if farmers objected it would not be necessary to proceed? Why didn't they provide that we would have to irrigate 50,000 acres provided the farmers consented. Not at all. Mr. Speaker, this is what the contract says and it's very, very plain. It says:

Before the expiration of one year from the day on which

the reservoir is filled to minimum irrigation level as determined by the minister or of three years from the date of the transfer of the reservoir to Saskatchewan whichever is the earlier, complete construction of the irrigation works to the extent necessary to provide full irrigation to not less than 50,000 acres of land.

It says that very specifically. And then what does it go on to say? It says:

Saskatchewan assumes responsibility . . .

And this is all we are doing now, Mr. Speaker. It was their contract. It was the Douglas-Diefenbaker contract that says "Saskatchewan will assume responsibility for and undertake the construction of operation and maintenance as part of the project". Now, because the government now wants to assume the responsibility that was provided for, that was contracted for, in a solemn agreement between two provinces, because we are now trying to assume that responsibility and carry out that responsibility, we have to listen to such remarks as were made across the way, remarks to the effect that we are now being unfair to a group of farmers, that we are not taking the proper steps. They sat here, Mr. Speaker, on this side from 1958 when this was done until 1963, and they did not do a single, solitary thing to decide in what area this irrigation was going to take place. They did absolutely nothing. Now that this government is trying to assume the responsibility provided for in a contract between the province of Saskatchewan and the Dominion of Canada we have to listen to this type of nonsense. I tell you when the hon. member from Cutknife (Mr. Nollet) talked about unrestricted nonsense a few minutes ago and accused us of this, I am going to say that he was the one who was treating us to just that very kind of nonsense because he was asking us not to assume the responsibility which is provided for by this agreement. Then it goes on to say:

The irrigation work will be operated and maintained and the cost thereof defrayed pursuant to arrangements to be made by Saskatchewan.

And throughout this entire clause, throughout this entire section it goes on to point out that Saskatchewan will bear the full cost of constructing the irrigation works and will purchase — this is what it says — "will purchase, acquire and provide all the land required for the purpose thereof". They contracted that Saskatchewan will purchase, acquire — the clause said so — that we would be required to acquire this land. And because, Mr. Speaker, we are now taking the only steps available after we tried last year to acquire the land by purchase, we have acquired, the government or Department of Agriculture has acquired quite a large tract of this land, but, Mr. Speaker, we have gone out and tried to do it on a voluntary basis. But because it has become necessary in order to carry out the terms of this contract to take this type of step, the opposition now becomes the great champions of the very people that they sacrificed back in 1958. Yes, Mr. Speaker, that is so. And then they talk about the methods that were going to be followed. Mr. Speaker, there is no comparison between section II and now section II of the Department of Agriculture Act. This section 8(a) as it was then in 1962 (it's now 6 and 11 under the new consolidation) gives complete wide powers not for any specific area or a specific purpose. It says that for the purpose of irrigation and drainage they could enter upon the land. In adopting this section, the present act very carefully, Mr. Speaker, limits its purpose only to the works and when it

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adopts section 11, it makes this change. It provides, section five provides, that subject to the regulations the minister may, with respect to a district, plan, construct and so on, the works. "(c) says, "by surveyors, engineers, agrologists, workmen and servants enter upon the land" and so forth and it goes on to say, "and maintenance of an irrigation system and work and any alterations, improvements, or extension in respect of the irrigation system or works". Now, in other words, it particularly restricts the right to enter for the purpose "of the irrigation system and works" and not to go on the land itself other than what is necessary to carry out the obligations under the agreement. That's all it says.

Now, Mr. Speaker, and I am going to conclude, I suggest that the proposed amendment is just another delay. It's attempting to stall this matter. They know that it is now very urgent that this matter be proceeded with. This is only the second session that this government has had control of this matter. It's less than two years since this government was elected, and we were faced with the responsibility of carrying out the terms of this agreement. We had no opportunity of doing it a year ago. It was felt that we would department everything at that time to acquire the land on a voluntary basis; and now we are compelled, because of an agreement entered into, to proceed in this way. I suggest that this amendment should be defeated, that we should proceed with the works in the proper way and as was agreed upon by solemn agreement. I suggest, Mr. Speaker, that this amendment should be defeated and that the Bill should be read for the second time.

The assembly recessed at 5:30 p.m. until 7:30 p.m. o'clock.

Mr. J. H. Brockelbank (Kelsey): — Mr. Speaker, as we rose for recess we were debating the amendment to the motion for second reading of the Bill for irrigation, and at this time I would beg leave of the assembly to adjourn the debate.

Debate adjourned.

On the motion of the Hon. Mr. Steuart, the assembly adjourned at 10:00 o'clock p.m.