

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session — Sixteenth Legislature
35th Day

Monday, April 6, 1970.

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

MOTION

SELECT STANDING COMMITTEE ON PUBLIC ACCOUNTS AND PRINTING

Mr. E.I. Wood (Swift Current): — Mr. Speaker, I would like to move that the Final Report of the Select Standing Committee on Public Accounts and Printing be taken into consideration at the next sitting of the House.

Motion agreed to.

ANNOUNCEMENT

PLUMBERS AND FITTERS' STRIKE

Hon. W.R. Thatcher (Premier): — Mr. Speaker, the Hon. Members know that the Saskatchewan Centre of the Arts is scheduled to open on May 4. This morning I have been informed that all workers are out, because of a strike of the Plumbers and Fitters' Union. No work is being proceeded with, because the other unions are honouring the picket line. I must say as Minister in charge that I have been informed that, if the strike is continued for more than a day or two, the official opening of the Saskatchewan Centre of the Arts could be affected, and we may have to postpone it indefinitely. Since we have made arrangements with His Excellency The Governor General to be present for the opening, I would like to appeal this morning to the unions and their officials. I invite them to permit this single work project at least to be finished. apart from the fact that there would be keen disappointments, I think, in many parts of Southern Saskatchewan, if the project cannot go forward, the Province would lose many tens of thousands of dollars. However, I would like to point out that the Government will not intervene to enforce completion dates if the strike continues. So, I can only say again, Mr. Speaker, that I do appeal to the union leaders regardless of the issues at stake, to let the workers put in these last few days and complete the project. I will make a final announcement Wednesday or Thursday whether the opening has to be postponed.

Mr. W.S. Lloyd (Leader of the Opposition): — Mr. Speaker, I wonder if the Premier or the Minister

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of Labour (Mr. Coderre) could suggest to the House what is being done with respect to conciliation and mediation through Government services?

Mr. Thatcher: — Mr. Speaker, the strike only occurred about an hour ago and we have just learned about it. We will certainly look into the matter. But I want to make it very clear that we will not intervene to enforce completion dates. I will discuss this with the Minister of Labour in a few minutes.

C.N.R. WITHDRAWING ITS AGENTS – SHELLBROOK AND SHELL LAKE

Mr. G.R. Bowerman (Shellbrook): — Mr. Speaker, before the Orders of the Day I would like to draw the attention of the Premier that under the CNR's Master Agency Plan it was proposed to go into effect as I understand it in my area in 1971. I would like to suggest to you, Sir, that as of now the CNR is withdrawing some of its agents from the towns of Shellbrook and Shell Lake on a half-time basis and it is requiring that the agents work in two different agencies on a half-day basis. These employees are being required to drive 80 some miles and being paid only for the mileage; they are not being allowed time for their noon hours or their proper days of work. I am wondering, Mr. Speaker, if the Premier would bring this to the attention of the CNR and undertake, at least, to ascertain whether or not they are going to stay with their proposed plan or whether they are going to implement it before that date.

Mr. Thatcher: — Well, Mr. Speaker, the Hon. Member (Mr. Bowerman) isn't unique. The railroads are doing this all over the province as you probably know. We are most unhappy about it as a Government. We have already made representations to Ottawa. Within the next week or ten days a Provincial delegation will be going to Ottawa probably headed by the Attorney General (Mr. Heald) to make further representations. But I must say that in the past the railroads have not listened to us and I don't know whether they will in the future.

WELCOME TO STUDENTS

Mr. Deputy Speaker: — Before we commence this afternoon's proceedings I would like to introduce the following students: we have in the Speaker's gallery a group of 27 students from Big Beaver school in the constituency of Bengough represented by Mr. Mitchell and under the direction of Mr. Morrow; a group from the Buchanan high school in the constituency of Canora, represented by Mr. Matsalla and they are in the east gallery; a group from St. Patrick school represented by Mr. Charlebois in the constituency of City Park-University and they are under the leadership of Mrs. Kidder, they are situated in the Speaker's gallery. On behalf of all Members of the Assembly I wish to extend a warm welcome to these students. We hope that they

will find their stay and visit here educational and we all wish them a safe trip home.

Hon. Members: — Hear, hear!

SECOND READINGS

Hon. C.P. MacDonald (Minister of Welfare) moved second reading of Bill No. 70 — An Act to amend The Registered Social workers Act, 1967.

He said: Mr. Speaker, this is a very brief amendment in The Registered Social Workers Act, 1967. Just a comment or two: until the middle 1960s, membership in the Association of Social Workers was restricted to persons who qualified for membership in the Canadian Association for Social Workers. This meant that only persons with professional degrees in social work were eligible for membership. About that time, the Saskatchewan Association of Social Workers concluded that other persons employed in the field of social work can contribute experience and knowledge to the field and should be entitled to membership as well. Thus in 1965 membership changes were approved by the Association to accommodate such persons. As of January, 1967, just prior to these membership changes the total membership in the Association was 101 members. With the registration of social workers in Saskatchewan in 1967 the opportunity became available to provide for a measure of protection to the public by means of the registration process and a Board of Examiners as provided for in Section 13 of the Act. In addition, since that time, the total membership in the Association has increased considerably. As of December 31, 1968, total membership in the Association was 185, of whom 76 had joined under the revised membership qualifications. By December 31, 1969, the total membership in the Saskatchewan Association was 197. Of that number, 75 members fell in the same category.

I would just like to add a comment or two. Many of the provinces in Canada are extending courses in social work other than in the Master's Degree in the field of social work; for example, many of the community colleges in Ontario, also technical courses from many institutes provide certificates in the field of social work. The Social Work Association of the Province of Saskatchewan feels that many of these members after years of experience are making a valuable contribution in this regard and they feel that opportunity should be made available to them to join the social Workers' Association of the Province. Therefore, they are requesting this amendment in order that these people who are contributing to the field of social work might be eligible for membership. I would like to say that this particular amendment was requested by the social Workers of the Province and I heartily endorse it.

Some Hon. Members: — Hear, hear!

Mr. A. Matsalla (Canora): — Mr. Speaker, I just want to make a very few brief comments on this Bill. I, at this point, agree with the changes in the Bill although I have some questions with reference to Section 9f) of the Bill with reference to certification and so forth. I believe that these possibly could be ironed out in Committee.

Motion agreed to and Bill read a second time.

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Hon. D.V. Heald (Attorney General) moved second reading of Bill No. 66 — An Act to amend The Saskatchewan Insurance Act.

He said: Mr. Speaker, for the most part the legislation contained in this Bill has been recommended by the Association of Superintendents of Insurance to the various legislatures for enactment as uniform legislation. Manitoba, British Columbia, Ontario and New Brunswick have already passed the legislation and the other provinces I am informed have introduced it or are planning to do so. When the legislation has been passed by all or a majority of the provinces, a decision will be made as to a uniform date upon which the legislation may be proclaimed to come into force. Few people perhaps realize that the law governing insurance contracts in Canada today is to a very high degree uniform in the common-law provinces, that is everybody except Quebec of course. It is interesting to note that at the first annual meeting of the Canadian Bar Association, the late Eugene LeFleur, QC, in speaking on the insurance laws of the day is reported to have said and I quote:

The law of insurance in Canada presents an example of wasteful and unnecessary discordance. Every province has an insurance law of its own for the most part in the form of a statutory code, and while these systems are not differentiated by any fundamental principles they abound in minor diversities. How much better it would be for insurers and insureds if we could standardize the policy conditions and have a uniform insurance act adopted by all our legislators.

Mr. Speaker, the situation that was deplored by Mr. LeFleur at the first annual meeting at the Canadian Bar Association, more than half a century ago, has long since been corrected. Statutory conditions and policies have for many years been standardized so that one set of contract forms may be used instead of one set for each of the common-law provinces. Also, legislation governing contract and administrative procedures have been standardized. While insurance companies may benefit from uniformity in legislation and administration the substantial saving in expenses by reason of uniformity is surely reflected in lower premiums to the purchasers of insurance. Also, the greater certainty inherent in uniformity is a benefit to policyholders and their legal advisors.

Mr. Speaker, the Bill before this House today is essentially a revision of the accident and sickness insurance part of the Act which is recommended for uniform enactments. The present part is repealed and a new part is substituted therefore. In recent years, accident and sickness insurance has been expanded, both as to types and forms of coverage. When the present part was enacted in the late 1950s very little accident and sickness insurance was written under group plans. Group life insurance has been defined and regulated in the life part, but the group accident and sickness insurance has not been so defined or regulated. This new part, therefore, Mr. Speaker, includes many provisions either identical or comparable to the provisions relating to group insurance in the life part. The Bill consists generally in an updating of the legislation to recognize present practices and also to provide for the deficiencies in the present law. The Bill includes amendments to other parts of the Act as well. One of these which is a uniform provision concerns the furnishing of proof of loss forms by insurers. Insurers have been reluctant to provide these forms to claimants in those cases

where there might be a denial of liability. the amendment is designed to remove this reluctance by making it clear that the supplying of the form does not constitute an admission of liability. I think this amendment will speed up the settlement in these cases.

Another amendment strengthens the hand of the Superintendent of Insurance by clearly providing that he may refuse to grant a licence to an insurer, if he finds that the application of the applicant is not suitable to be licensed or the proposed licensing is for any other reason objectionable. This power is necessary in order to more adequately protect the insuring public in Saskatchewan. An insurer who is dissatisfied with the decision of the Superintendent may appeal the decision through a judge of the Court of Queen's Bench.

Other amendments in the Bill concern minor changes necessary to retain uniformity or are of a housekeeping nature. Mr. Speaker, I submit that any efforts made to speed up the payment of claims and to protect the insuring public are deserving of the support of all Members.

Some Hon. Members: — Hear, hear!

Mr. R. Romanow (Saskatoon-Riversdale): — Mr. Speaker, I should just like to say a few words with respect to this Bill. I want to say first of all that I find nothing in the principle of the Bill that we on this side can disagree with. We will be accordingly on second reading voting for the Bill.

I welcome the speed-up in uniformity with respect to the policies that the Hon. Attorney General (Mr. Heald) talks of. One of the problems that I think exists with respect to insurance and the sale of insurance policies is the problem I alluded to in an amendment either in the last session of the Legislature or the one prior to that. I feel that many of the problems that are related to insurance contracts are directly attributable to the multiplicity of contracts that are around and perhaps, if you will, some of the foot work that is exhibited by some of the insurance salesmen. I do not intend to make a blanket accusation against insurance salesmen, many of whom I know personally and whom I respect in their jobs and profession. But I do know that far too often a customer or prospective client is confronted with a variety of super-duper plans with respect to insurance. He is given a sales pitch and he is explained the various benefits of the contracts in a manner that I sometimes think is unfair to the prospective client. I know that our law probably has to work on the assumption that all people do understand what they are getting themselves into; that they do accept and understand the obligations, but in reality, I draw to the attention of the Attorney General, this very real problem of the proliferation of programs and sales pitches and some of the conducts and activities of some salesmen that, I think, on occasion produce a hardship and an unfair result to clients.

So, I am going to support this Bill in second reading. I simply close by saying that I would like to see this Government move to the day where some legislation with respect to control of this type of unscrupulous action which occurs perhaps frequently that I have talked about, can be regulated; that

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multiplicity of contracts and the super approach that I have talked about can be eliminated so that this area of insurance may be made simple and benefits much more readily available to the average person.

Motion agreed to and Bill read a second time.

Mr. Heald (Attorney General) moved second reading of Bill No. 67 — An Act respecting Garage Keepers and Proprietors of motor Vehicle Service Stations.

He said: Mr. Speaker, the Bill to provide in effect a new Garage Keeper Act is a modernization of previous enactments. The lien that a garage keeper has is at common law a possessory lien. In other words he had to keep possession of the car he repaired in order to secure payment for his services. In order to protect the convenience of the public the garage keeper was quite a while ago given a statutory lien. This enabled the owner of the car to remove the car after repair and allowed the garage keeper to register his lien. Under this proposed Bill, Mr. Speaker, a garage keeper or a lien holder, as I may call him, will have priority against the vendor having a previous lien under a conditional sales contract or a mortgagee under a chattel mortgage. This of course is only fair, I suggest, as the garage keeper is keeping the car or truck operational or in running order which only protects the vendor. Also the ordinary garage keeper cannot be searching the title of every car brought into him. He will no longer, Mr. Speaker, have to obtain the consent of the vendor having a lien before doing work in excess of \$100. If the car is sold before the garage keeper files his lien to a purchaser who in good faith and without notice buys the car, the purchaser obtains the car with the lien postponed. This provision, I think, is necessary because it will protect the innocent purchaser who searches but cannot find the lien. The enforcement of lien procedures is simplified in this Bill, and this means that the recovery of the vehicle and realization of monies is easier for the garage keeper.

The proposed Bill also, Mr. Speaker, eliminates the obsolete provisions dealing with battery service stations. It is an anachronism and should be taken out when we are revising the Bill. I feel certain, Mr. Speaker, that this proposed Bill will receive the support of all Hon. Member as it is designed for the convenience of the driving public, the garage keeper, and the purchasers of motor vehicles.

Some Hon. Members: — Hear, hear!

Mr. R. Romanow (Saskatoon-Riversdale): — Mr. Speaker, with respect to this Bill, I again wish to say that I personally see nothing wrong with this Bill in principle with respect to second reading and I will not be opposing it.

There is some question though that I would like to raise with respect to the last comments by the Attorney General (Mr. Heald) that the Bill is a bill designed to be of service to the motoring public and the like. What I am concerned about with respect to this Bill is the establishment, what appears to me, of a very special relationship afforded in law to garage

keepers and proprietors of garages that does not exist for other persons in other areas. In other words, we are giving here by statute law certain possessory and non-possessory liens with respect to garage keepers. Now for the life of me I have some difficulty in understanding why it is in such legislation as The Landlord and Tenant Act and in this legislation we give the landlord or we give the garage keeper some special or proprietary right. In The Landlord and Tenant Act, there are damage deposits. There is the right of distress. There is a variety of sort of special relationships that exist one-sidedly in favour of the landlord. I think this same principle is being adopted and applied in this respect in this Bill. I think the more modern view of law ought to be, respectfully, one that exists for nine people out of ten in any other area. If a debt is owing, the person to whom the debt is owed has to go to court by way of statement of claim. There is a statement for defence or maybe a statement of defence. There is a dispute, a hearing and a determination by the judge. What the Attorney General has done with respect to this Bill is he has given the garage keeper this very special right or this very special power. Now what happens with respect to the motoring public when a person goes to the garage keeper and requests that certain repairs be done? The repairs are concluded and there arises a dispute between the person who receives the repairs and the garage keeper. By a virtue of this legislation the garage keeper, I feel, is put in a very superior legal position. It may be on a particular legal case that the person to whom the services are provided may have a legitimate claim for not paying, namely, that the work has not been done in a workman-like manner or it has been messed up in some area or there has been unauthorized work done. We all have had experience with respect to cars. Mine seems to be breaking down all the time and I'm always being faced with car bills that keep mounting up and up. I think that in a circumstance like this, nine times out of ten, the car owner, knowing that this garage keeper has these vast rights of possessory liens and non-possessory liens, is likely to give up. This can be kept on the car for six months according to the legislation. So, I'm unhappy about the provisions that are not there for the motoring public. I'm a bit unhappy about the weighted benefits that are given to the garage keeper. I would have much preferred legislation that would have put this on a common-law relationship of suing, defending and then claiming in the normal way, like you and I have to do. I'm not opposing the Bill because I do feel that it does improve upon and simplify and clarify the present statute that exists as the Hon. Attorney General states. I would hope that someday in the future this Government would look at, or some other Government would look at, the possibility and desirability of revising it in the light of the comments that I have made.

Some Hon. Members: — Hear, hear!

Mr. Heald: — Mr. Speaker, I would like to make a few comments as a result of the observations made by the Member for Riversdale (Mr. Romanow). I want to be sure that all Hon. Member, and in particular the Member for Riversdale, understand what we are doing here. This is The Garage Keepers Act but it is replacing an existing Garage Keepers Act and the existing Garage Keepers Act in this province and in all of the other common-law provinces has recognized the right of a garage keeper to be able to part with possession of the vehicle and file a lien. There is nothing new in this.

Now the other thing that I would remind the Hon. Member for Riversdale of in this connection is that the possessory lien, a lien which a garage keeper has so long as he maintains possession of the vehicle is not something given by statute, that is something in the common law. that's developed over the last three or four hundred years, the case law of this country, starting in Great Britain and continuing in this country. There is nothing that you can do about that; there is nothing that I can do about that. The courts have said down through the ages that a garage keeper if he puts work on a car has a possessory lien. I can't change this and you can't change it. What we have done, however, is to put that common-law principle into this Bill and it is contained in Section 3. But the point I want to make, Mr. Speaker, is that we are not changing the law in any regard or in any respect. the possessory lien is there and we are simply putting it into the Statutes; we are crystallizing the case law. Now the non-possessory lien which is the lien that the garage keeper is entitled to when he parts with possession, he had before under The mechanics' Lien Act of this Province which we have had for the last 50 years and which all of the other provinces have had. We are not changing anything so far as the principle of a non-possessory lien is concerned. What we are doing is providing that a finance company or a commercial acceptance corporation cannot sit back in the weeds and pretend to ignore the fact that a car that they are interested in financially is being fixed and by refusing to give their consent to the fixing of this car, lie in the weeds and later on frustrate the lien of the garage keeper and prevent him from being paid. Really what this is doing is putting the garage keeper in a better position so far as the finance company is concerned or the vendor under the conditional sales agreement is concerned. That is what we are doing. That is the only change we are making in this Act so let's keep the record straight. We are not introducing any new principles or we are not introducing any new rights. But what we are doing is putting the garage keeper in a better position vis-à-vis the finance company. the rationale for this, Mr. Speaker, is a very simple one. The finance company that has a claim on this car presumably they will receive the benefit of the improvement to the car. The repairs that are put on the car will improve the value of the security of the finance company so why should it be necessary for them to consent to something that is going to be done which will be in the best interests of the purchaser of the car if he pays for it. This is all we are doing. We are not changing any principles. We are simply improving the position of every little garage dealer in the Province of Saskatchewan. This would ease the position with the finance company.

Some Hon. Members: — Hear, hear!

Motion agreed to and Bill read a second time.

Hon. C.L.B. Estey (Minister of Municipal Affairs) moved second reading of Bill No. 68 — An Act to amend The Home-owner Grants Act, 1966.

He said: Mr. Speaker, the first amendment to the Home-owner Grants Act deals with an additional definition of the term in the Act "eligible residence". As this Act now stands there are two prerequisites to obtaining a homeowner grant; one is that you reside in the residence for six months immediately preceding the date of your application, and that is the normal type of

application that you receive. Secondly, the Act as it now stands permits a grant to be paid where the person has resided in the home for six months, has paid the taxes, and thirdly, has effected a sale of the premises.

Now we have had a limited number of applications where a person has during the year resided in a home for the six-month period, purchased another home, which he occupied, listed the former residence for sale but the residence was not sold during that year, you might say, prior to December 31. The person quite naturally didn't want to pay the taxes on the old home prior to vacating or sale. In that particular case on the interpretation of this Act we cannot pay that grant in spite of the fact that that person lived in there six months and paid the taxes on that residence. Now all the first amendment does is, you might say, expand the term "eligible residence" so as to include such a person. The best example I can give you — is the person that puts it up for sale, does not sell prior to December 31 but qualifies on the two prerequisites, namely residence and payment of taxes.

Now the second portion of this Bill has already been anticipated for some time and that is increasing the annual homeowner grant from \$50 to \$60. This will cost the Treasury we estimate around \$2.2 million. It is carrying out in the initial stages a promise which this Government made to increase the homeowner grant over a period of years.

Mr. Speaker, I think this Act is operating very well in the Province of Saskatchewan.

Mr. E.I. Wood (Swift Current): — Mr. Speaker, the Bill we have before us this afternoon deals with some amendments to The Home-owner Grants Act and I can see nothing amiss with what the Hon. Member has just pointed out to us in regard to the amendments to make the Bill more applicable to certain instances where a set of circumstances might prevent someone from obtaining a homeowner grant who otherwise would be entitled to it and I certainly can see nothing amiss with this.

In regard to the principle of homeowner grants, this is a rather complicated question and I understand that the Hon. Member from Regina Centre (Mr. Blakeney) wished to have something to say in regard to this. In view of this and with the consent of the House I would like to ask to have the debate adjourned.

Debate adjourned.

Hon. D.V. Heald (Attorney General) moved second reading of Bill No. 71 — An Act to amend The summary Offences Procedure Act, 1969.

He said: Mr. Speaker, The Summary Offences Procedure Act, 1969 was designed to expedite the enforcement of various Provincial Acts. We are satisfied that it is working quite well. We could not, however, enact in 1969 other necessary provisions because of technical administrative difficulties. It was felt at that time, Mr. Speaker, that another year was necessary to clear up these difficulties. The Bill before this House today is intended to expand our efforts to attain the goals set out last year.

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For example, Mr. Speaker, the Bill consolidates sections into the Bill which are also in The Interpretation Act, The Magistrates' Court Act and The Provincial Magistrates Act. Most subsisting provisions will now be included in The Summary Offences Procedure Act, 1969 and amendments.

The Bill provides for payments of fines out of court for certain offences which are to be set out in the regulations and also provides for plea of guilty form. The cost for paying a fine out of court is established at \$4. Further, when a person sends in his fine and costs the information will not have to be sworn. The Bill makes provision for the procedure to be followed when a person fails to appear and answer to the summons. Member will appreciate that it is necessary to provide for that eventuality.

Mr. Speaker, I think this is a very useful amendment to this Bill and I think it will be very popular with all of the people in our province. It is something along the lines of the procedure that they have had in Alberta for two or three years. I think these provisions should save the time of the public, the courts, and the peace officers. As a matter of fact the saving of time should be a substantial saving to the taxpayers of Saskatchewan.

I had occasion to discuss this with one or two of the mayors of our larger cities the other day and they are quite enthusiastic about these amendments because they feel that they will result in considerable savings in terms of court procedures, in terms of the time of police officers appearing in court, and so on.

I think this Bill is deserving of all Hon. Members' support because it will save the taxpayers time and money. It will reduce considerably the workload of our judges and it will make easier the onerous tasks of our enforcement officers.

Motion agreed to and Bill read a second time.

Hon. J.C. McIsaac (Minister of education) moved second reading of Bill No. 72 — An Act to provide for the Financing of Elementary and Secondary Education.

He said: This Bill deals with the allocation of Provincial funds in support of the schools operated by the school boards in the province. I will say now at the beginning that the Department itself, and the Government for that matter, have given these proposals in this Bill before us a great deal of study and review. I am not suggesting that this legislation is the complete answer for the distribution of Provincial funds to the school boards. I do suggest that the basic principle contained here will result in a much greater degree of equity than the legislation that it replaces.

Almost from the beginning as a province, the Provincial Government has recognized the responsibility for providing financial assistance to school boards. The earliest grants were essentially a daily allowance. The principle of equalization didn't really come into play until the 1930s and during the last 30 years we have seen several variations in equalization formulas that have been developed, the latest major revision being the general formula that we are now using which was devised

and implemented in 1957 or 1958. The present Leader of the Opposition Mr. Lloyd, the Member from Biggar, was the Minister at that time and I am sure very, very directly involved in the development of that formula.

All of the past attempts at devising a formula were generally based on the kind of school system in existence at that time, with other factors, of course, based largely again on existing situations being considered. There are, of course, many views on the division of financial responsibility, local versus provincial and even federal, of course, today. In Saskatchewan looking at the previous formulas in legislation there has been fairly consistent adherence to the principle that, regardless of the overall share to be borne at the local level, the burden on the local taxpayer should be as uniform as possible and the facts are, of course, that no formula has done this very consistently for an extended period of time. This statement is not intended to be a criticism of past efforts whatever.

In recent years greater emphasis has been attached to the principle of maximum equality of educational services to all of the young people in the province. And this, of course, means stronger financial support to those areas where adequate service can only be provided with very high local mill rates. The whole question of equality, both as to opportunity and as to uniformity of tax load, is a very simple one to state. Yet the variations of conditions that constitute it make it very much more complex than it sounds when it comes to develop answers and formulas that will bring this about. As an example, there are many people who argue and preach loud and long about the equality of opportunity when they are really thinking about uniformity of opportunity; and there is a distinction. This is a big unrealistic in a province such as ours with extreme variations in population density. It seems to me to be much more sensible and realistic to consider the optimum opportunity for a given area as the more practical and defensible goal.

Why have we decided to produce a completely new Act? Firstly, because Mr. Speaker, the old formula had ceased to cause as I pointed out, it was designed for school systems considerably different from what we have today and designed also when times, of course, and cost in education were again quite different than they are today.

At present in spite of a good deal of effort each year to make adjustments to the existing formulas for the purpose of calculating grants, we have tax rates ranging from 31 to 55 mills in the rural units and ranging from in the 40s to 70 in the urban centres, a disparity which is pretty difficult to justify on the grounds of equity, and particularly too when you compare the programs that are offered in these various jurisdictions. Quite often they don't really relate to the mill rate as you would expect them to.

For the last year or two, Mr. Speaker, we have looked at studies, looked at research material, talked with officials, Ministers and their deputies in other provinces, in an effort to devise a new basis for distributing funds to education. Let me point out again that we have two primary objectives in mind: to ensure that every school board shall have available sufficient funds, whether it be from local or Provincial sources, to carry out an optimum program of educational services either on its own or in cooperation with other school boards; secondly, to

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ensure that the portion of support from local taxation should bear as uniformly as possible on individual taxpayers in terms of ability to pay. Here we come into the whole question of the equity or inequity of using the property tax base as a base of determining local support. I realize again we could each make many speeches on this particular subject.

The legislation before us, Mr. Speaker, is relatively simple. We looked at bills and regulations of many pages and decided to reduce it as simply as possible but it does establish the principles which govern the formula. Regulations under the Act will elaborate the formula and the procedures to be applied in the calculation of grants.

For the purposes of assigning costs in the formula, account will be taken of expenditures for general administration, for instruction, for plant operation and maintenance, for debt retirement, for transportation and such other costs as may be part of a school board's expenditures. Expenditures recognized for these purposes are related primarily to enrolment except, for example, in the case of debt retirement. They are also based on figures which represent as close a relationship as possible to actual costs at the present time, with consideration being given as well to the type of enrolment and the type of school. Expressed in simplest terms, the grant payable is the difference between the total recognized expenditure in the formula and the amount derived from taxation using a computational mill rate. For example, this year we used mill rates of 42 in urban districts and 41 in the units. Theoretically, and when the new structure is fully implemented, school boards across the province should be able to provide an optimum educational program at a local mill rate very close to the computational figure. In essence the foundation principle in the new formula is achieved by assigning a basic amount to be raised by taxation from every school board, the only variable being their respective taxable assessments. The additional amount required to finance the approved expenditure program of a board is paid then in the form of grants. Of course the computational rate can be changed to reflect economic conditions and to accommodate the amount of funds allocated in the Provincial budget to school grants.

In the overall this year, Mr. Speaker, Provincial operating grants will pay for approximately 50 per cent of operating costs. In the new legislation, I should point out to the House that capital building grants and other special grants for textbooks, driver training, school bands, library grants, and so on, are continued in addition to the formula grant. Full implementation of a completely new formula is obviously, I think, Mr. Speaker, a process which cannot be achieved in one year and there are many reasons for this.

first of all the present grant patterns as applied to on-going school budgets cannot be disrupted too much at any one time, and secondly, the wide range of tax rates that exist today, as I mentioned, from 31 to 55 in the rural units present some real serious difficulties in immediate adjustment or adjustment overnight. Some may argue that these high levels should be immediately reduced; others could argue that the ones on a lower mill rate could be brought up, but I think everyone can really appreciate the difficulties in making moves of this kind. We, therefore, propose a more gradual narrowing of the gap as far as mill rates are concerned and this may well take several

years to achieve. I hope that it can be expedited by continuing our present policy of putting some funds into overall Provincial support of education. I think this year's increase is proof of our intentions in this regard. I think also, Mr. Speaker, that school boards themselves must accept, and I am sure do accept, their responsibility as well in making efforts to try and narrow that gap in the mill rates, firstly, by exercising every control in their power on the rate of escalation of costs and by accepting in the case of the more highly assessed areas the principle of a common level of taxes for educational purposes. It can easily be seen that the new structure will not, of course, become fully operational this year.

The first step of the first phase in implementation will take place to the extent necessary to achieve several objectives. Firstly, this year marks the beginning of a new approach to the process of general overall planning in education in relation to the preparation of school budgets. Budget review procedures have been initiated. they have already been discussed in this House on previous occasions, Mr. Speaker, but I submit again that this is a move that we must become involved in if we are going to have any say in the direction of these school costs and any say in the variation of program that we now see from unit to unit and jurisdiction throughout the province. These reviews will be emphasizing program analysis more so in future as well as utilization of teaching personnel, plan equipment, and so on. they are designed, as I pointed out before in previous debates, to maximize the value of the many dollars that we are now spending in education.

I am convinced, Mr. Speaker, that this whole concept of evaluation or target-setting, if you will, in educational programs must be carried on a systematic and a cooperative and on a constructive manner or shortly within a very few years education will be really pricing itself out of the market. I don't think this need happen if we can work cooperatively with the school boards and with the Department of Education to show people where their dollars are going and the value that they are getting for them.

Mr. Speaker, I am sure that Members opposite will have questions and comments on this. I can say that this year we did apply the formula to the various school boards in the province. Having done so, we found that many boards who would have received considerably more grant than they received last year, a number of boards at the lower end of the scale as far as grants were concerned and perhaps a fairly highly assessed area, would have received substantially less so we made every effort this year to put any additional funds that we had to those units that were already on a higher local mill rate. We related the funds that they could raise by their existing mill rate to the approved budget and the grant in essence was applied to make up the difference. That was the principle we applied in distributing this year's school grants, Mr. Speaker.

Some Hon. Members: — Hear, hear!

Mr. N.E. Byers (Kelvington): — Mr. Speaker, I want to offer today a few comments with respect to the very drastic change that is about to take place in the financing of education as is proposed in this Bill.

I believe I recall the Minister saying, when he was

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commenting earlier on the introduction of this Bill, that the old School Grants Act was evidently designed for an earlier time. I believe his comments were to the effect that it no longer fitted in with what would be considered ideal financing practice in education today. I want to say from the outset that I cannot become overly enthusiastic about the proposals in this particular Bill with respect to the establishment of the foundation program and the financing of elementary and secondary education. I think it has been accepted as an integral part of school finance in the Dominion of Canada that the Department of Education has a responsibility to provide incentives to local school jurisdictions in the way of financial assistance for the various components of the total education program. That has been recognized across Canada for some time. There are studies on this question. Perhaps the oldest and most detailed study of this was the Lazerte Report in the 1950s, and it is a report that does recognize that the basic elements of costs within the school system should be supported by the Provincial Government.

I might say to the Minister that it is on this basis that the old School Grants Act was designed — and I am sure he is familiar with this — but I just want to bring again to the attention of Members of the House some of the elements of that Act which made it a rather desirable Act.

First of all it provided a grant for each classroom. It provided a grant based on the number of students in the room. It provided a grant based on the qualifications of the teacher. There were some very commendable incentive features built into that grant structure. There were provisions to encourage school boards to hire the best possible qualified people. There was financial assistance for such things as construction, for conveyance costs, for the purchase of specific equipment within the school, science, audio-visual, library, and so on. My point about the former School Grants Act is this, that all of these components were written into legislation. They were written into legislation and it enabled every single school board in the Province of Saskatchewan to know with some degree of certainty the amount of money they could command in grants yearly from the Provincial Government because they were providing a certain type of service.

Now the Minister proposes — as I interpret this new Act — to remove this from the legislation, and presumably put it into regulation which Section 3 seems to indicate. There will be certain sums available for such things as administration, instruction, plan operation, maintenance and debt retirement, transportation, and so on. But might I suggest that it is going to be extremely difficult for a board to know from year to year what they can expect in the way of revenue from the Provincial Government for these particular services. It is going to add substantially to the problems of local school jurisdictions drafting their budget for their total school program.

I believe that these elements of the grants ought to be spelled out in legislation. They ought to be spelled out clearly. One of the bases on which I will certainly oppose this particular Bill is the one fact that the Minister is going to take this power into his own hands. I am afraid of these arbitrary decisions.

Mr. Speaker, I know the time is approaching 5:30. There are a few other matters I would like to say about this Bill. With your permission I would like to call it 5:30.

The Assembly adjourned at 5:30 p.m. until 7:30 p.m. o'clock.

Mr. Byers: — My general criticism of the Act is that it stipulates by regulation and not by statute the specific amounts payable by grants for the component costs of the school system.

My main criticism is the method not the amount that will be payable in grants. This system will be a major problem in the future for school boards in the process of drafting their budgets. This grant system is inferior to the present School Grants Act as it removes many of the incentive features. In the present Act these incentive features encouraged boards to hire teachers with better qualifications, to employ sufficient supportive staff and to purchase auxiliary equipment such as audio-visual, science equipment.

The desirable feature of spelling out the component parts in legislation of school grants is that it guarantees to local boards the right to make decisions respecting programs, teacher qualifications, number of classrooms. There was a degree of certainty that financial assistance was available from the Provincial Government.

I think the results of this system are very obvious. As a result of this we have in Saskatchewan a number of composite schools that have been built since the Second World War and have provided a variety of technical and vocational programs to our rural school children. We have gymnasiums which were built under this program because grants were made available specifically for that purpose. I note that in the last few years that the Government, for a time at least, chose to put a freeze on the construction of school gymnasiums. The result of this former grants program, Mr. Speaker, has been a general improvement in the qualifications of our teachers. I shouldn't have to remind the Members of this House or the Minister of that particular improvement. But in all of these programs, Mr. Speaker, the whole process of decision-making was at the local level. If the people in an area wanted to build a new school or a new gymnasium, or introduce a new program, and if they were willing to pay for it, that was their decision. People knew that financial assistance would be available from the Provincial level.

The whole question of the foundation program, Mr. Speaker, is a rather difficult and complicated proposition open to many interpretations. The Minister says that one of the purposes of this new grant formula will be to stabilize the mill rate within the province. Well, I think that the blame for the mill rates being not so stable is the problem that has occurred in Saskatchewan mainly since this Government came into power, because I think it has been said many, many times in this House, in both the Throne Speech Debate and the Budget Debate, and there has been ample evidence given to this House. It is well known by the Members of this House that the discrepancies in mill rates have grown and grown and grown the longer the Liberals have remained in power in Saskatchewan.

I don't think that it is necessary to add any additional evidence at this point. I did say that the concept of the

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foundation program is subject to some interpretation. I think it is generally recognized, Mr. Speaker, that the purpose of the foundation program is the situation where a minimum standard of education is paid for and supported financially by the local property tax. The purpose of a foundation program is to provide some degree of uniformity to that property tax level across the province. That is not an easy thing to do where you have school divisions with varying assessments.

I might say this there isn't any program that has been in operation that you couldn't call a foundation program. I want to call that fact to the attention of the Members of the House. If you had a mill rate of 40 mills right across Saskatchewan for school purposes you could call that a foundation program. You could call it a foundation program if you had one mill of levy for property tax purposes. All that a foundation program implies, Mr. Speaker, is that there will be some degree of uniformity at the local level, paid for by property taxation for the support of education. Amounts of money needed in excess of that, amounts which the community locally cannot provide, are provided through the form of Government grants. That basically is the concept of a foundation program.

The Minister has said — and I wasn't here for all of his comments, regretfully — that the operation grants paid under this formula will be equal to the recognized expenditure (that is the expenditure approved by the Department of Education or the computer down in the Department of education) minus the amount of money raised from local tax forces. This program is supposed to stabilize the mill rate throughout Saskatchewan. That may be true, provided the school boards of Saskatchewan do not undertake in any way to expand their existing school programs. I want to suggest that the Government has said, I think quite clearly, to the school boards of Saskatchewan that, if they want to embark upon programs within the school system that are in excess of those approved by the Department of Education, the local authorities must then accept the responsibility for raising the additional money.

I suggest to this House, Mr. Speaker, that this foundation program will only be successful in keeping the mill rate at a uniform or stable level, if the boards in the country are willing to make time to the tune which the Minister and the Department of Education dictate.

Some Hon. Members: — Hear, hear!

Mr. Byers: — But if they want to introduce additional programs then they will have no alternatives but to raise the money locally. This will in turn mean a continued spirally upwards of the property tax levy.

This program, Mr. Speaker, suggests that we have come to the point where we perhaps will not be looking towards the introduction of new programs. We should be looking towards building new gymnasiums. We should be addition additional supportive staff in the way of guidance counsellors in our high school, more librarians and additional people in the whole field of otherwise called supportive services. Under this program, either by additional staff or by additional programs, they will have no choice but to raise the additional money locally. The boards will be faced with two alternatives under this

program. They will either have to curtail their expenditures and the school programs will suffer, or they will have to increase their mill rate to provide additional money to pay for additional programs which the local people may want.

I say that this Bill is rather presumptuous because it seems that the major building projects in Saskatchewan are complete.

I commented upon the provision of gymnasiums and the grants that were provided by the CCF Government to put many of the gymnasiums that are on our schools and added to the improvement of the Saskatchewan landscape. It was a Liberal Government that put the freeze on the construction of gymnasiums. I don't know whether it has lifted that freeze or not. But there are still a good many communities in this Province where such facilities as gymnasiums are not available.

Many of our communities, Mr. Speaker, have done a rather creditable job in providing both technical and vocational facilities for our young people, particularly in rural Saskatchewan. The composite school program started after World War II; admittedly the technical and vocational parts were financed partly by the Federal Government. I know that there are some areas of Saskatchewan that couldn't qualify for Federal grants under that program because the population of the area was not large enough according to the qualifications set by the Federal Government.

I know, further, that the construction of composite schools and technical facilities have been held up in the last couple of years since the Federal Government has ceased to pay grants for capital costs for these facilities at the secondary level. Therefore, there has been a slow-down in the extension of technical and vocational facilities in centres in other than those where comprehensive schools have been built. I want to suggest to the Minister that in his leisure hours someday he sit down with a map of Saskatchewan and plot out the composite schools and plot out the comprehensive schools. And he will note that there are still many areas in Saskatchewan where none of these facilities are available to our rural youth. There are many communities and school boards in Saskatchewan who want to extend even limited technical and vocational facilities to their present school plans. There are still many, and good-sized high schools in this province — and I am sure that many Members of the Government can point to some of them in their own constituencies — where they would still like but they do not have a typing program, or a home economics program, or a vocational agriculture program or where you don't teach the new chemistry or the new physics or the new biology. Do you want these programs in your schools in your constituency? This program to me suggests that we are about to put the brakes on and we are not really going to get excited about extending these facilities particularly to our rural youth.

Mr. Speaker, there is a good deal more criticism I could offer about this Bill. My main criticism of the Bill is the very feature in Section 10 which says in part that out of the money that is available for education the Lieutenant Governor in Council may either unconditionally or upon such terms and conditions as may be specified in the order on the recommendation of the Minister, order the payment of an increase of any grant payable hereunder and payable for any special grant for the

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purpose whatever designated in the order to any school system or to any group of systems on the payment of a special grant for any educational purpose whatsoever.

An Hon. Member: — The old Act.

Mr. Byers: — Yes, but there are a lot of other things in the old Act that this Act doesn't have too. I suggest that this gives far too much authority to the Minister. In fairness to the boards who must in the final analysis administer the school system, this method, I think, they will find objectionable — the method of payment grants — and therefore I cannot support this Bill.

Some Hon. Members: — Hear, hear!

Mr. F.A. Dewhurst (Wadena): — Mr. Speaker, I would like to say that this Bill that is before us is not a Bill that gives any assurance whatsoever to our school boards and our school system throughout the province.

I have tried to analyse this Bill the best I could and have gone over each Section. the first Section just deals with the title and the second one with the definition. when you go down the rest of the sections you find that in Section 3 the Minister shall have power to do certain things in calculating the grant under this Act, in determining the amount, to be called a recognized expenditure. In Section 3, clause (2), again the Minister shall have the right in determining the recognized expenditures under this subsection. We do on to the next Section and again the Minister shall have the power to do what he wishes. The Minister may determine equalized assessments.

In Section 5 again, the Minister shall for each system compute an amount to be called the local revenue. In Section 6, the Minister again may, but it doesn't say that he has to, prescribe the minimum and the maximum amount of grants to be paid under this section. By Section 7, the same thing. The Minister may require from each school system such forms, statements, reports or information as he deems necessary. And the (b) part of Section 7, is the same. The Minister may require from any municipality that is included in whole or in part in a system, a certified statement, etc.

Then we come to Section 8 which says that the Minister may refuse to give grants if any school districts don't comply with these requests. He has the right to withhold any grants from them. We go to Section 9. The onus here is that the Department may lay down the conditions for grants. The Department! Naturally they are guided by the Minister.

We go to Section 10 which my colleague has just mentioned and there the Minister may, after recommending to the Lieutenant Governor in Council, do certain things. The Lieutenant Governor in Council has the authority to pass certain conditions on the recommendation of the Minister. So once again it is the Minister who dominates in Section 10. In Section 11 again it is the Government.

There is no place in this Act where he says what the rights

of the school board are. The school boards have no authority whatsoever. They are at the whim, mercy and beck and call of the Minister and the Government on the recommendations of the Minister. The Minister can dictate the terms and conditions of grants. There is nothing in this Act to prevent the Minister from legally telling the school boards the same as what was told the Métis Association a few years, when they were told that, if they wished to get a grant, they must change their leader. They had to get another man to represent the Métis Association.

This Act gives to the Minister sole power to determine what grants we will give, what will be a foundation grant, and all the rest that goes with it. If a school board wishes to put on a special bus to bring in pupils from outlying districts, they can only do it with the permission of the Minister. They cannot organize their business to run it in an efficient manner. Nor can a school district say whether they should have other facilities in their school unless the Minister is pleased to grant it. I think that this is a bad Bill. It gives too much power to the Minister and no authority to the local governments to be able to know how they can draw up their budgets. Furthermore, when the municipalities are wanting to draw up their budgets for the coming year, they cannot draw up their budget until they get from the school board the tax requisition for the needs of the school purposes.

Many of the municipalities like to have their budgets drawn up early in the new year. Under this Act, the school boards cannot make their requisition to local governing authorities until they have the requisition from the school administrative authorities. and school trustees cannot know how much money they will require in the form of taxation, until they know what grants they will be getting from the Minister. Under this Act, there is no date as to when the Minister must notify the school district. It could be June, July or August before they will know what grant they will be getting. This is just compiling confusion and unnecessary work on the school boards and giving to the Minister and the Department authority which no government should take unto themselves.

I cannot support this Bill.

Some Hon. Members: — Hear, hear!

Mr. J. Kowalchuk (Melville): — Mr. Speaker, to me it is no wonder that the Minister left this Bill for the last. I can well appreciate it coming in today instead of one week ago.

I recall very clearly that prior to the foundation grant formula, which was first announced a couple of years ago, we studied and reviewed it, and the Departmental people had quite a bit to say about it. Then it was scrapped. This new formula, of course, was brought in without too much fanfare and I can see why. With my limited knowledge of legal terminology it is a bit difficult to assess this Bill, but in reality the obvious was easy to see, Mr. Speaker, even by a laymen like myself.

Mr. Speaker, the powers addressed to the Department, with the Minister possessing the final word, is a contemplation that I as a ratepayer and as a trustee dread to see. Mr. Speaker, this Bill is a dangerous Bill when considered in that aspect. It is a dangerous Bill because it leaves itself wide open to

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political manoeuvring and the obvious use of political patronage. It is an open invitation for pork-barrel situations, Mr. Speaker.

Some Hon. Members: — Hear, hear!

Mr. Kowalchuk: — Its possible implications are no more palatable than the 1965 incentive grant formula which I recall very clearly. Some school boards walked away with thousands of dollars because they probably basked in the limelight of the Liberal party. Now it will be legally possible for the Minister to dish out grants with questions.

The discretionary power given to the Department and the Minister gives absolute powers as to a board's financial position. The regulations will complete a total picture. Sure it has its provisions in certain aspects of providing for equalization. But that will only be possible if we get equalized assessment, Mr. Speaker. There may be some benefits derived from including a teacher in a direct grant based on certification and having grants paid to boards on some other basis, because boards do have in many cases the thrifty habit of hiring teachers with lower certificates. However, Mr. Speaker, with this formula based on no tangible and written-in basis, in total it is really unbelievable, particularly the exclusion of the recognition of per pupil expenditures. the crux of the formula should be based and hinge on the cost of educational facilities per student, of keeping the student factor in the formula and giving a strong base on which to work.

But, Mr. Speaker, that is not what this Government wants. It wants complete freedom to exercise its own control. the whole and total concept is this. Give us the power and the Minister and the Department will do the job. Mr. Speaker, this last Bill makes it quite obvious that the Department and the Minister seek total power in the financial set-up of our schools. I recall what the Minister said the other day in regard to the budget review section — that when a government pays equal or more parts of school expenditures in any area of operation, be it educational or otherwise, the government should have the say as to how this money is spent.

I don't buy that, Mr. Speaker. that kind of reasoning belongs in an autocratic state and not in a democratic state like ours.

Some Hon. Members: — Hear, hear!

Mr. Kowalchuk: — Mr. Speaker, this evidence of taking power away from boards and centralizing it in the hands of the Minister is a dangerous step. Its vulnerability to political manoeuvring is wide open. It is another means of more control of the school boards. Mr. Speaker, because this Bill leaves every avenue wide open for political manoeuvring and political patronage, because this Bill gives almost total discretionary powers to the Department and the Minister, because this Bill gives almost complete power to the Department and the Minister to determine boards' financial viability, because this Bill has done away with all prescribed grant amounts including number and certification of teachers, the number of classrooms and the number of children, etc., and made no provision to at least include the per student cost, and because the gist of this Bill

depends upon the regulations to be brought in, this then adds further to the power of the Minister, and in spite, Mr. Speaker, of the increase of the money available this year for grant purposes. And rightly so for in times such as these we should get a sufficient amount of grants so that there is the possibility that the local mill rate will not be raised. But the principle of this Bill places nearly all discretion and power into the hands of the Government and the Minister. I cannot support this Bill, Mr. Speaker. Indeed I ask you, Mr. Minister to withdraw this Bill and come up with a new foundation grant structure, not one like this which places almost total financial responsibility in the Department and the Minister.

Some Hon. Members: — Hear, hear!

Mr. R.H. Wooff (Turtleford): — I am going to be very brief again. I consider this Bill a negation of true democracy. In fact the Bill to me is a throw back to the days of absolute monarchy and to quote: “Whom he would not have he slew, and whom he would have, he kept alive.” This Act reduces the whole educational grant policy to the level of social aid with its means test, coupled with the possibility of political pressures. I am sure that the present Minister would not stoop to practices such as I fear, but I want to be very frank, Mr. Speaker, he has Front Bench colleagues that I would be very frightened of with a Bill such as this in their hands. I simply can’t support the Bill.

Some Hon. Members: — Hear, hear!

Mr. M. Kwasnica (Cutknife): — Mr. Speaker, I rise to oppose the Bill particularly because it is so vague and for the other reasons already mentioned by my colleagues, the fact that it just gives so much power to the Minister and nothing is spelled out definitely.

When you look at the term ‘recognized expenditure’ in the Bill, I think this is a very tricky term. No doubt pupil-teacher ration is involved there, arrived at by computers, and with the sole authority in the hands of the Minister to arrive at this figure. I just wonder how much consultation has been carried out with school boards in this regard. The school boards aren’t going to have any idea what this recognized expenditure is going to be until late spring of every year if the Minister lives up to his usual performance. The same thing is happening again this year. School boards still don’t know where they are. And every spring they don’t know where they are. It puts boards in a real bind, they don’t know how to budget or how much to budget. It holds back the salary negotiations and all and all there is a real trouble spot.

The second point in the Bill that I disagree with strongly is that section which tells what will be included in the recognized expenditure but gives no indication of the amount to be paid boards for each item. It just mentions vaguely that there will be something paid for the number of pupils, but the thing is how much? It vaguely mentions there will be something paid for administration and then we find that the term ‘administration’ isn’t even defined in the Bill. Is administration a principal, a vice-principal, which we probably expect, or is it a department head, or is a librarian an administrator, or what? Then the Bill says it will pay so much for instruction, again a general term. The problem here is similar to ‘administration’. Is a librarian an instructor? Is a guidance counsellor an

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instructor, or what? Vaguely again it says they will be paying something for plant operation and maintenance. They will pay something for debt retirement. Well how much in grants are going to go for debt retirement? what is the plan for debt retirement? The Act also states it will pay something for transportation of pupils but no mention of how much. Other expenditure is loosely stated as fees. Then the part where it says, "Payments made by school systems on behalf of pupils attending other school systems or institutions as may from time to time be recognized," suggests that the Minister could this year pay for some fees and next year throw them out. It would be wishy-washy, we don't know what per cent of these fees will be paid — 10 or 15 or 100 per cent. He can change this at any whim. I don't think this is any way to run a grant system.

Then the Act goes ahead and repeals the previous Act, particularly The School Grants Act, which gave very specifically amounts that would be paid for certain specified items. Now this is completely done away with. The School Grants Act previously was specific in how much it would pay for a teacher. For example for a class one teacher hired by a board they would pay \$3,760; for a class two teacher, \$4,325 and so it went up and up until a class five or six teacher the grant would be \$6,700. The old Grant Act also specified how much per pupil. There could be no jockeying of figures; \$75 in respect of each elementary pupil; \$125 for grades IX to XII; \$150 in respect to each vocational pupil in average daily attendance in grade IX to XII. It was very specific. It also said how much it would pay per classroom; \$1,200 in respect of each continuation in high school rooms; \$900 in respect of every other room in operation in the district. And so it was very exact. They also paid for continuation classes, \$1.50 per teaching day. A general payment was made to school boards of \$4.50 per day under the old Grants Act. We don't know what this will be now. The grants were certain for non-resident pupils. \$30 a year — \$12 for the first term and \$18 for the second term. We don't know what that's going to be now. Also for night school sessions — \$5 per evening session — grants were paid for that. For supervisors and special instructors — \$6 per day. Several other items were very specifically spelled out in The Grants Act. Does the Minister think that we on this side of the House would accept this legislation, legislation which is going to pay out some \$73.5 million in grants and not even give definite amounts in grants for any of the items mentioned? This just isn't good enough.

I would like to bring to the Minister's attention Ontario's experience with foundation programs similar to what he is instituting here. Apparently in Ontario the results haven't been too encouraging, and I quote from a Globe and Mail article of March 20th, 1970 and the article is titled "*A Reform that Misfired*". The Waterloo County Board of Education had called on a certain Stewart Fyfe to study their foundation grant system along with other improvements and it says and I quote from the article:

The results are dismaying. Costs are up substantially, disparities in the distribution of costs have grown instead of being cut back. Ill will prevails between the board and municipal governments in the area.

Further on in the report it says:

The available statistics show clearly that in the first year the formula for distributing local school costs not only failed to erase the so-called iniquities but it in fact made the relative disparities worse.

It goes on to say in the article:

The new system of calculating provincial grants for a single area instead of several resulted in tax shifts that were intolerable and in turn led to the virtual abandonment of the formula when subsidy grants were applied in an effort to even out the impact of the new administrative arrangements and avoid a taxpayers' revolt.

So I just caution the Minister that perhaps this may be a very difficult task he is undertaking.

Another section of the Act which I find objectionable is the principle involved in Section 8, which says, "If a school system fails to comply with the request of the Minister made under clause (a) of Section 7, the Minister may withhold or cancel the grant payable under this Act to the school system." Now, I view this as a sledgehammer approach. I don't think you need this in any Act. Can you imagine the furore that would arise if the Minister ever chose to cut off a grant from a school board in the province because it failed to supply the Minister with some information, whatever that might be? I hardly think that this Section is necessary at all, it's too tough and I recommend its withdrawal.

Mr. Speaker, if I ever saw an Act that needs revamping it's this one. An Act that will recognize only certain expenditures of a school board must state precisely what criteria are included in this expenditures. This Act does not do that. An Act that allows over 18 per cent of the Provincial budget to be paid out must spell out specifically the amounts it will pay school boards for each pupil, for each teacher and for every other item that it cares to mention. Mr. Speaker, I propose that the Minister take this Bill back to the drafting board, rewrite it and define such terms as 'administration', 'instruction', state specific amounts of grants for every item included in the formula. Failing that I will have to vote against the Bill.

Some Hon. Members: — Hear, hear!

Mr. W.S. Lloyd (Leader of the Opposition): — Mr. Speaker, the central proposition that I see in this Bill is one, interestingly enough, which the Minister didn't mention at all in his introductory statement. I hope the Minister is aware of what he is doing in this Bill. If he isn't that's bad enough, but if he is aware of what he is doing and still want to do it, then that I submit is even worse. The central proposition in this Bill isn't the foundation program. That principle is acceptable. We have had a type of foundation program in this province for many years. As the Member from Kelvington (Mr. Byers) has said, foundation programs like other kinds of foundations come in many different shapes and sizes, Mr. Minister, and are readily adjustable in a different variety of ways. The central proposition in this Act is not educational financing. The central proposition in this Act which must be objected to is the extent to which this Act takes authority away

from this Legislature and puts it in the hands of the Minister. Let there be no doubt about it. When Members of this Legislature vote on this Act they are divesting themselves of any right or responsibility to say anything about the level of school grants to any school district in this province. And that kind of legislation must be objected to.

Some Hon. Members: — Hear, hear!

Mr. Lloyd: — As a matter of fact, Mr. Minister, the Act wastes a lot of paper. You didn't need one page or two pages or three pages to say what's in this Act. All you needed to say was, "The Minister of Education (Mrs. McIsaac) was hereby authorized to pay school grant," period. And you would not have had any more or any less authority than you have in this Act. You would have had no more authority or less authority from the Legislature than this Act provides. The fact is, this Act removes all legislative decision, discretion or influence with respect to grants. It is in fact, Mr. Speaker, a blank cheque for over \$70 million which this Legislature is asked to sign in this particular Bill.

Let me just look, as some of my colleagues have done, for a few minutes at how this Act proposes to work. It says that the Minister shall determine certain costs. Who decides it? The Minister. How does he decide the cost? The Minister decides how he is going to decide the cost. What level of costs are going to be recognized? The Minister decides it. There is no legislative definition of any kind. It is entirely up to the Minister to decide what costs are going to be allowed and how much of costs for any particular kind of service is going to be recognized. Not only that, Mr. Speaker, but there is no guarantee that the same costs are going to be used in different school jurisdictions across the province. As this Act states, the Minister can have for the 59 school units in this province, 59 different levels of costs and there is nothing in this Act that says there has to be any relationship between one and the other. This Act makes it possible for the Minister to have a different scale of costs for each of the cities of Moose Jaw, Regina, Saskatoon, Swift current, Yorkton, Weyburn, North Battleford, you name it. There is nothing in this Act to say that the Minister can't make up his own set of costs for each of those cities and every single town in the province. That kind of authority surely is not what the Minister really wants to have. That's one part of the equation. the Minister has complete opportunity to decide without any legislative restriction or definition the costs which are used in computing school grants.

It does say that there will be certain kind of support provided by school grants, but who decides the level of support? Well the Minister decides the level of support. How does he decide it? He decides it in part by determining an equalized assessment in respect of each school system. Again, the Minister decides that. Then he multiplies this by a mill rate to determine what is to be recognized from each school district. But who decided the mill rate? The Minister decides the mill rate. Does it have to be the same mill rate in each jurisdiction? Not according to this Act. The Minister can have a different mill rate applicable to every single school jurisdiction in the province. Mr. Speaker, this is impossible legislation and I am amazed that the Government should ask us to support it, to ask us to take this kind of authority out of the hands of the Legislature and put it in the hands of any government whatsoever.

Some Hon. Members: — Hear, hear!

Mr. Lloyd: — So here we have the situation. There are two lines to be established and the difference between these two lines is what the Government will pay. But the Minister decides where this line goes, and he decides where the other line goes, and this line may differ from jurisdiction to jurisdiction. He may indeed have a different set of lines for every school district and every unit in the province. Mr. Minister, surely to goodness you don't want that kind of power. Surely to goodness no Legislature should give that kind of authority to any government whatsoever.

Mr. Speaker, there are other reasons for which I think we need to object to this Bill. There is, and I think the Minister made reference to this when speaking, a great need for equalization in the province and all of us are aware of it. The Province has areas of different capacity to carry the cost of education. It has areas in which because of different circumstances items of education cost quite differently. I don't see anything in this Bill which can be taken as satisfactory with respect to equalizing the educational costs throughout the province. I suggest if we don't do a good job of equalizing costs then we also fail to equalize opportunity. Sure the aim of the Government must be to equalize opportunity. there is nothing in this Bill which suggests there is going to be any adequate recognition of the equalization needs of school districts in the province.

The Bill fails to define how much of the grant is going to be distributed by the formula which the Minister will devise and how much of it is being spent under Section 10 by special grants. Surely there ought to be some definition which indicates the amount which goes into spending by means of a formula. surely it shouldn't be all left to the Minister to decide how much is special grants and how much is to be spent by formula.

Mr. Speaker, these are very serious objections, and I want to concur with what my colleagues have said to the Minister. He should take the Bill back, tear it up and write it over again, or at least propose some major definitions in it before he expects this Legislature to pass it.

There is in this Bill nothing by way of legislative definition as to what school grants will be. There is nothing in this Bill by way of legislative control over what school grants will be. It is a complete and absolute blank cheque for something in excess of \$70 millions. This is a concentration of power in the hands of central government which ought not to be asked for and which I submit this Legislature ought not to give. and when I say this Legislature I include my colleagues who sit across the way. This is a very severe and a very unfortunate and a very bad erosion of legislative authority which ought not to be granted.

Mr. Speaker, for those and a lot of other reasons that could be elaborated, but mainly because of this concentration of power in the hands of the Minister, because it takes the vital decision out of the hands of the Legislature, because it pays little attention to the whole need for equalization, because it makes it possible for the Minister to have a different standard of grant for each and every school district in the province, this Bill, I submit, ought to be withdrawn or defeated.

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Some Hon. Members: — Hear, hear!

Mr. McIsaac: — Mr. Speaker, I will begin by going back to the Member for Kelvington (Mr. Byers) and some of his remarks in reply to this debate. I would point out to him that the former Grants Act provided for the Minister to determine teacher numbers and gave the Minister the same powers in Section 5 of the old School Grants Act as exists in the present Section 10 of this legislation. I would point out that generally speaking, to all of the Members opposite and the Members on this side for that matter too, Mr. Speaker, that this legislation does not give as many powers to the Government or to the Minister or whoever it may be as current legislation being brought in Alberta, as current policy being considered in Ontario, and as the legislation brought in in British Columbia a year or two ago.

Now the Member for Kelvington foresaw difficulty in boards planning their budget because of the legislation. They have no way of knowing what grants might be. May I remind him and I am sure he is well aware that there was no way out of the previous formula how the school boards would have any idea how much particular amount their grant would be in any given year, because it depended on the total amount voted. Having allocated a given amount for school grants it was then spread around to the various boards according to the formula. but it was the amount that was put into the school vote that first had to be settled before there could be any figure given to any of the school boards, as to amount, as to the level of spending one year as opposed to the next. I think that the Member for Kelvington's remarks here indicate that he like many others didn't really ever understand that present formula. No disrespect to the originator of the present formula. The previous formula didn't spell out anything particular or any special consideration for all of the various specialized categories of teachers that the Member for Kelvington referred to. Yes, there was a per diem classroom grant which I suggest is really outmoded today, and was a carry-over from the previous formula, because it is a very small percentage of school operating costs and of the actual funds that go to boards today.

I pointed out in second reading originally that library grants, science equipment grants and a number of other supplementary grants will be maintained. There is nothing in this Bill that has anything to do with grants towards construction or gymnasiums. There is no freeze on gymnasium or school construction in this province at this time and there hasn't been for some time. The only freeze is brought about by the high interest rate and by the fact that many of our rural communities particularly are looking at schools built in the wrong places by ten years of poor planning. We are having some problems in that respect.

Now somebody, in fact several of the Members opposite, made reference to the definition or the phrase 'foundation program.' This is a phrase that anybody can build their own concept of. When many people use this word they are talking about completely different things. I spent some considerable time personally and many other department officials did as well, discussing with the provinces of Alberta and Manitoba, particularly, because they are along side of us, their experiences with their foundation program. I can say I talked to the previous Ministers in Manitoba under the Tory Government and the present Member, Mr.

Miller, under the NDP in Manitoba. I talked with several Ministers that dealt with the foundation program they have in Alberta. Neither of these provinces is satisfied with the way that their program is working. To build a foundation program in those two provinces, the Government of Alberta took a very comprehensive study of this whole question and it didn't come up with any real specific answers, Mr. Speaker. As a matter of fact it is bringing in legislation, as I understand it and, and understood it from the Minister some time ago, to put on a definite limit on the increase in spending of the school boards from one year to the next of six per cent. Above that, if they must go above that or feel that they want to go above that, they must go to a referendum in order to so do.

Now this Act doesn't propose, it doesn't limit school boards in this respect at all. I think everybody can appreciate if X number of students anywhere in this province will not necessarily bring about equality of educational opportunity. It is for this reason to use a block grant, as they did in the other provinces, that they found they had real difficulties in that system. This does not propose to do that. We do not propose as the Member for Biggar (Mr. Lloyd) suggested to use a different mill rate for each and every jurisdiction. We may well propose to use a different one for the rural areas and the urban areas and this I think makes some sense. Here again you get into the question of how equitable and how comparable the rural mill rate is with the urban mill rate, but the Act will allow for freedom in this respect. There are a number of other comments made, Mr. Speaker, that I think we could deal with in Committee. I can tell the Member for Kelvington again that there are many areas proceeding with home economics and industrial arts facilities in the province. They are coming in when they bring in budgets and at other times seeking approval for these facilities. Certainly they are being constructed in the province today. And the same is true for gymnasiums and other such facilities with respect to the needs as they are seen by the local people. Again I point out that there is no stipulation or nothing in this Act dealing with a policy with respect to support for the construction of facilities. I did say and I'll say again that the regulations or the principles that we employed this year, I will be glad to supply them to the House when we start dealing with this Bill in committee. They have not yet been adopted, but I will certainly be pleased to show you that figures, the exact figures that we use in administration costs and so on down the line. They have not yet been adopted by Cabinet and they may be changed somewhat in the light of this year's experience before we do. I can say also that as far as instructional costs are concerned we have provided for the kind of thing talked about by the Member for Kelvington. There will be neither encouragement nor discouragement, as it were if you will, for hiring of poorer qualified or better-qualified teachers. There will be no change in the concept in this respect in this Act over the previous Act.

Now the old School Grants Act was not really specific in the amount per teacher as I am sure the Leader of the Opposition (Mr. Lloyd) is well aware, it was an assigned cost. In some respects it will be I suppose an assigned cost in this formula, but we hope it to be a good deal more closely related to the actual cost of providing instruction. As I say the per diem grants and a number of other aspects of the old Grants Act are being repealed, and I suggest that nobody will find any real

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question in dropping some of those, because they went to make up such a very small part of the total funds devoted to school support.

Mr. Speaker, I think that we can settle a good number of some of the other points raised by Members opposite when I let them look at a copy of the regulations that we used this year when we get into discussing this Bill in Committee.

Some Hon. Members: — Hear, hear!

Mr. Lloyd: — Will the Minister permit a question. Can you make available to us before we get into Committee the grants which the school jurisdictions received in 1969 and the grants that it is anticipated they will receive in 1970?

Mr. McIsaac: — Yes, I can do that, either for this Bill or for Estimates whichever comes first.

Motion agreed to and Bill read a second time on the following recorded division:

YEAS — 29

Thatcher	Coderre	Weatherald
Howes	Larochelle	Mitchell
Boldt	MacDonald	Gardner
Cameron	Estey	Coupland
Heald	Hooker	McPherson
McIsaac	Gallagher	Charlebois
Guy	Heggie	Forsyth
Barrie	Breker	McIvor
MacDougall	Leith	Schmeiser
Grant	Radloff	

NAYS — 22

Lloyd	Berezowsky	Pepper
Bowerman	Smishek	Matsalla
Messer	Thibault	Wooff
Wood	Whelan	Willis
Blakeney	Snyder	Kwasnica
Romanow	Michayluk	Kowalchuk
Dewhurst	Brockelbank	Byers
Meakes		

**ADJOURNED DEBATES
SECOND READINGS**

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Guy that Bill No. 52 — An Act to amend The Water Rights Act be now read a second time.

Mr. E.I. Wood (Swift Current): — Mr. Speaker, since I asked the privilege of adjourning this debate the other day I have had some opportunities to study the Act and what was involved. It is my understanding that information has been passed by the Minister to the Leader of the

Opposition (Mr. Lloyd) in regard to proposed House amendments to be brought in which answer the questions that have been raised on this side. I would suggest, Mr. Speaker, that if the Minister was able to give us the gist at least of those amendments when he rises to close the debate, it would be very much appreciated and would quite probably make us able to support this Bill on second reading.

Hon. A.R. Guy (Minister of Public Works): — Mr. Speaker, I will be very brief. There are one or two comments that I wish to make in regard to what Members from the Opposition as well as some of the Members from our side of the House said. I gather from Members opposite that they do not oppose the major principle of this Bill which insures that the ownership of water, ground and surface will be vested in the Crown. I am glad that this is true because this is a principle that has been established over a long period of time as a result of some very troublesome times, particularly in the development of the Western United States, when the principle was first acknowledged. Some of the worst wars that were recorded in American history were those where ranchers were fighting among themselves for water rights or ranchers and homesteaders were at the same time trying to get the right to use water. It was only through this example that our Canadian Government when Western Canada was being developed adopted the principle of the right of water being vested in the Crown. Since that time I think all provinces in Canada, most of the states in the United States, if not all, have adopted this principle.

Now the Member for Last Mountain (Mr. MacLennan) showed concern for two principles that he felt were being implied in this Bill. The first one he mentioned was the principle of the expropriation of ground water by the lawful owner. I would like to point out to the Hon. Member that the lawful owner in this case and in all cases of water rights is the Crown. It is not any company or any individual; the lawful owner of the water is the Crown. The right is given to these users to use the water, but they do never from strictly legal point own the water. They have a right of use, but they never have a right of ownership.

The second point he mentioned was that of coercion for a company to enter into an agreement or a contract with the Crown. I think we are all aware that in Saskatchewan particularly, we have a shortage of water and this shortage is going to become more acute as development takes place. I think that it is absolutely essential that governments do have the right to determine the use to which this water is to be put, and if necessary to determine the priorities of use, whether for domestic, municipal, industrial or for recreation, wild life and so on. There will be times, and they will continue to increase I would think, when governments will wish to say to municipalities or to industry that here is another alternative for water so we will cancel your right to use water from this source, but give you a right for an alternative source. I think this is a system that has developed over the years as we go into the multiple use of water. When we had a single-use concept it wasn't as important, but today we have a multiple-use concept. In a water shortage area, this is the only concept I think that we can accept as being in the best interest of all users of water in the province as a whole. I could go into several examples of where the Government already has the right to cancel the right of water-users. We have it in three different sections of The

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Water Resources Commission Act. We have it in four sections of The Water Rights Act and we have it under the regulations established under The Ground Water Conservation Act. Today we have the right to cancel licences where the licence is of a temporary nature, for non-use, for non-payment of fees or royalties, to permit a higher precedence of use, to permit a transfer of licence to a new lessee of Crown land, and for abandonment or failure to meet the conditions implied in licences. So we have plenty of precedents to proceed with these amendments as they were outlined in the original Bill. However, we have looked at the criticism and the concern that was shown by the Leader of the Opposition in his remarks and in consultation with our legal people we are prepared to bring in some House amendments. Copies of those amendments have been presented to the Leader of the Opposition, and I am sure that the Member from Swift Current could see these. Basically they will pertain to when we cancel the rights from a holder of an unconditional subsisting licence issued without restriction or reservation there would be an appeal to the judge of the District Court and from there to the Court of Appeal. I think for the most part it will satisfy the concern that has been shown by Members opposite. With those few words I would move second reading of this Bill and I would hope that it would be concurred in by all Members of the House.

Motion agreed to and Bill read a second time.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Heald that Bill No. 1 — An Act to amend The Farm Security Act be now read a second time.

Mr. E. Whelan (Regina North West): — Mr. Speaker, each time this routine amendment has been before the House no one has challenged it. The reason for allowing the amendment without comment was obvious if the farm economy was in a much more stable condition. There was no market failure, no LIFT program. The principle in the Bill, in the amendment before us, cannot be challenged, for it is a procedure to update the power to set out or stipulate the manner and type of crop payments to be made to a vendor or mortgagee. However, Mr. Speaker, I feel that one must not allow the routine amendment to go through without commenting on the application of the Act itself, particularly in the light of the present economic situation. Mr. Speaker, the action section which is being amended, that is Section 2, has within it a principle which I am pleased has been brought up-to-date. This principle, while it was adequate when the Act was drafted in 1934, does not apply in many instances today, because 1. the trend away from share crop agreements became evident after World War II; 2. the Section of the Act refers to crop failures. But the present situation finds the farmer in a position where he is unable to deliver grain. I suggest, Mr. Speaker, there is a market failure. No consideration to cover this particular problem is contained in the circumstances described and outlined. I suggest no consideration is given in the principle of the Bill to market failure. In previous years to have updated the Act without economic hardship as a background would have drawn protest, protests whether they were realistic or whether they were justified.

Mr. Speaker, if I might use Section 3 to emphasize the need to update the legislation to apply it today, I would refer to some of the actual wording where it makes reference to crop

deliverable which must sound almost ironic to many of the farmers with grain stored. There isn't a doubt in my mind, or I am sure in the mind of any Member, that farmers would gladly pay their mortgages by delivering a share of crop to the vendor or mortgagee. Unfortunately, most contracts call for cash, or principal, interest and taxes. Throughout this Act which is being amended, the reference to crop failure means failure of grain crops grown on mortgaged land or land sold for agreement for sale. In order to bring this legislation into its proper perspective and to apply the principle in a new set of circumstances, amendments should be introduced throughout the legislation applying suspension of payments for market failure to all agreements and mortgages.

Mr. Speaker, the application of Section 7 should be reviewed. A homestead in Section 7 is defined as 'a quarter section'. I suggest that today a quarter section is hardly adequate protection. We should in consultation with farm organizations increase the amount of land being excluded. The Act is drafted to protect the home quarter. The Provincial Mediation Board may issue an order withdrawing the protection on a single mortgage, on a group of mortgages or agreements for sale, in advance. It has come to my notice, because of an interview I had in a rural area recently, that exemptions or exclusions in numbers have been issued prior to the time mortgages were contracted. The farmer anxious to obtain the private mortgage and looking forward to many prosperous years readily accepted the idea of an exclusion. Now his protection is gone, he has no money to meet his obligations. Mr. Speaker, may I call it 10:00.

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