

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Second Session — Seventeenth Legislature**  
**49th Day**

**Wednesday, May 3, 1972**

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

**QUESTIONS**

**SURFACE RIGHTS APPEAL BOARD**

**MR. D. G. STEUART (Leader of the Opposition):**— Mr. Speaker, before the Orders of the Day, I asked a question in the House regarding the Surface Rights Appeal Board that raised the question that a certain Mr. Flooding had circulated a letter, and if the letter was authentic and the facts were authentic, it would certainly raise a serious question about the propriety of him even sitting on this Board. It would certainly appear to be a conflict of interest. The Attorney General made a great thing during the election and after, about putting in an independent board. This man is, I understand, a very strong member of the NDP and I don't know whether that is why he was put on, he certainly wasn't put on because of his objectivity and the Attorney General said he would look into it and that all proceedings would stop as far as appeals went before the Board. I wonder if he could tell the House what action was taken.

**HON. R. ROMANOW (Attorney General):**— Mr. Speaker, may I reply this way - I do not know whether or not Mr. Flooding is a strong NDP member. I say that quite sincerely. He may very well be but I do not know that and I did not make the appointment on that basis. I made the appointment on the basis of the fact that he was a well known man who was interested in surface rights problems of farmers in that area. He had lots of experience, I thought he could contribute to the functions of the Board in a very good and beneficial way. I held that view at the time of the appointment. Now, the Leader of the Opposition brought to my attention at the time of the Estimates, a letter which I had seen two or three days before. At that time I indicated to him that the Department would be looking at it and we are. I anticipate that within the next two or three days I shall be making a public statement in this regard clarifying the position with respect to Mr. Flooding and with respect to his continued representation on the Surface Rights Arbitration Board. In fact, I am hopeful that I can arrange for a meeting with Mr. Flooding some time this week, my agenda and his agenda being able to be straightened out. That's two points with respect to the NDP and with respect to Mr. Flooding. In the meantime, I have indicated to the Chairman of the Surface Rights Arbitration Board that there are not to be any further hearings in this matter until such time as we have determined Mr. Flooding's position. If there is an absolute necessity for a hearing, Mr. Flooding ought not to sit on the Board until such time as the matter is resolved by my Department and by the Government as to whether or not there is any conflict of interest. I repeat again, Mr. Speaker, that notwithstanding the letter which I view to be a very serious matter and for which I thank the Leader of the Opposition for bringing to my attention, I think the Board is an excellent

Board. It was composed of a nominee from the Canadian Petroleum Association, it represents people who, I think, have academic ability and who have a proven knowledge and interest in this very vital problem of surface rights arbitration. I do feel confident that no matter which way this is resolved respecting Mr. Flooding the Board will do a good job, even if it doesn't carry out the job it was asked to do. The Chairman has been appointed on the understanding that his appointment may last no more than one year and we'll take a look at it again as part of a continuing review to make sure that justice is done for all, not only the owner but the operator.

**MR. STEUART:**— You will make your findings public then?

**MR. ROMANOW:**— Yes, I think I have to now because of the fact that the Leader of the Opposition has raised this matter (I'm not criticizing him for it) in a public forum. The Press has knowledge of this and the House has knowledge of it, as is proper. Therefore, the decision will have to be made public. I anticipate that decision will be made before the House prorogues or adjourns whenever that will come about, but in any event within the next two or three days. As the Leader will understand and all Members will understand, here we involve ourselves with a man's reputation. We want to be absolutely careful before any decision is made. I can assure you that I am looking at this matter very, very anxiously and very, very seriously to arrive at the right decision not only for the Board but for Mr. Flooding and all people concerned.

#### **NORTHERN WOOD PRESERVERS LEAVING PROVINCE**

**MR. C. P. MacDONALD (Milestone):**— Mr. Speaker, I should like to direct a question to the Minister of Industry (Mr. Thorson). I notice that it's not only the Province of Saskatchewan that is having trouble holding industry. I see Versatile is now leaving the Province of Manitoba because of the NDP taxation policies in that province. I should like to ask the Minister of Industry if he is to give us a report on Northern Wood Preservers, the company in northern Saskatchewan that has been in Saskatchewan for many, many years that closed up their doors last Friday. This company, as you know employs 60 or 70 men, I'm not sure of the exact number. Would you give us an indication as to just what is the situation with Northern Wood Preservers and also have you made any attempts to convince Versatile that perhaps one socialist government is a little bit better than another socialist government and have you made any moves to negotiate with them to come to the Province of Saskatchewan?

**HON. K. THORSON (Minister of Industry and Commerce):**— Mr. Speaker, may I take the time to answer all of those questions. Let's take them in reverse order. I have not been in contact with anyone in the Versatile Company. I would expect that the major factor in their decision to establish a plant in the United States is to avoid the duties of the American Customs because undoubtedly they face that problem when they are producing in the Canadian plant and serving a market in the United States. I think that is a problem for all manufacturers in Canada who produce non-agricultural machinery and some of these agricultural manufacturers find that their machinery is

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classified as non-agricultural for duty purposes by the United States Customs.

On the question of Northern Wood Preservers, my information is, first of all, that Company has made a profit for every year it operated with the exception of the past two years. My information is that the major factor in the decline in profits is the lack of supply of material and that is due, as far as I can determine, to the mismanagement of timber policies in northern Saskatchewan by the former Government.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SPEAKER:**— Order, order! The Minister has been asked a question and the House should give him the courtesy to answer without interruptions.

**MR. THORSON:**— Mr. Speaker, my further information is there is a good prospect for the marketing of products that are produced by Northern Wood Preservers in the future and that there is very likely to be a take-over of this operation by interested parties. Who they are, I am not yet at liberty to say, but I am confident that this industry is going to continue and the employment in it will continue.

**MR. MacDONALD:**— It's unfortunate that the Minister doesn't know that the Northern Wood Preservers is the creature of the Timber Board and it is the Timber Board in the last ten months that has botched up the job and also if you notice in the newspaper — Mr. Speaker, we heard the Attorney General take ten minutes to reply to a question.

Now, the question is, Mr. Speaker, surely according to the newspaper . . .

**MR. KRAMER:**— If you allow him to make a speech, I ask you to give me the same privilege.

**MR. MacDONALD:**— Mr. Speaker, my question is . . .

**MR. SPEAKER:**— Order! Would the Members ask questions as a question and not a speech and when Ministers answer they are supposed to answer the question without bringing in extra matters.

**MR. MacDONALD:**— Mr. Minister of Industry, did you read the paper? Is it not a question of high taxation in the Province of Manitoba and nothing to do with duties in the United States?

**MR. SPEAKER:**— I think that question is out of order. This Government is not responsible for the policies of Manitoba or the taxation of Manitoba so the question is out of order.

### **WELCOME TO STUDENTS**

**HON. G. MacMURCHY (Last Mountain):**— Mr. Speaker, before the Orders of the Day, it gives me great

pleasure to introduce to you and to the Members of this House four high school students who participated in two workshops which were held at that Prairie Christian Training Centre and St. Peter's College, Muenster, last winter on agricultural education in the schools. These four students are sitting in the west gallery. They are Penny Matlock of Canora, Marilyn Beaulieu from Kinistino, Kelly Johnson from Congress, Ralph Winterholt from Reward. These four students will be presenting a brief on agricultural education to myself and to Mr. Messer today at 11:00 o'clock. I'm sure all Members of the House extend to them a sincere thank you for their efforts on behalf of agricultural education and we welcome them here to Regina.

**HON. MEMBERS:** Hear, hear!

## ANNOUNCEMENT

### BIG RIVER MILL AND NORTHERN WOOD PRESERVERS GOING OUT OF BUSINESS

**HON. E. KRAMER (Minister of Natural Resources):**— Before the Orders of the Day, Mr. Speaker, there are a couple of things that I think are in the public interest concerning some of the questions that were raised here and also concerning another Crown corporation that we own. Just a few days ago, I was informed that the Fire Commissioner had ordered the shut down of the Big River mill because the new burner that was built by the former administration collapsed due to faulty material. That's right. Part of the \$500,000 fiasco that was foisted on it by the former Government and on us. Not only that, I'd like to inform the House regarding the Northern Wood Preservers, that last year when I took over the management of the Saskatchewan Timber Board, Mr. Sinclair, head of the Glengarry group which owns Northern Wood Preservers came to us with a financial statement. He said, "We just haven't got the product. The Timber Board hasn't been giving us the product. We are in financial trouble. Is there anything you can do for us?" I said we would do the best we could to try to get the wood into the plant. Very well, they said, "Fine, we'll try to keep it open". They continued to lose money and I told the Leader of the Opposition this in Crown Corporations when the Crown Corporations were meeting. He said at that time, "It's Northern Wood Preservers own fault. They never did run an efficient set up". The fact is, he accused Northern Wood Preservers then. The fact is that the Chamber of Commerce, Mr. Roy, the Industrial Development Officer of Prince Albert . . .

**MR. STEUART:**— Nobody asked him a question.

**MR. KRAMER:**— This is information I am giving before the Orders of the Day.

**MR. GUY:**— Nobody wanted it.

**MR. KRAMER:**— No, I know you didn't.

**MR. SPEAKER:**— Order, order!

**MR. STEUART:**— Point of Order. The Point of Order is I think the Minister is allowed to make a statement, but he's making a

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political harangue and I don't mind as I am allowed equal time to answer. But he is not making a statement. He's accusing me . . .

**MR. SPEAKER:**— The usual custom when the questions are asked, they must be just a question. But if the Minister makes a statement one of the Opposition has the right to comment on the statement but it must not be a free-for-all.

**MR. KRAMER:**— Mr. Speaker, I am prepared to table a letter from Mr. Parks indicating what the position was, indicating that there is no doubt that the blame rests on the former management of the Timber Board because they did not keep the product coming into the mill. You don't just take the wood in, the day before yesterday. You have to have wood planned a year in advance. The fact that this Government, the former Liberal Government, of which the former Provincial Treasurer was one of the most influential Ministers, was phasing out, downgrading the Timber Board and while they were paying all the attention they could to try and get American industry in, they forgot about the local industry that was there and double crossed them and allowed them to go down the drain. We will, one way or another, salvage this company, I assure you of that, Mr. Speaker. But the blame lies, and I will table evidence that will indicate that the blame lies with the former Government. Just one more inefficiency that is connected in the same way with their inefficiencies that brought about the fiasco at the Big River mill.

**MR. STEUART:**— Well, I'm glad that the Hon. Minister has taken time off his auctioneering to drop up around Big River and take a look at the Big River mill. They have had the control of that mill for ten months, or eleven months. I wonder when they are going to quit whining and get on with the business of running it. I presume that this will be an endless thing, that every time something goes wrong, the Minister of Natural Resources will get up in this House and whine, "Well, it was the Liberal's fault, they didn't do this and they didn't do that". If you don't know how to run the Big River mill, well, get rid of it or call me in and I'll give you some advice on how to straighten it out.

As for the Northern Wood Preservers, the Northern Wood Preservers have been the creature and always have been the creature of the Timber Board. And when I was the Minister of Natural Resources, I offered the Northern Wood Preservers the right to pick out their own product, to develop their own product and to sell their own product and they didn't take advantage of it. Now, if you have a letter, then table it. And if Mr. Parks, the former Deputy Minister of Natural Resources and the former operator of the Timber Board, if he wrote you and put all the blame on the former Liberal Government, which I doubt, if he did that, then he is trying to cover up his own inefficiency. I never said to you that Northern Wood Preservers are inefficient. I said that if Northern Wood Preservers had problems, part of the blame was on themselves and part of the blame may well be their headquarters in Eastern Canada. If they have lost money and they have lost money and they may have lost money the year before because most people in the timber business and the wood enterprise business did lose money in

last year or so. You've had ten or eleven months to turn it around. You are the people that buy. If you want to give them extra orders - almost all of the business of the Northern Wood Preservers comes from treating bridge timbers for the Department of Highways and the Department of Municipal Affairs. Another great part of their business comes from power poles bought and ordered by the Saskatchewan Power Corporation under the total control of this Government. Almost the only business they get outside of the business they do with the Government or Crown corporations is fence posts. And I know that in the last six or eight months the fence post business has turned around and it has been better. But the other business has been bad because you people haven't given them the orders and you obviously hadn't given them the product. I don't think you've paid any attention to the Timber Board or its operations or the Northern Wood Preservers or anything else for three or four months after you became the Government. You took over at the end of June, you had July and August and you had September to see that they got products and they could have got it treated and they could have been in a position to supply the needs and if you wanted to give them extra orders to keep them going, that was in your power. If you didn't pay enough attention and you didn't want to give them extra business, that also was in your power.

It's another failure of the NDP, another business that's going out of this Province. I hope you do something about it. It's a very important industry to the city of Prince Albert. I hope you salvage it. I don't know whether you'll go in the business yourselves. I don't know what you'll do, allow them to change management or reform the company and go into business. I hope you salvage it. But don't stand up and try to blame the former Government for something that happened within the last ten or eleven months. It's now that they have made the decision, last Friday, ten or eleven months after the NDP were elected to change this Province and give a New Deal and it's just one more industry that is in trouble and gone broke since this Government took office.

**SOME HON. MEMBERS:** Hear, hear!

**MR. KRAMER:**— The school . . .

**MR. SPEAKER:**— Order, order! We can't permit a debate on this. The Minister made a statement and the Opposition have tried to make one statement back and we are not going to debate the pros and cons of it here. I believe the Minister of Industry (Mr. Thorson) is trying to get on his feet.

## MOTIONS

### SPECIAL COMMITTEE TO INQUIRE INTO PROBLEMS AND PROSPECTS OF BUSINESS FIRMS IN SASKATCHEWAN

**HON. K. THORSON (Minister of Industry and Commerce):**— Mr. Speaker, before the Orders of the Day, I should like to move, by leave of the Assembly, that: "There is a special committee established, made up of Members of the Assembly to conduct its work during the inter-sessional period to inquire into the problems and prospects of business firms of all types in Saskatchewan." Mr. Speaker, that is the general term of reference for them. Particularly, I should like to see such a Committee inquire into the requirements of such business firms for

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management services, engineering and technical services, marketing services and credit services.

Mr. Speaker, it has been customary in Saskatchewan for legislative committees to sit during the inter-sessional period to deal with all kinds of questions including economic questions, more particularly in the past, committees have sat to deal with agricultural problems.

In view of the impact of economic forces on our business firms throughout the province, particularly the smaller business firms that operate in towns and villages throughout the province, it seems appropriate that the Legislature give increasing attention to the problems of these business firms and try to make proper recommendations to the Legislature and to the Government on government assistance that might be provided to such business firms.

I don't want to try to pre-judge the method of operation of the Committee. I should like to see the Committee members decide that for themselves. I don't want to restrict or suggest that there is a restriction on the extent of their inquiry. The motion that I have to propose states a general term of reference and some particular matters.

The Committee may want to enquire into other matters or it may have persons make representations on a wider field. I think such public discussion of the prospects and the problems of business firms in Saskatchewan would be well for them and well for the whole province.

Therefore, Mr. Speaker, I move, seconded by the Member for Regina North West (Mr. Whelan) by leave of the Assembly:

That a special Committee consisting of Messrs. Engel, Baker, Dyck, Gross, Robbins, Lane and MacDonald (Moose Jaw North), be appointed to enquire into the problems and prospects of business firms of all types in Saskatchewan and to enquire into the requirements of such business firms for management services, engineering and technical services, marketing services and credit services.

That such Committee will have power to sit during the inter-sessional period and during any Legislative Session, except when the Assembly is sitting, and that notwithstanding Section 58 of the Legislative Assembly Act (Chapter 3 R.S.S. 1965 as amended) allowances and expenses shall be paid to Members of the Committee when sitting during a period of adjournment of any Session, at the same rate as prescribed in the said section of the Act;

And that such Committee will have power to send for persons, papers and records, and to examine witnesses under oath; to receive representations from interested parties and from members of the general public, and for this purpose to hold meetings away from the seat of Government in order that the fullest representations may be received without unduly inconveniencing those desiring to be heard;

And that this Special Committee be further instructed to submit its final report to the Assembly with all convenient speed.

**MR. C. P. MacDONALD (Milestone):**— Mr. Speaker, just a comment on the motion proposed by the Minister of Industry and Commerce. Certainly the Opposition welcomes this new Legislative Inter-Sessional Committee which will involve itself with the problems of industry and industrial expansion in the Province of Saskatchewan. It has certainly been very, very obvious, Mr. Speaker, in the past 10 months that the Government has failed in its job or its task of attracting industry to the Province of Saskatchewan. We have seen no significant development, in fact, we have seen a significant exodus. Particularly now that the Opposition has been given an opportunity to contribute to the Government policy - we have had one illustration of how Mr. Grant made such a very valid and important contribution in relation to Burns - we certainly hope now that other Members of the Opposition will also be able to play an equally important part and give them the benefit of our experience and the confidence of the business community in our Party. We, therefore, welcome this Motion.

**MR. THORSON:**— Mr. Speaker, in closing may I reply to the Member for Milestone. Perhaps he's right, perhaps the Members on the Committee from the Opposition side, from Moose Jaw North and from Lumsden will be able to bring something new to this whole question of business and industrial development in Saskatchewan. Certainly the Members on the Front Bench who were on the Treasury Bench in the former administration had virtually no success whatever.

Motion agreed to.

## ANNOUNCEMENT

### REPORT ON REMUNERATION OF MEMBERS OF LEGISLATIVE ASSEMBLY

**HON. A. E. BLAKENEY (Premier):**— Mr. Speaker, before the Orders of the Day, I should like to advise the House that I have received a copy of the report of the Committee headed by Mr. Justice Mervin Woods with respect to remuneration of Members of the Legislature. I am now having copies prepared and will lay them on the table later this day.

## SECOND READINGS

**HON. G.T. SNYDER (Minister of Labour)** moved second reading of Bill No. 101 - **An Act to amend The Workmen's Compensation (Accident Fund) Act (No. 2).**

He said: Mr. Speaker, prior to its election, the New Democratic Party identified a very pressing need for action to improve workmen's compensation in the light of the requirements of the industrial conditions of the 1970s.

Concern about the operation of this program has been expressed for a long time, Mr. Speaker, by individuals and by organizations representing management, labor, all political parties and the public as a whole. It is apparent that the machinery which presently exists to afford working people an adequate measure of security should they suffer injury or occupational illness in the course of their employment is simply not doing the job it was intended to perform. Accordingly, the Government has assigned a high priority to overhaul and

streamline the expansion of Workmen's Compensation policy in Saskatchewan, the first stage of which manifests itself in the form of Bill No. 101 which we are discussing today.

Before the introduction of the modern principle of workmen's compensation in Canada about 60 years ago a worker who met with an accident on the job could only claim from his employer in accordance with the common law of England by bringing action against the employer in the courts of the land. He would win his suit only if he could prove that his injury was due to defective machinery, or the negligence of some responsible person. Even if an injured workman won his suit he might not be able to collect because the employer might not have sufficient resources available to him. Moreover, while an action was pending a workman faced a delay during which he was without finances required to pay his medical bills. If successful at the trial, Mr. Speaker, the worker was more often than not faced with an appeal from the court's decision and employers, who of course were mostly financially able to pursue such appeals, whereas the workman who could barely afford to pay the cost of the trial itself, was frequently unable to proceed with that appeal. He was then faced with either surrender or compromise. It was estimated, Mr. Speaker, that fewer than one-third of all employees who suffered employment injuries ever received any compensation payments at all. Dissatisfaction with this system and recognition that work accidents were not necessarily the result of someone's fault but were due to the nature and the condition of modern industry, led to public demand for new procedures more in keeping with the realities of an industrialized society. Accordingly, Workmen's Compensation legislation as we now know it came into existence framed on the main lines of German law establishing a mechanism for compulsory mutual employer insurance under the management of the state.

The fundamental difference between the new Workmen's Compensation scheme and the old was that the revised plan embodied the doctrine of liability without fault. The employee became entitled to compensation as a right without the necessity of proving negligence on the part of the employer. In the words of the late Mr. Justice Rand in the 1952 case before the Supreme Court of Canada, I quote him:

Injury on the job was recognized as a part of the wear, tear and breakage of work being done which the business as part of its expense ought to bear.

Well, Mr. Speaker, under the new mechanism, the injured workman surrendered his right to bring action for damages against his employer and received in return certain benefits. Instead of being personally liable for the payment of compensation, the employers became collectively responsible. The adjudication of claims was placed in the hands of a Workmen's Compensation Board to eliminate the expense and the delays before the Court.

The advantages of these procedures to the injured workman were obvious, I believe. He was granted protection for all accidents which he sustained at work. He had certainty of compensation regardless of his employer's financial position. Instead of a lump sum payment by court, his damages with no provision for medical care and rehabilitation, he became entitled for prompt payment by compensation by regular, periodic instalments and was assured of all reasonable medical care and

rehabilitation.

There were benefits on the management side as well, Mr. Speaker. The employers were given immunity against individual liability and were provided with a system of mutual insurance, the cheapest form of protection. The smaller employer avoided the risk of financial ruin as a result of accidents to their employees. Moreover, the cost of accidents to employers was established as a predictable operating expense.

With the passage of the amended Workmen's Compensation Accident Fund Act in 1948, Mr. Speaker, Saskatchewan's compensation plan was ranked at the very top in Canada. Saskatchewan, in 1948 led the way in setting benefits at a full 75 per cent of earning and other features of the Act were among the most advanced in Canada, at that time. In recent years, however, Saskatchewan's relative position has slipped to a point almost near the bottom. As an example, the maximum income on which compensation in Saskatchewan is based which was the highest in Canada in the 1950s is now tied for the second lowest.

As a reflection of the Government's discontent with the manner in which workmen's compensation programs have been functioning, the Government, Mr. Speaker, appointed a task force several months ago whose duty it is to examine all facets of compensation policy and to make recommendations for such improvements as may be indicated. The task force is in the process of holding public hearings throughout the province to give all interested parties a chance to bring forward pertinent comment and suggestions. Comprehensive changes in Workmen's Compensation legislation and regulations may be expected to result from the recommendations of this group. In the meantime, however, Mr. Speaker, the Government recognized that certain program modifications should be implemented more quickly and this is the rationale for the introduction of Bill 101.

One major amendment will raise the maximum amount of average earnings on which compensation is based to \$8,400 per year from the present level of \$6,600. The purpose of this increase I think is apparent, Mr. Speaker. It's intended to increase the ceiling upon which benefits are paid in order to permit the compensation scale to be more consistent with the current income trends and to take into account the impact of price increases and to place Saskatchewan closer to conformity with the position it occupied relative to other provincial workmen's compensation plans in the past.

Another important clause embodied in the Bill would have the effect of raising compensation payments made by the Workmen's Compensation Board by five per cent. All past, present and future pensions payable to widows and dependents under the Act would be increased by this amount as of January 1, 1972. In addition, all permanent, partial and permanent total disability pensions awarded prior to July 1, 1972 would be increased by five per cent as of the first day of January 1972. The intent of this provision is to enable compensation beneficiaries to keep pace with the increase in the cost of living. It is widely acknowledged, Mr. Speaker, that it is hardly equitable to have disabled employees and their families trying to exist on poverty level incomes. Compensation payments which were adequate to sustain a reasonable standard of living when they were first awarded, very often ceased to be so when they are continuously eroded by the pressures of rising prices.

A section of the amendment, Mr. Speaker, also removes the responsibility for accident prevention from the Workmen's Compensation Board. This function will form part of that administered by the Occupational Health and Safety Division of the Department of Labour which was brought about as a result of the reorganization of the department. As mentioned in this House previously, the change will allow the Department of Labour to co-ordinate, to integrate and to improve industrial safety services aimed at the protection of the health and welfare of Saskatchewan employees, employers and the public at large.

Associated with this clause is an amendment to make allowance for the financing of the industrial safety program presently operated by the Board in light of its transfer to the Department of Labour. As provided in the proposed new Department of Labour Act, the cost of this program will be paid into the consolidated fund each year by the Workmen's Compensation Board.

The proposed amendment, Mr. Speaker, also would achieve some progress in the establishment of an effective appeal mechanism for the use of an aggrieved, injured employee, something which I believe has been sorely lacking in the past. I think it's fair to say, Mr. Speaker, there has been general agreement for some time among labor, management and government with regard to the procedures which control the awarding of compensation. Measures have to be adopted to guarantee that the injured employee is dealt with fairly. Accordingly, the Bill makes provision for the appointment of a compensation advocate who would have the authority to receive complaints, examine Workmen's Compensation Board files and assist an employee or his dependent in obtaining compensation under the Act. The system envisaged is somewhat similar to that which presently applies in British Columbia which I had the opportunity to learn about first hand in Victoria last fall. In that jurisdiction, in British Columbia a compensation consultant who is presently a judge of the provincial court of British Columbia is given the authority to deal personally with the problems of the injured workman. This system appeals to me as a logical way to attack the problem. It appears to work very well. I am confident that it will be equally effective in the Province of Saskatchewan.

Finally, Mr. Speaker, the Bill includes a clause which will extend workmen's compensation coverage to categories of employment presently excluded from the Act. This change has been made at the request of a number of individuals and organizations in the province. Mr. Speaker, the proposed amendment does not represent an instant cure-all to all of the problems besetting the workmen's compensation program in the province. It attempts only to cope with the most urgent and obvious shortcomings of the present legislation. More comprehensive and longer term remedial measures are expected to emerge from the deliberations of the task force whose final report should be with us somewhat later this year, hopefully in early fall, possibly late August or early September. Let no one, Mr. Speaker, underestimate the critical importance of this investigation to working people, to employers and to the welfare of the province as a whole. As an indication of the significance of workmen's compensation, I think one need only to refer to the statistical record of the Board which shows that in 1971 there were more than 22,000 accidents in Saskatchewan causing 34 deaths, 265 cases of permanent disability and almost 10,000 instances of temporary disability. I think it should be clearly understood, Mr. Speaker, that the workmen's compensation program is not a charity measure

of an unemployment insurance scheme or a pension plan.

In debating the merits of this Bill, I would respectfully ask that Members in this House not lose sight of the purpose of workmen's compensation which is the entitlement of an employee as a matter of right, to an adequate income protection in the face of misfortune over which he had no control.

So, it is with a great deal of pleasure that I move second reading of this Bill.

**MR. D. F. MacDONALD (Moose Jaw North):**— Mr. Speaker, first of all I should like to say that I can assure the Minister that I share his opinion on the value of the workmen's compensation and have no quarrel with him on that matter at all. I think that I basically agree with the different amendments that he is bringing in, but I have not had time to study it properly as it was put on our desks late last night. I should like to have a chance to look at it until tomorrow so I would ask leave to adjourn the debate.

Debate adjourned.

**HON. K. THORSON (Minister of Industry and Commerce)** moved second reading of Bill No. 139 - **An Act to assist Business Enterprises and Individuals to more actively participate in all forms of Commerce and to encourage the Establishment, Expansion and Modernization of Business Enterprises in Saskatchewan.**

He said: Mr. Speaker, I rise to move second reading of The Industry and Commerce Development Act, 1972. The main reason for the introduction of this Bill is to enable the Department of Industry and Commerce to proceed with the establishment of the Business Assistance Branch and the programs which we hope the Branch will administer. May I say and inform the House, Mr. Speaker, that it is the intention of myself and the Government that we should begin the Business Assistance Branch in the field of consulting and advisory services. We are hoping to recruit a number of new people. We have in mind that it would be an improvement in the service which the Department can make available. It would facilitate the administration of the new program if we could have representatives of the Business Assistance Branch in various parts of the province. It will be obvious to the Members that there is a parallel between what we propose to do in the Department of Industry and Commerce for the business community and what is done by the Department of Agriculture for the agricultural industry in the province.

I may say too, Mr. Speaker, that while the Bill provides that the Department may provide financial assistance in the way of grants and loans to business firms in the province, it is our intention to move very cautiously in this area of assistance to existing businesses. And it will be obvious to the Members that there is a value in getting the report of the Committee which we established by resolution today in the Legislature. It may well be that we can be of real help in the credit and financial assistance for business firms but I would like to have the benefit of the report of the Legislative committee before moving into that field. However, we do intend to increase the staff in the Department to begin our business representative service, to expand the services that are available to the business community in consulting and in advisory fields.

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Mr. Speaker, that is the principle behind this Bill and, therefore, I move second reading.

**MR. C. P. MacDONALD (Milestone):**— Mr. Speaker, just a very few comments on this Bill. First of all, we haven't had enough opportunity to study the Bill and its impact. I do want to make the following comments.

I'd like to tell the Minister right off the bat that all the money in the world won't solve the problem of attracting industry and capital to the Province of Saskatchewan. All the grants, all the incentive opportunities, all the loans provided by the Government of Saskatchewan certainly won't attract industry to the Province of Saskatchewan, particularly since during ten or eleven months of its government the NDP Government has made a very conscious and deliberate war on business. And the business community recognize this in labor legislation, in Bill after Bill, climaxed by succession duties and so forth. What they have done, Mr. Speaker, is to destroy the confidence of the business community in the NDP Government. I don't think that's a rash charge. I think it is demonstrated by the fact that right now unemployment is still very high in the Province of Saskatchewan, we have had no single industry attracted to the province in eleven months of Government of the NDP. We have just had some actual loss of industry in the Province of Saskatchewan since they have become the Government. I think it's a very obvious conclusion.

Now after creating this climate of hostility, after creating an atmosphere that is not conducive to the expansion and the development of business in the Province of Saskatchewan they bring in this Bill to try and solve the problems by putting some advisory and technical people in various locations in the Province of Saskatchewan and by also providing financial assistance.

**MR. ROLFES:**— Are you against it?

**MR. MacDONALD:**— No, certainly not, Mr. Speaker. It's rather interesting. It's too bad you weren't here Member for Nutana South (Mr. Rolfes) to listen to your colleagues for the last five or six or seven years talk about what a terrible thing it was to provide money to those terrible free enterprisers - grants, loans to those terrible Americans or those terrible multi-corporations in Eastern Canada. But I do want to say, Mr. Speaker, to tell the Minister, that you can't attract industry by grants or loans. The number one thing is to create a favorable environment and a climate within the Province of Saskatchewan for business.

I think this Bill may make a contribution toward that goal and if so I certainly want to tell you that the Opposition will be more than pleased to support this if it does generate an improvement in the climate and the atmosphere for business and industry in Saskatchewan.

Mr. Speaker, we should like to have an opportunity to study the Bill and make a few more comments and, therefore, I beg leave to adjourn the debate.

Debate adjourned.

MR. THORSON (Minister of Industry and Commerce) moved second reading of Bill No. 140 - **An Act to amend The Industry Incentives Act, 1970.**

He said: Mr. Speaker, I rise to move second reading of a Bill to amend The Industry Incentives Act, 1970.

The Members of the Legislature will be aware that when the Federal Government established programs under the Department of Regional Economic Expansion and designated certain areas of Saskatchewan under those programs as being eligible for assistance, some areas of Saskatchewan were left out and were not so designated by the Department of Regional Economic Expansion. That prompted the former Government to pass The Industry Incentives Act, 1970 so that those areas left out of the Federal designated areas would be included under a Provincial program which in many respects paralleled the Federal program.

In the existing Act which was passed in 1970 certain restrictions were placed on the amount of grant which could be paid to any expanding industry. The proposal that is advanced in this Bill is simply to remove the statutory restrictions so that if indeed there is a possibility of an industry establishing in some area of the province which is covered by this Act, there will not be any restriction of the amount of assistance that can be made available.

Now, I may say, Mr. Speaker, that there has not been a big rush of applications under The Industry Incentives Act of 1970 and only about \$100,000 has been advanced by way of forgivable loans under the Act since it became operative after it was passed in 1970. The largest loan has been about \$28,000, the smallest loan about \$9,000, the total number of loans has been only about nine.

During the three and a half months that I have been Minister of Industry and Commerce it has come to my attention in one case where there was a request for a loan which would have exceeded \$300,000 in the form it was presented to the Government for the establishment of a new facility and enterprise. And that prompted us in the Department of Industry and Commerce to bring forth this amendment which would remove the restrictions so that we would not be prevented from making such a forgivable loan if indeed the application is approved in all other respects. I may say also, Mr. Speaker, that we do not advance this amendment to The Industry Incentives Act as the final answer to what we should like to do by way of legislative changes in the interest of industrial development of the province. I anticipate in another year, as I said in Estimates, we will be establishing a research branch in the Department of Industry and Commerce and I expect we may propose some new programs, new legislation in another year. This is very much just an amendment to remove the restriction but is not intended as a reform of the legislation or a new program.

I, therefore, move second reading of this Bill to amend The Industry Incentives Act, 1970.

**MR. MacDONALD (Milestone):**— Mr. Speaker, just a brief comment. First of all, I think the Opposition welcomes this move on behalf of the Minister of Industry. And certainly, I go back to the time in 1970 when

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this Act was introduced in the House. It was an attempt to provide opportunities for industry to go out into rural areas in Saskatchewan and not always concentrate in the larger urban centres, if I remember the terms of the Act and the reasons behind it correctly. In other words, it is often very easy if an industry wants to come to the Province of Saskatchewan to locate in the major urban centres of Saskatoon and Regina, but sometimes it becomes extremely difficult to encourage them to go outside of the major urban centres and locate in other urban areas of the province. Certainly, one of the prime requirements in the Province of Saskatchewan is to encourage industry not only to locate in Saskatoon and Regina but to go out to our smaller urban centres and provide employment opportunities and opportunities for growth and development in those communities as well. Therefore, because Federal grants were not available in certain areas of the province it was felt that by making incentive opportunities available in other parts of the province, not covered by Federal legislation, that this then would be no liability to those communities. I certainly will agree with the Minister that we did not anticipate when this particular program was inaugurated that this would be any major solution to attracting industry to the small urban centres but at least we removed a liability. And if this particular amendment that the Minister is recommending will in some way assist and encourage industry to go to those areas of the province then certainly it is worthy of support of all Members of the House.

I should like to take the opportunity of adjourning the debate and tell the Minister that the former Minister of Industry and Commerce is not here this morning and I should like him to have the opportunity to comment on it. He may have some suggestions. I know that we endorse the Bill and support it but I should like to adjourn the debate, Mr. Speaker.

Debate adjourned.

### **WELCOME TO STUDENTS**

**HON. R. ROMANOW (Saskatoon Riversdale):**— Mr. Chairman, it is my pleasure to introduce to the Members of this Assembly 30 students who come from W.P. Bate Elementary School in Saskatoon. W.P. Bate Elementary School is one of the finer schools in the school system of Saskatoon, named after an individual who is very prominent in the affairs of Saskatoon. The students, I am sure, are carrying out their activities and duties in the school in the best traditions of the man for whom this school is named. They are accompanied by their teacher Mr. Taylor. There are 30 of them. I hope they enjoy their visit to Regina and will find the proceedings this afternoon educational. I welcome them on behalf of all.

**HON. MEMBERS:** Hear, hear!

### **MOTIONS**

#### **SPECIAL COMMITTEE TO STUDY THE SASKATCHEWAN ASSISTANCE PLAN**

**HON. G. T. SNYDER (Minister of Welfare):**— Mr. Speaker, following a few brief remarks and by leave of the House I want to place a motion before the Assembly for the purpose of establishing an Inter-sessional Committee which

will be charged with the responsibility of studying in some depth the Saskatchewan Welfare System and recommending appropriate changes in the provision of services to indigent Saskatchewan residents. The Department of Welfare or the Department of Social Services as it is now known, Mr. Speaker, is without question the most maligned of any department or agency of Government. Unfortunately many people who have little knowledge or little sympathy for socially oriented programs are the most vocal and the most critical. It has been customary for as long as I have been able to recall, Mr. Speaker, for the administrators of welfare to be charged with being either too generous or too niggardly. I am not sufficiently naive to believe that this Committee will solve all of the problems surrounding this difficult area of Government responsibility. However, I think there is a real value in reassessing our position and re-examining our methods which are presently in existence. I think there is a real value, Mr. Speaker, in affording the public the opportunity to submit their views and offer the Government advice concerning concepts and programs. I look forward to having the Committee's report form the basis for a new and more enlightening approach to the administration of welfare. Accordingly, Mr. Speaker, I should like to move by leave of the Assembly, seconded by Mr. Taylor:

That a Special Committee consisting of Messrs. Mostoway, Comer, Cowley, Feschuk, Larson, Matsalla, Rolfes, Taylor, Coupland, MacDonald (Milestone) and Wiebe be appointed to:

1. Study the Saskatchewan Assistance Plan and make recommendations in regard to (a) criteria for eligibility (b) items of basic and special need (c) procedures and methods (d) welfare services (e) community participation.
2. Review the present formula for cost sharing by federal, provincial and municipal governments with a view to determining if the present distribution of fiscal responsibility is realistic and make recommendations.
3. Explore the alternative of a provincial family allowance program, which is proposed as a possibility for provinces wishing to do so, in collaboration with the new federal legislation regarding family allowance.

That such Committee will have power to sit during the inter-sessional period and during any Legislative Session, except when the Assembly is sitting, and that notwithstanding Section 58 of the Legislative Assembly Act (Chapter 3, R.S.S. 1965 as amended) allowances and expenses shall be paid to Members of the Committee when sitting during a period of adjournment of any Session, at the same rate as prescribed in the said section of the Act;

And that such Committee will have power to send for persons, papers and records, and to examine witnesses under oath; to receive representations from interested parties and from members of the general public, and for this purpose to hold meetings away from the seat of Government in order that the fullest representations may be received without unduly inconveniencing those desiring to be heard;

And that this Special Committee be further instructed

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to submit its final report to the Assembly with all convenient speed.

I so move, Mr. Speaker.

**MR. J. C. McISAAC (Wilkie):**— Yes, I think the House is ready for the question.

There is one point I should like to make on this Motion, it could be made on a number of other Motions we have dealt with here. At this particular stage of the House I find it just a little difficult to believe that a Motion of this kind could be brought in the last days of the House, with no notice, no nothing. It seems to me that the Government could have expedited the work of the House by having these things ready and here in time.

Motion agreed to.

The Assembly adjourned at 9:30 o'clock p.m.