

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session – Seventeenth Legislature
53rd Day

Monday, April 9, 1973.

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

QUESTIONS

Report on Continuing Education Committee

Mr. D. G. Steuart: — (Leader of the Opposition)

Mr. Speaker, before the Orders of the Day, I should like to direct a question to the Minister of Education (Mr. MacMurchy), In the April 7th edition of the Leader-Post there is a statement attributed to him and I am quoting now:

I (that is the Minister of Education) established a three-man committee to advise me on the development of the Department of Continuing Education. Part of their assignment is to suggest organizational patterns for the main areas of activity with the Department including patterns for relationship to the University.

I understand that Committee was made up of Mr. Roy Lloyd, Mr. Wes Balsted and Mr. Ian Wilson. Has the Committee completed its report and if so, does the Minister intend to table that report so that we can have a look at it?

Hon. G. MacMurchy: — (Minister of Education)

Mr. Speaker, the Committee has provided us with an interim report. We asked them to not only look at the organization of the Department of Continuing Education in terms of establishing a new organization there but as well, since that takes place and affects the Department of Education, that the work continue in the Department of Education. They did submit to us a report on the Continuing Education but have not done their work on the Department of Education as yet. We had not thought we would table the report of that Committee.

Mr. Steuart: — Mr. Speaker, if these are the people that are on the Committee, two of them are strong supporters of the NDP. Doesn't the Minister think he has the responsibility, when he is tabling in the House today a Bill, that from what we can gather is going to change the whole structure of the University of Saskatchewan, he should give the public, or at least this Legislature, the chance to look at the report upon which evidently according to him some of these changes were based. I think we should be able to examine that report. We should know the authors of the report. We should know exactly what they had in mind before we can consider this Bill.

Mr. MacMurchy: — Mr. Speaker, when we examine the Bill, we will see that a good deal of input on the organization has come from the University itself. I only commented on the establishment of

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that Committee to look at the Department of Continuing Education because there is some relationship to the Department of Continuing Education, and the University. And that was my only comment.

Their work was more on the organization of the Department and certainly less on the organization and structuring of the University although they made some comments on it.

I am not aware, Mr. Speaker, of the politics of the members of the Committee. I am glad to hear that two of them are members of the New Democratic Party or supporters of the New Democratic Party if all three were, I would be very happy about that as well, Mr. Speaker.

ANNOUNCEMENT

Two New Construction Projects for SPC

Hon. K. Thorson: — (Minister of Industry and Commerce) Mr. Speaker, I want to just briefly inform the House that this morning I announced two new construction projects for the Saskatchewan Power Corporation for the SPC system during the 1970s.

The first has to do with the sixth unit for the Boundary Dam generating station at Estevan. The fifth unit should be on stream before the end of this year. We are now making plans to add a sixth unit with construction to commence in 1974. Unit No. 6 at Boundary Dam will have a capacity up to 300 megawatts which will make it the largest turbine in the system, and will make it twice the size of unit No. 5. It will bring the total capacity at Boundary Dam up to 882 megawatts.

It is expected that this Unit No. 6 will cost \$70 million and will employ a peak of 300 people during the construction period. It will also bring about the establishment of 45 new permanent jobs in power production and in the coal mining operation that supports power production at Estevan.

The second construction program has to do with the new gas-fired power station to be established at Landis, Saskatchewan. This will provide for peaking capacity of the system and will give more security for the 37,000 customers in the North Battleford area of the electrical system of the Saskatchewan Power Corporation. This station at Landis is to be powered by two 50 megawatt gas turbines. The first should be in service by late 1975.

There will also be some additional construction to re-enforce the transmission system of the Saskatchewan Power Corporation during the 1970s.

In total these two new generating projects and the work to be done on the transmission system will probably result in a total expenditure of \$93.5 million.

Mr. Speaker, it is expected on the basis of the best plans we have been able to make and the decisions made by the Board of Directors of the Saskatchewan Power Corporation that these new facilities will provide sufficient power for the

customers of Saskatchewan Power Corporation until 1980, until after winter of 1979-80.

Mr. Steuart: — Mr. Speaker, the people on this side of the House join with the Minister in welcoming this news. I presume unless there is more water found in Boundary Dam this will be the final increment that can be placed there. I am interested in the statement that this would look after the power needs of Saskatchewan until 1980. When we assume government in 1975 and step up the pace of industrial development we will, of course, have to look for much more power but in the meantime we wish the corporation luck and certainly hope that their plans go well.

SECOND READINGS

Hon. J. R. Messer (Minister of Agriculture) moved second reading of Bill No. 69 — An Act to amend The Agricultural Implements Act, 1968.

He said:

Mr. Speaker, this Bill, Bill 69 contains three important features to deal with what we assume to be mounting discontent among farmers and among implement dealers over services provided by the agricultural machine industry in the Province of Saskatchewan.

The provision for the formation of an Agricultural Implements Board is a main part of Bill 69. Provision for an Agricultural Machinery Compensation Fund is another major portion of the amendments that we are bringing forward. Provision to require the date of manufacture to be imprinted on all implements is another major provision of this piece of legislation.

Manitoba and Alberta both have legislation providing for a board to review warranty, repair parts availability and service problems.

But, Mr. Speaker, we are breaking new ground with our provisions for a compensation fund to be built up through distributor assessments and to be administered by the board.

Mr. Speaker, we are also first in Canada with our requirement that all Canadian implements or agricultural implements carry the year of manufacture imprinted on the machine.

Saskatchewan has been recognized for many years as being the leader in Canada with legislation respecting agricultural implements.

The original Act was passed in 1917. Other provinces have consistently copied features of our legislation over the years and I predict, Mr. Speaker, that this will be the case with this particular piece of legislation.

People in the industry tell us while many improvements can be made our dealer licensing program in Saskatchewan has resulted in a much higher standard of dealerships compared to any other province in Canada. Just as agriculture is big business in Saskatchewan so is the agricultural implement business.

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Saskatchewan farmers spend more dollars each year on farm machinery than farmers do in any other province in Canada. Over the last ten years annual sales of implements in Saskatchewan have averaged \$102 million. And in 1966 it peaked at \$140 million at the wholesale level. This is over 25 per cent of sales in all of Canada and 45 per cent of the combined sales of the three prairie provinces.

As the largest group of purchasers and consumers in Canada of the output of this industry, I submit that Saskatchewan farmers generally have not been well cared for in the field of after sales service, warranties, service and repair parts service. With this multi-million dollar industry we must insist on more attention and service from that industry.

A few years ago we saw an exodus of major line company branch plants from Saskatchewan by many of the large manufacturers. This took the pattern of re-locating the larger repair parts depots in places like Winnipeg, Edmonton or Hamilton and leaving only minimal service close at hand to back up local dealers and farmers in Saskatchewan.

Management personnel were also consolidated at these remote points. I think it is a sad state of affairs, Mr. Speaker, when we have to phone up to 2,000 miles to Eastern Canada to contact a service manager, a sales manager or a parts manager for Western Canada.

Mr. Speaker, during the last year farmer complaints to my Department have almost doubled, almost doubled over the previous year, indicating that the situation is becoming all but intolerable with regard to getting service, repair parts and warranty. Department staff put forward maximum efforts to investigate and solve individual problems during critical periods like seeding and harvest. But, Mr. Speaker, this doesn't really get to the root of the problem.

Many individual complaints have been resolved with satisfaction but many others have been unsatisfactorily resolved from the consumers' point of view and I think from the dealers' point of view.

Besides individual farmer complaints we have received numerous resolutions from agricultural district boards and farm organizations to take more effective action in correcting the root of these problems and inadequacies of the industry in the province and the required services when and where required.

Exactly one year ago, Mr. Speaker, I issued a challenge to the industry to reverse the trend towards consolidating their services outside of Saskatchewan. I am most pleased that since that time, two of the major line companies have since announced plans to relocate their Western Canada repair parts depots and whole goods distribution facilities in Regina this year. These companies, along with three others which have made similar moves earlier, will most certainly be able to provide much better repair parts service to the farmer and the dealer in this province.

We hope that the other manufacture will follow suit by locating where the action is.

Mr. Speaker, these changes will help at least some farmers to get their repair parts within a more reasonable time, and

reduce down time because of mechanical problems during critical seeding and harvesting periods.

There must be more help for farmers who own implements manufactured by companies with their major parts depots located elsewhere. Also there is the question of the many types of service and warranty problems which are not now being given urgent attention or which are being unsatisfactorily resolved. I can cite many examples, Mr. Speaker.

In order to assure getting his crop off quickly during the crucial harvest period we have on record a farmer who purchased a new combine for about \$23,000. Mechanical problems developed which were serious enough to require him hiring another combine to take off most of his crop. The farmer had to bear the total cost. Consider also another case where a farmer with a \$16,000 tractor having chronic problems resulting in 12 overhaul jobs in the first year. The problem is still unsolved. Imagine the frustration and ill feelings with the dealer and the manufacturer as well as the cost which develops because of these similar problems. These are only two examples, Mr. Speaker, of dozens and perhaps hundreds of problems occurring yearly which result in considerable financial losses as well as untold frustration for which there has, up to now, been little recourse for the farmer. Farm customers expect manufacturers to meet their legitimate complaints with compassion and with action. At the moment they, in my mind, and I think in the minds of the dealers and the farmers, are literally at the mercy of the manufacturer.

Mr. Speaker, there are two options open to the manufacturers of implements. Either to build a trouble free and dependable product or to be willing and ready to fix the product with haste when that product requires repairs and service. With most farm operations the timing is critical and this is paramount. Mr. Speaker, since neither of these options have been adequately met the time is past due for government to provide more effective protection for farmers with problems such as those described. We need to provide an effective mechanism for a farmer to overcome the heavy financial burden or any unfortunate implement problem which in many cases threatens to undermine the farm business and the very livelihood of the farmer and in many cases the dealer. Our objective is to stabilize or even increase farm numbers. This Act supports other efforts in our overall farm development program. Mr. Speaker, this Act proposes to take effective initial action toward solving some of the inherent problems of the multi-million dollar industry in Saskatchewan by:

1. Establishing an agricultural implements board.
2. Providing for staff and appropriations for that board.
3. Authorizing the board to administer the Act.
4. Authorizing the board to investigate and find solutions to complaints and problems in the industry and where justified pay compensation to farmers on account of financial losses suffered because of faulty implements and/or poor service.
5. Authorizing the board to make levies on sales by general provincial distributors and place the contributions in a compensation fund which the board will

administer.

6. Authorizing the board to investigate other more general problems in the industry and recommend more effective remedies including further legislation, if required.

An agricultural implements board, Mr. Speaker, is not unique to Saskatchewan. Ontario, Quebec, Manitoba and Alberta have all in recent years appointed similar types of boards. Board functions vary somewhat between the provinces, however.

In Saskatchewan we propose that farmers, dealers and manufacturers will be represented on that board which will be comprised of up to a maximum of seven members. It will be small enough to be effective yet will provide a good cross section of interests to provide objective decisions and discussion. Mr. Speaker, this board should result in a high level of farmer, dealer and manufacturer communication and hopefully co-operation. All have a stake in the future of agriculture and the viability of our farms and all have something to gain by virtually solving supply and service problems in the industry.

The unique feature of this legislation is the provision of a compensation fund. We anticipate the levy will be very small but the fund will provide necessary relief for those who have received unjust treatment resulting from problems with implements. We anticipate that the majority of minor complaints will be handled and resolved through mediation as has been done in the past. Generally, awards from the compensation fund will be made on the more chronic and complicated problems where an impasse is reached and the problem cannot otherwise be solved. In these cases complete field investigations will be done and the board will provide hearings on which to base its decisions. When the compensation payments will be published and in subsequent years levies on distributors will be adjusted to various levels depending on the incidence of compensation payments on account of each supplier of those implements in the province. The board additionally will take over the responsibility of distributor registration, vendor licensing and inspection work presently done by the Family Farm Improvement Branch. The board will also provide a forum for more effective dialogue and communication between the farmer, dealer, distributors and manufacturers on problems such as safety features of implements, parts standardization, cross referencing and inter-changeability.

Because of the reports and complaints from farmers regarding misrepresentation of the year of manufacture of implements this Act will henceforth require all new implements sold in Saskatchewan to carry an imprint of the year of manufacture. While new implements carried over from one year to the next by local dealers or distributors may be discounted in price to compensate for the obsolescence factor most complaints arise through misrepresentation of the age of used implements being sold from sales lots and through auction sales. This practice of imprinting the date of manufacture is now being followed by the automotive industry.

I do, however, want to say, Mr. Speaker, that we do not wish to see a planned obsolescence develop as is now predominant in the automotive industry and because we want to have some means of establishing the year of manufacture on that implement we do not want to confuse or cause undue hardship to dealer,

farmer and manufacturer in regard to models being made in one given year and virtually not being changed for two or three years. So that we will want, in this legislation, to imprint on those implements or that machinery the year of the manufacture. Hopefully that is being digested in the general sense. We want to do this by regulations that we can consult with farmers, implement dealers and manufacturers and distributors as to how we may best be able to accomplish what we're endeavoring to do and that is give some indication of the year of manufacture in comparison to the year of sale because primarily the farmer when purchasing second hand implements is most concerned about the years that that implement has been used and I do not think is really concerned as to whether a certain implement was made in 1971 and was sold in 1973 as long as that implement was virtually the same as other implements that were sold of a similar kind in 1973. And we realize that if we were to relate to only model year that this may in fact cause some complications for all that are concerned. So that the board I think will be given as one of its first tasks the job of finding out how best we can have this year of manufacture and year of sale affixed to implements sold in the Province of Saskatchewan.

I also want to make it perfectly clear that the compensation fund will not be paying for the normal costs of the board and/or for the administration costs of the department looking or supervising for the Act. However, where there is specific investigation to be carried out in regard to hearings conducted by the board, pertaining to claims of compensation then the research or investigative staff that, in fact compile that information so that the board can make a legitimate decision, will be paid for out of the compensation fund.

Mr. McIsaac: — Where does it say that in the Act?

Mr. Messer: — I also want to say, Mr. Speaker, and I notice the Member from Wilkie says where does it say this in the Act, I should perhaps have said that earlier. I apologize for not having said so. We have had discussions with not only dealers in the Province of Saskatchewan and I think as the Members opposite are aware the Manitoba-Saskatchewan Implement Dealers endorse the present Bill as it now is. I know that there have been some attempts by some people to sway that organization and some of the dealers that comprise that organization to assume a different attitude than what they had originally agreed to but nevertheless their executive did endorse the legislation that is now before the Members of the House but because of consultation not only with that organization and dealers and representatives of the Wholesale Distributors and Manufacturers' Association we will be presenting some amendments for clarification, the one that I have just referred to and which the Member from Wilkie has legitimately asked where it is in the Act will be brought forward during Committee of the Whole as an amendment. I may also say that there will be some other amendments which will clarify for Members opposite and for those parties concerned the intent of the legislation, but it is not the intent of the Government to bring forward amendments which will drastically change the Bill. Most of the consultation and discussion that I have had with concerned parties since the first reading of this Bill has revolved around misunderstanding in relation to what the Bill is really attempting to do and I think that is one of

the real legitimate reasons for the amendments.

Mr. Speaker, it is also the intention of the Government that the board will reconsider a decision or order if new evidence is submitted dealing with an application for compensation. This, I think, was always the intention of the Government. I think it is not clearly stated in the legislation if it is stated at all. We want to give assurance to those parties who may be concerned that once the board has made a decision or made a recommendation that there is some recourse if there is new evidence brought forward which would authorize the board to reconsider its original decision.

Mr. Speaker, I also want to say that the assessment of general provincial distributors will be made at year end, be that calendar or fiscal year, but it will be based on performance and payment of compensation to farmers during the year from funds borrowed by the board for this purpose, so that there will be no general levy or assessment on all manufacturers or distributors or wholesalers of machinery in the province. They will relate to the performance of those machines that they distributed in the year previous and only those who have had compensation or funds paid out of the compensation fund on their behalf will be making contributions and will not relate, Mr. Speaker, to other general provincial distributors.

Mr. McIsaac: — Mr. Speaker, a Point of Order. I don't wish to interrupt the Minister but I think it is a point that we should raise at this time. The amendments and the changes that the Minister speaks of in second reading really change substantially the Bill that's before us, Bill 69, and I respectfully suggest or ask, Mr. Speaker, that in order to give this Bill second reading, surely the Minister should either circulate the amendments, the proposed amendments, or a new printed Bill. He just spoke of two changes that I think he will agree are certainly very, very different from what the Bill states as we're now looking at it. And I would ask you, Sir, for some point of procedure or some direction here because the Minister has changed dramatically the intent of the Bill by the two comments he's just made. Surely, it would seem that he should either give us a new Bill or at the very least give us immediately copies of those amendments before we can honestly debate this in second reading.

Mr. Messer: — Mr. Speaker, the amendments that I have made reference to are only for clarification.

Mr. Gardner: — No, no.

Mr. Messer: — The Member for Moosomin says no, and he says no before he really knows anything, and he's shown that in this Session of the Legislature if he's not shown anything else, Mr. Speaker. It has always been the intention, for example, to have the compensation fund contributed to only after a year of performance so that it will be one year behind. My initial discussions with the Saskatchewan-Manitoba Implement Dealers, I think, would verify that. Mr. Speaker, if they want to interpret the Bill in a different way, that's their right. All we're doing now is saying that we will bring forward amendments which will clearly establish in the minds of those who were concerned what

the original intent of the Government was and that's what I'm doing at this point in time. We're not changing in any way the intent or the direction that the Government wish to have the Bill take when it was first given first reading.

Mr. McIsaac: — Just one point if I may, where there is a dramatic change this Bill provides for the setting up of a board. In the legislation at the moment there shall be no appeal. And now the Minister tells us that there will be an appeal. That's one principle that's changed and changed considerably and there are several others.

Mr. Speaker: — I don't think this is a Point of Order as far as the debate is concerned. I think that the Members could ask the Minister to give it before they proceed with the debate if they so wish. The Minister could supply further clarification if his speech itself doesn't do so. But if amendments in Committee of the Whole reverse the principle of the Bill then at that time or on third reading when it could be objected because it was reversed as to what was said on second reading. But the Minister is in order in discussing the legislation. The Chair doesn't necessarily know what's implied beyond the legislation presented.

Mr. McIsaac: — No, I agree, Mr. Speaker, and the problem is we don't know now. I appreciate the Minister's remarks that some of them are clarifying, not only clarifying but they're changing. And it's on this point that I say how can we honestly give a Bill second reading if a couple of the major principles have been changed?

Mr. Speaker: — I can agree with the position the Member finds himself in but it's nothing to do with the Point of Order. That's a Point of Debate which must continue during the debate and not as a Point of Order.

Mr. Messer: — Now, Mr. Speaker, I simply want to say that I was endeavoring to give to the Members opposite some intentions of our amendments to the Bill. They have at some times in the past criticized the Government for not making available enough information in regard to them. I, therefore, see that it's a futile effort to continue with clarification in regard to the Bill or for that matter any amendments that we say will not change the intent of the Bill but only give clarification so I, therefore, say that I have in general covered the features of this particular place of legislation and I ask for second reading, Mr. Speaker.

Mr. Steuart: — Before the Member takes his seat I should like to ask a question. Can you give us a list now of the proposed amendments?

Mr. Romanow: — Mr. Speaker, I wonder if I might address myself to that question. The House amendments are always prepared by Mr. Holtzman, the Legislative Counsel. I assume that one feature in answering the Leader of the Opposition's question is whether

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or not these house amendments will in fact be prepared by Mr. Holtzman. The traditional procedure is to have them directly prepared and forwarded to the Clerk. I haven't talked to the Minister of Agriculture on it, but from what I can recall of the amendments, I would see no opposition to forwarding copies of them to the Members of the Opposition the moment they have been drafted by Mr. Holtzman, hopefully in the next few days or so. I assume the Minister of Agriculture concurs on that.

Mr. Messer: — No problem.

Mr. E.F. Gardner: — (Moosomin) Mr. Speaker, I must say that we were expecting some amendments from the Minister, because anyone who took a look at this Bill, Bill No. 69 would know that there was no possible way a Bill like this could go through as it now stands. It is a perfectly ridiculous Bill, it is unacceptable to any of the parties concerned, it is poorly drafted, it is discriminatory, everything about this Bill is a mess. It has been sitting on our desks for over a month, everyone in this province only had this Bill to go by. It has been available to the people of this province, they thought that this was the Bill that we were going to have. They have been intimidated by some of the requirements of this Bill. It has been difficult for the farmers, the distributors, dealers, manufacturers, all people to take a look at this Bill and find out exactly what is going to happen.

Some Hon. Members: — Hear, hear!

Mr. Gardner: — We knew that there had to be amendments, no one would accept this Bill the way it stands. The Minister gets up and tries to tell us he is making these for clarifications. Of course this is ridiculous. Take one portion of the Bill – my colleague mentioned one and I didn't want to get up on a Point of Order – but in one place it says that:

The Board shall each year assess and levy upon the general provincial distributors such percentage of their gross sales or other rates or such specific sums as it considers sufficient to pay during the current year, compensation to farmers to defray the expenses of the administration of the Board.

This is a very sound principle in this Bill, there is no doubt about what this is, it should be clear to everybody. It says the levy is going to defray the expenses of the administration of this Board. That's one of the main principles of the whole Bill. Now he says it is for clarification that he is changing this, that the levy is not going to completely defray the expense of the administration of this Board. So we are expected to debate a Bill that is changed by the very nature of this Bill by these amendments. It changes the complete nature of this Bill. The Minister should have got up in his place today and said, Mr. Speaker, we realize there are many major basic changes that have to be made in this Bill. I, therefore, wish to withdraw Bill No. 69, and re-submit it. This is what he should have done . . .

Some Hon. Members: — Hear, hear!

Mr. Gardner: — . . . because the amendments that he is talking about have nothing to do with clarification as far as this Bill is concerned. As I mentioned before, this Bill has sat here in front of us since March 5th, he brought it in then and asked for first reading. This is now the 9th of April, well over a month. The only thing we have had and the people of the province have had for that long length of time is the Bill that is before us. He never got up and said there were going to be any major changes and he was going to put in a different Bill, and that is exactly what he is doing now.

We were wondering why the long delay, we sat here, week after week. The Attorney General gets up and says we should be moving along in the House, you people are delaying some of these Bills. You have talked for three weeks or a month on The Natural Products Marketing Act and in the meantime he sits there well over a month with a Bill that he doesn't bring in. This is the original Bill and this is what is before us and this is all that we have to debate. This is a typical NDP attempt to grab power, this is what they had in mind when they introduced Bill No. 69, but they have backed off to some extent and it is no wonder. Surely the Minister must have known when he first took a look at this Bill that it was worse than the Foreign Ownership Bill that he brought in last year and he had to withdraw that, this one is even worse. We are surprised that he didn't get up in his place today and say, Mr. Speaker, we realize we have made a mistake let's do away with this Bill.

We will have to debate, Mr. Speaker, the Bill that is before us, we can refer to his amendments, but we have to take a look at the Bill that he has brought in. I should like to make a comment or two before going into my remarks, Mr. Speaker. He got up first of all and said that farmer complaints have doubled in the past year. He made a big pitch about this, it is an intolerable situation, the number of complaints have doubled. He didn't tell us how many complaints there were. This, of course, is the key point, because, for example, we know that the sales of machinery have almost doubled from one year to the next. Grain is moving now due to Otto Lang, the province is more prosperous and we know that there is a great increase in sales in new machinery. We could expect the complaints on this new machinery to double, but he still didn't tell us how many complaints there were. We know that there are 80,000 farmers approximately in this province. We should like to know how many of these 80,000 farmers actually complained in the last 12 months to the Minister of Agriculture? I would be surprised, Mr. Speaker (we know there are 80,000 farmers). I don't think there were 1,000, I would be surprised if there were 500. The Minister will probably get up and tell us how many his Department has dealt with, because he has a group of people looking after this. When he says they are doubled, I would suggest to you, Mr. Speaker, that they were doubled from a very small number to a number that was still very small and insignificant in this province as far as the number of people concerned.

The Minister mentioned, Mr. Speaker, that he had indicated a year ago to the people in the province, in fact a year ago he made a rather serious threat, I believe, against the farm machinery dealers and manufacturers. I should like to quote from the Leader-Post of February 12, 1972, about a year ago. He said:

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Farm machinery dealers and manufacturers have been given one year to clean house if they want to avoid provincial get tough legislation, agriculture Minister said Friday.

It now appears, of course, that the Minister is going to take his big stick and carry out this threat.

I might quote further from this article, Mr. Speaker, because I think it is very important at this time:

Legislation was available. But after discussion with several provincial dealers (I don't know how many that was) he decided to hold back the legislation for one year, give the dealers a chance to make an improvement. The legislation was ready last year, it had already been drawn up for introduction at the Legislature at the session to begin February 24th, Mr. Messer told the Leader-Post.

This is a year ago, 1972. So he certainly had time to draw up a Bill that should be acceptable. Why he brought in a Bill like this in such a mess by his own admission today, that he has to clean it up with all of these amendments, surely in all of that time he could have done something about this.

An Hon. Member: — You need some more planners!

Mr. Gardner: — Mr. Speaker, once again we see a case of where the NDP Government comes up with legislation not to solve the problem, but to acquire more power and control over the people of this province. The legislation we are looking at today will mainly affect three groups of people; the distributors, the dealers, and the farmers. In my opinion, the Bill, as it stands and perhaps even with the amendments he suggested, will not benefit any of these groups.

Let us look at each one of these groups in turn. The distributors of course appear to be the most severely affected and adversely affected because they will be assessed by a tax to set up a compensation fund and the levy will also have to pay for the expense and operation of the board. This is what was in the Bill, he has indicated now that there might be some cases where they don't have to pay this board expense, we are not clear of what he has in mind. However, they will probably be the least affected in the long run — these are the distributors I am talking about — because they are in a position to pass this expense on down through the dealer to the farmer. The distributor could not reasonably be expected to raise the price of their parts and machinery all across Canada in order to meet the costs of this board in Saskatchewan. We couldn't expect Massey Harris, John Deere, Case and so on to raise the price of machinery in British Columbia or Ontario to pay for a board that Mr. Messer's NDP Government is setting up here. They could argue that these farmers in the other provinces should not be penalized because of the actions of the NDP Government here. Therefore, it is quite likely the machinery companies will raise their prices only in Saskatchewan to meet the costs of this levy. This will mean that the Saskatchewan to meet the costs of this levy. This will mean that the Saskatchewan farmer will pay more than the farmer in other provinces for an identical part or an identical machine. Thus we see that the large distributor or manufacturer will not be adversely affected in

the long run.

We take a look on the effect on the dealers. At first glance it may appear that the dealer may not be harmed too greatly by this Bill. However, closer scrutiny will reveal that the legislation may well put the dealer out of business. In theory it will be ideal if a dealer could stock all the parts needed for machines in his area. Realistically, of course, this is impossible. Machines are increasing in variety and complexity; equipment and tools to completely service every machine are expensive. Dealers are finding it increasingly difficult to meet the demands placed upon them in this regard and literally hundreds of dealers have gone out of business in the last 10 years. Farmers now find that they must drive 50 or 60 miles to find a dealer in every town. The increased demands put on dealers by the requirements of this Bill could further aggravate the situation and lead to even fewer dealers in the province. The past few years we have seen the loss of hundreds of independent dealers and a trend, Mr. Speaker, to company stores spaced at considerable distances across the country. This Bill could well accelerate that trend and I do not believe that this would be in the best interests of the rural communities or of the farmer. A reduction in dealers and a trend towards widely spaced company stores would probably lead to a reduction in service to the farmer.

Mr. Speaker, some information came to me just this week-end and I should like to bring it to your attention, because I think that it is very, very important when we are looking at this Bill, whether we are looking at the original Bill, the amendments included, this information is of extreme importance.

A major implement company in Manitoba announced in the past few days an increase in the cost of combines and tractors to look after the increased warranty demanded by the NDP Government in Manitoba. This increase, Mr. Speaker, amounts to 1.5 per cent of the list price on all units, or 4 ½ per cent if the farmer wants the full labor and transportation warranty coverage as provided by this NDP Act in Manitoba.

Now this means, Mr. Speaker, that it has already been announced on an \$18,000 tractor or combine it would mean the farmer pays an extra 4 ½ per cent of the list price, or \$810 for this machine because of the NDP Bill that has gone through in Manitoba. I understand that this has already been announced. This is not speculation on my part, Mr. Speaker, but I understand that another major company will soon be making a similar announcement in Manitoba. You will note, Mr. Speaker, that the Manitoba legislation is much less severe than the Bill before us here. Much less severe.

The farmers in Saskatchewan will be faced with a substantial increase in machinery prices if this Bill passes. A direct and immediate increase in the price of their machinery in Saskatchewan.

We know that machinery prices are already too high and I would agree with this. The NDP will be directly causing further increase in price and an added burden, Mr. Speaker, on our farmers. Because, Mr. Speaker, in Saskatchewan, regardless of the amendments that have been vaguely referred to by the Minister, the farmer will not only have to pay the extra cost

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of warranty and service, as he does in Manitoba, but in Saskatchewan to farmer will also have to pay the cost of the board, including salaries for a host of civil servants who will be needed to carry out the functions of this group. Saskatchewan farmers can expect an enormous jump in implement costs because of this.

Mr. Speaker, the Minister also made a rather interesting comment in his speech, that he didn't say anything about before and we had no indication of, and he said that the operations of the Family Farm Improvement Branch, licensing and so on, are also going to be put under the Act. Now, this must also mean, Mr. Speaker, that in the past the cost of The Family Farm Improvement Branch and so on have been picked up through revenue, taxpayer revenue, or paid for by the province. But if he is transferring that under this particular board, and if he sticks to the Act as we have it before us, this means that the farmer now is going to be paying for the operation of The Family Farm Improvement Branch, the licensing and so on, where he didn't have to pay for this in the past.

The increase in price that the machine companies are going to put on their machinery will have to be large enough, not only to cover the warranties, not only to cover the extra service required, not only to cover the cost of this board, but also to cover the cost of the Family Farm Improvement Branch and other services that were provided to the farmer previously from the general revenue.

In looking at the effects of this Bill on the distributor and dealer, Mr. Speaker, we have seen to some extent of course how it could affect the farmer. We mentioned the cost of machinery and one of the most numerous complaints that I hear from the farmers and I am sure that the Members opposite have heard also when they are talking to their constituents, one of the main complaints that they hear is that the price of parts and machinery is too high, and again, I say that I agree with them.

The farmers are concerned about warranty, naturally. They are concerned about parts availability but to a lesser extent than their concern about the cost of machinery.

In a year perhaps less than 1 per cent of farmers in this province have complaints on warranty or parts availability. And, again, the Minister didn't give us the number. I think that when he does supply us with this you will find that it is a very, very small percentage, certainly less than one per cent.

This Bill may, Mr. Speaker, and I say only may, help that one per cent who have had difficulties with warranty or parts availability. This Bill is going to aggravate the real problem by raising the prices for the other 99 per cent who have had no complaints in the past.

Some Hon. Members: — Hear, hear!

Mr. Gardner: — Mr. Speaker, let's look at some of the more undesirable features of this Bill.

First of all, Section 6(a), clause 1 says that the board and the chairman will all be appointed by the NDP

Government and this, of course, suggests immediately political implications. We know this from past experience from boards that have been appointed by the Ministers opposite in the past year and a half and we know the possibility of political implications is almost definitely going to appear. If the Members were appointed by the people involved, that is the distributors, the dealers and farmers, we then might expect a more impartial and a more effective board.

Section 6 C subsection 2(d) suggests that the Board may review and consider contracts between vendors and general provincial distributors. I would like you to think about that, Mr. Speaker, if this means that the NDP appointed board can say who shall be the dealer in an area then, of course, we have reason for very strong objection. Because it says that they may review and consider contracts between vendors which is the dealer and the general provincial distributor, which is the company. So this could mean then that this politically appointed board can say who is going to be the dealer. They can take a look at the contracts between dealers and their distributor.

Section 6 D(3) and 6 E(1) indicates that the decision of the board shall be final and there is no right of appeal to anyone. Now I don't know whether the Minister is going to change this or not. If he does it is a very substantial change in the content of this Bill and another good reason why this Bill should never have been allowed to be presented as it stands. This is no amendment, house amendment for clarification to change something like that. This is changing the very intent and content of the Bill. I don't know whether this is what he proposes to do or not. This particular part certainly seems particularly unjust and the case of civil action awards such as those for crop loss. Surely this type of claim could be much better handled by the courts.

Section 6 F(1) and (2) says that a fund will be set up by a levy on the distributors and that this fund will not only be used to pay the expenses of the board, we have already pointed out that the burden will be passed right on down to the farmer. We have evidence of this in Manitoba. Every one must be aware that this is a very key point as far as the Bill is concerned that the levy whatever it costs is put on the distributor and will be passed on directly and immediately to the farmer.

Thus, in many cases the good farmer, who doesn't have problems, will be subsidizing his careless or negligent neighbor and in addition these farmers will be paying all the salaries and expenses of the civil servants involved.

It would seem that all expenses, all expenses, of a board should be paid from Government funds.

New Section 10 A(1) provides that each implement should be stamped with the calendar year when it was manufactured. Again, the Minister tried to skirt around this at great length. I think he realizes now the implications of putting this particular section in the Bill. It sounds good in theory to have a stamp, the year of manufacture stamp, on a machine but it certainly is unrealistic in practice in many cases.

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Let's take for example a manufacturing of stone pickers in Saskatchewan. He would be reluctant to produce his stone pickers in the fall of 1972 because his machines would appear to be a year old when sold in the spring of 1973. If he makes a stone picker in November of 1972 he has to print 1972 on them. When the farmer comes in to buy his stone picker next summer – and he is certainly not going to pick stones in January in this country – it appears to him that the stone picker is one year old. So this is going to mean that the manufacturer is going to be in great difficulty in this regard.

The dealer on the other hand would be reluctant to pre-order for the same reason. He doesn't want to stock his yard full of stone pickers that are one year old. We would have a very severe disruption in the manufacturing industry. The movement of these machines from the manufacturer through to the distributor, to the dealer can be very seriously disrupted if the Government insisted on one stamp on a machine which gave the year only of the manufacture.

This, of course, could lead directly, Mr. Speaker, to a shortage of machines in dealers' hands when they are needed by the farmer. The dealer wouldn't stock them, the manufacturer wouldn't have produced them in the year or two previously and the farmer would go looking for a machine when he needs it and it could well not be available.

Mr. Speaker, the levy suggested in this Bill is punitive and discriminatory. We have heard indications from the Minister today that due to pressure from various groups he has decided, perhaps, to try some type of a performance levy. And this is, of course, absolutely necessary in any type of a levy. Otherwise the company which gives the best service and has the best product would sell more machinery and he would then, if he played a percentage, would automatically be paying a greater levy. In a free market there should be a reward for honest service and good business conduct. This would be exactly the opposite in the case of this particular Bill.

The fellow who did his best, who had very good equipment, and therefore sold more, therefore would pay more levy. The person who had sloppy machinery, sold very little, had lots of problems would pay the least.

Mr. Speaker, it is difficult at this time to visualize all of the adverse aspects of this particular legislation. We know, for example, that there are a great number of machines manufactured in Saskatchewan by relatively small companies. We have a number of these companies in this province and we are proud of them. They make cultivators, rod-weeders, chisel plows, grain loaders, stone pickers, harrow bars and a host of other necessary items for the farm. They make them right in this province, Mr. Speaker. These companies provide jobs for our young people but many of these companies are finding it difficult to survive at the present time. This Bill will certainly add to the difficulties of these particular people.

There are over 75,000, perhaps 80,000 farmers in this province and the number of complaints received each year are very, very small. And, again, the Minister indicated that they had doubled but he was very careful not to tell us the exact figures. These complaints, generally, have been handled in a fair manner by whichever Government has been in power.

Perhaps a board structure would be an improvement but certainly not a board as set out in this Bill.

We accept the fact that there are cases where a farmer has suffered loss and we feel that perhaps he should be treated more fairly, perhaps there should be an official group set up to look at this, nothing like what is provided for in this Bill.

We accept the fact that there are cases where a farmer has suffered loss and we feel that perhaps he should be treated more fairly, perhaps there should be an official group set up to look at this, nothing like what is provided for in this Bill.

This Bill does nothing about the major problem of high prices for parts and machinery. If it does anything at all it will lead to a direct increase in price. The Bill is very vague and leaves a tremendous amount to regulation and on closer examination and by the remarks of the Minister today, we see that it leaves a great deal to amendment.

This Bill is certainly not one of great urgency or of top priority. If the Minister had told us the number of farmers who have complaints, I am sure that this would be clearly indicated to all Members of the House. There is no great urgency for this Bill. There is no priority for it. It should be withdrawn. The problem should be studied by the Agriculture Committee of this Legislature. It could be reintroduced at a later date, after careful study and after all of the groups involved have had a chance to fully express their opinions. The Minister would have a chance to fully express their opinions. The Minister would have a chance to correct the mistakes that he has made. We would ask him, at this time, very sincerely to reconsider the introduction of this Bill, to reconsider his calling for second reading and we would ask the Minister to withdraw the Bill.

Some Hon. Members: — Hear, hear!

Mr. J. C. McIsaac: — (Wilkie) Mr. Speaker, we have another illustration in Bill 69 of what happens when you turn a group of over zealous socialist planners loose. They come up with a great umbrella piece of legislation, in this case designed to protect the farmer from his enemies, those terrible implement dealers and those foreign owned capitalist manufacturers. And not to mention, as my friend from Moosomin did, the many smaller domestic manufacturers here in the province – and there are dozens – and they are all included under this umbrella of the kind of individuals that farmers must be protected against.

I am glad, Mr. Speaker, that the Minister did refer to some possible changes and some amendments. The Member from Moosomin has referred to several of the sections. Firstly, I think, he made reference to the makeup of the board.

Now there is no indication in the legislation as to who shall comprise the makeup of the Compensation Board and we are left to believe from watching this Government in other areas, that they will appoint their own good supporters. And this is a very unfair way of going about it. If they are not going to, surely then they should spell out the kind of representation that will be on that Board.

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Mr. Speaker, there is one other feature of this Bill. It sets up a Board whose decision shall be final. Now, again, there will be a possibility of an appeal from that Board. Because at the moment that Board is just one more kangaroo court as far as the farmers of Saskatchewan are concerned. And I say we'll need about four or five additional ombudsmen just merely to check into the decisions of the more and more boards that we are seeing established by the Government opposite.

Mr. Speaker, I should like a little more time to study more closely the remarks made by the Minister today and I would ask leave at this time to adjourn debate.

Debate adjourned.

Hon. E. I. Wood (Minister of Municipal Affairs) moved second reading of Bill No. 82 – An Act to amend The Property Improvement Grant Act, 1972.

He said:

Mr. Speaker, in moving this Bill in regard to the Property Improvement Grants I should like to say that the prime purpose of this Bill is to relieve the owner of a large share of his property tax which is levied for the operation of our school system. This program has received wide public support and the Budget presented at this Session provides for funds to greatly increase this grant and further reduce the tax burden on property for education purposes.

The average grant paid in 1972 to persons who own, operate and live on their farm amounted to \$110. The maximum grant for this type of property was \$195 which indicates that the maximum assessment we established in the Act on which to calculate the grant is adequate in the vast majority of cases. One of our promises to the electorate was effectively to reduce the average property tax for education to 25 mills. In 1972 this program provided for a schedule of grants based on 13 mills. This year we are providing funds to reduce the average property tax for education tax by 18 mills, an increase of five mills over 1972. Grants from the Department of Education will hold the average mill rate to 43 mills for school purposes. This Property Improvement Grant of 18 mills will reduce the average for school purposes to 25 mills for by far the majority of Saskatchewan property taxpayers.

Some Hon. Members: — Hear, hear!

Mr. Wood: — This, Mr. Speaker, was the promise that we made back in the spring of 1971 that we would do if we were elected. We are increasing the maximum grant on a principal residence from \$78 in 1972 to \$144 for 1973. This means that a person who owns the residence in which he lives can qualify for a grant of one-half of the taxes levied on his principal residence up to a maximum of \$144. The ratio of municipal taxes to school taxes and hospital taxes varies from municipality to municipality and in some municipalities a refund of half the taxes to many property owners will mean that the Government has completely removed the school taxes from those particular properties. We are providing up to \$144 for home owners, \$180 tax relief to Saskatchewan businessmen and up to \$270 tax relief for farmers, half the taxation fees returned to trailer owners and up to

\$270 for a combination of all of these.

There is an increasing number of our rural residents who are incorporating their farm holdings as limited companies or banding together in co-operative associations for various economic reasons. The Government feels that each shareholder in these associations or corporations should be eligible for a grant if they are actively engaged in the farming operation and provision is made in this Bill to allow these shareholders to apply for the grant. Where a husband and wife are both shareholders they will not be able to qualify for more than the maximum grant allowed to the family unit. The regulations will be amended to establish the type of assessment and tax documents that co-operative associations and corporations will be required to provide to their shareholders to support each application for a grant.

A minor amendment is made in the Bill to insert the word "taxable" to clarify that the grant is calculated on the taxable assessment of property and does not include the assessment of property which is exempt from taxation.

Mr. Speaker, I am proud of this Bill. We said that if we were elected in 1971 we would be moving toward removing the cost of education from property taxation. There are some reasons for charging costs of services against property, services such as roads and streets, sidewalks and police protection of property, but the benefits of education are not bestowed on property and they are not confined to the borders of the municipality. Young people educated in one area may use these benefits elsewhere in the province, elsewhere in the nation or even elsewhere in the world. For years, on both sides of this House, I have said that the cost of education should be largely a provincial and federal responsibility. I have said that, Mr. Speaker, when standing on this side of the House when we were here years ago. I said it when I was in the Opposition and I say it again today. I do maintain that the cost of education should largely be the responsibility of the provincial and federal governments. We have also said that property taxation was a poor reflection of ability to pay. I again have stood in my place in the Opposition and expressed support for the position taken by the SARM that the burden of the cost of education should be removed from property and placed on income tax.

Now we have not moved all that way, Mr. Speaker, but we did, however, as I said earlier in our 1970 campaign promise that we would reduce property tax for education to an average of 25 mills by shifting the burden of taxation for education purposes to a source that was more reflective of the ability to pay. Property taxation, Mr. Speaker, paints with a very wide brush. The assessment branch of my department, Mr. Speaker, do their utmost to make our procedures as equitable as possible. Equity is the keynote of our legislation but assessment of land is based largely on the quality of the land with no recognition for hail storms or grasshoppers. Business premises are taxed on a basis of floor space, not on the basis of the number of customers that occupy that floor space.

We feel that income tax is a fairer form of taxation, especially for raising funds for education. This year we have moved in the direction of moving taxation for educational purposes from property tax into the income tax field. We have not moved very far in placing the burden on income tax but we

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have moved quite a ways in removing the burden of educational taxation from property.

Through our Budget this year we have provided over \$10 million more dollars in grants to schools than was done last year and some \$19 million more than was provided under the last Liberal Budget. We have provided some \$7 million more under the Property Improvement Grants than last year and some \$17 million more than was in the last Liberal budget. Together with \$7 million in the one case and \$10 million more in the other, in this Budget we have provided \$17 million more for tax relief than was provided last year. And how much did we take out of income tax? An estimated \$3.6 million. A tax shift that gave \$17 million more in tax relief with only \$3.6 million in new income taxes. This is really a good deal for the property owners of Saskatchewan and you'd never guess it by hearing Members opposite squawk about the few extra dollars of income taxes imposed on their friends.

As a result of these measures, counting school grants and property improvement grants the provincial Government will now be paying in the neighborhood of 70 per cent of the cost of education in the province. Mr. Speaker, this is a forward step in putting the emphasis in the right place for taxation in this province. And I am proud to move second reading of this Bill.

Mr. A. Matsalla: — (Canora) Mr. Speaker, it is with pride and a great deal of satisfaction that I rise to make a few brief remarks on this Bill. The legislation contained in this Bill is the fulfillment of another New Deal for People in the area of reduction of property school taxes.

Some Hon. Members: — Hear, hear!

Mr. Matsalla: — To remind this House, Mr. Speaker, and particularly the Members opposite, I'd like to read from our election program, the promise of this Government, made to the people of Saskatchewan. I quote:

A New Democratic Government will sharply reduce property tax mill rates for basic school operating costs on homes, farms and small businesses.

I'd like to add to this by saying, in the campaign we specifically promised a reduction to 25 mills and this we have done, Mr. Speaker, and this is what this Bill is all about.

Some Hon. Members: — Hear, hear!

Mr. Matsalla:— Mr. Speaker, let me digress a bit by reviewing the basic philosophy and reasoning of this Government to proceed in the direction it is taking in reducing property school taxes. Local governments in the early years, Mr. Speaker, virtually had a clear field in the use of the property tax base. In time, the potential tax base gradually shrunk through exemptions for government, religious, charitable, and educational institutions. In addition there were encroachments of new taxes such as union hospitals, snow removals and others. Property was becoming over-loaded with tax levies.

The New Democratic Party gave early recognition to the overburdened property school tax situation. Since about ten years ago our Party urged the former Liberal Government time and time again to give consideration to shift the school tax burden from the property on to a broader base. But the former Liberal Government did not have any real plan for property tax reduction. Nor did they have any desire to use their imagination to come up with an objective plan to reduce property taxes.

This Government, Mr. Speaker, promised to reduce property school taxes down to 25 mills. The former Liberal Government laughed at the proposal. As a matter of fact, the Leader of the Opposition (Mr. Stewart) and former Provincial Treasurer said in this House on April 6, 1971. I should have liked him to hear this. I'd like to quote from the Hansard.

You'll never get elected that way, boy.

Well, Mr. Speaker, he was wrong, so wrong and this is not the first time nor will it be the last time that the Leader of the Opposition was to be found wrong. As a matter of fact, he has been wrong so many times that his leadership is being questioned by many of his colleagues.

An Hon. Member: — Wrong way Dave.

Mr. Matsalla: — The Hon. Member for Morse (Mr. Wiebe) is making a bid for it. And the Hon. Members for Albert Park and Lumsden are looking over.

An Hon. Member: — How about Lakeview?

Mr. Matsalla: — Mr. Speaker, besides property tax being regressive, it falls more heavily on lower income groups or income groups who own a modest home and receive an annual income of say under \$6,000 to \$7,000 from wages or business. The people in this income group make up the greatest number of our society. It would be their property which would be assessed at a greater percentage of the tax, and it would be they who would pay the greater portion of the school property taxes. Mr. Speaker, this is not equitable taxation and cannot be fair. That is why, Mr. Speaker, the New Democratic Party proposed a definite plan to sharply reduce property school taxes down to 25 mills and that is why, Mr. Speaker, when the New Democrats formed a government we immediately proceeded to set up a plan to reduce property taxes, a plan that encompassed a new school grant formula and a property improvement grant program. In the first year of office for 1972 this Government reduced property school taxes by 13 mills. And this year, the second year of office, this Government continued its property tax reduction program from 13 mills to 18 mills, and down to 25 mills for the property taxpayer.

Now under this Bill 82, Mr. Speaker, the amendments will

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give the property owners a tax relief that this Government has promised. This promise was one of the major promises made by this Government. The 18 mill tax reduction will give the homeowners, the farmers and the businessmen a tax relief that will be well accepted and greatly appreciated by them.

The Liberal Members opposite said that this kind of tax relief was impossible. By saying this, Mr. Speaker, they really meant that they believe that the property taxpayer should not have a tax relief nor should the school tax be shifted from the property on to a broader tax base. I hope that by now they have come to their senses and know what good legislation is.

Mr. Romanow: — I doubt it.

Mr. Matsalla: — I want to say to the Members opposite, Mr. Speaker, that this Bill is real and what it intends to do is real also. It is not a nightmare. I would ask the Members opposite to join with the Government in giving this Bill unanimous support.

Some Hon. Members: — Hear, hear!

Mr. P. P. Mostoway: (Hanley) — Mr. Speaker, I just want to say a few words in regard to this program. And I want particularly to mention a group that is not included in this program right now. I'm talking about those who rent houses. I know a lot of people are under the erroneous opinion that they're not entitled to this grant. I should like to say that in all cases a case can be made for renters of houses because, after all, they do pay the rent, and that rent is used for profit for the owner, and more power to him. Also, the rent that is paid to the owner, part of that is used for the payment of taxes. So I think a good case can be made for renters of houses, and I should just like to say that I would in all sincerity hope that this department would very seriously consider including the renters of houses in the property improvement grant program in the very, very near future.

Mr. Speaker, I beg leave to adjourn the debate.

Debate adjourned.

Mr. Wood (Minister of Municipal Affairs) moved second reading of Bill No. 83 – An Act to amend The House Building Assistance Act.

He said:

Mr. Speaker, I have a few well chosen remarks to make in regard to the moving of second reading on this Bill in regard to The House Building Assistance Act. This Bill which is before us today is one of our better programs. The Central Mortgage and Housing Corporation has an Assisted Home Ownership limit of approximately \$7,000 income for persons who can take advantage under it, its usefulness has become very restricted, even by allowing an applicant to use up to 27 per cent of his income. Mr. Speaker, when anyone is using 27 per cent of his income to cover principal, interest and taxes in payments, it's a pretty large bit of his income. And even with allowing that much it is found that it requires an income of very nearly the full \$7,000 to build anything like a suitable house for a family. They are not very large or very extensive houses, I can assure you of that. But even with keeping the houses to a very small size, slightly over 700 square feet in size, Mr. Speaker,

it is still found very difficult for persons earning much less than \$7,000 to be able to acquire a house, even using up to 27 per cent of their income. If the income is much below this they just cannot build under the present conditions.

Now the former Liberal administration in July of 1970 started a program of giving a grant of \$500 to anyone building a house. This was found to be very valuable in that it assisted more people to be able to build a house under the CMHC assisted home ownership program. It also assisted those who were not under the program.

A year ago we decided that those who needed help were those in the lower income brackets. We dropped the \$500 for all house builders as we thought that those building \$20,000 or \$60,000 houses did not really need this \$500 to encourage them to build. And as a result we raised the amount that we made available to those of low income, to those in the \$7,000 and under bracket. We did choose, Mr. Speaker, the same figures that were used by the Central Mortgage and Housing Corporation because we thought that this would save some confusion. So we said that to those that qualified under the Assisted Home Ownership program, we would also make available not \$500 but \$800 in order to encourage them to build and to give them the assistance that they needed. And as a result, Mr. Speaker, I want to say that last year the houses that we were able to build under this program more than doubled. I think at no time have we seen more dramatic results than was shown in this program last year.

In 1971 under the former program which was begun by the Liberal Government and carried on by us till the end of the year, there were some 665 housing starts under the Assisted Home Ownership program of the CMHC. In 1971 there were 665 starts. In 1972 under our program, where instead of giving \$500 assistance we gave \$800, there were 1,389 starts, 724 more than there were in 1971, a good deal more than twice as many housing starts under our program than what there were in the year previous under the \$500 program. And this is more houses for those people who needed them. This is not more houses for those people who needed them. This is not more houses for those in the \$20,000 and \$25,000 bracket income range but it's for those people that are down under the \$7,000 and so ranges. We felt this was a very good indication of not only the popularity but the necessity of this program.

Now, Mr. Speaker, last summer after we had started on this program, we were made aware of the need to extend our house building assistance to persons who were receiving incomes in the \$7,000 to \$9,000 bracket. It became evident that the Central Mortgage and Housing Corporation was not raising the income level of its Assisted Home Ownership program as we had thought that it might. When we found that they were not raising their limits we, the Government of Saskatchewan, proceeded to implement a grant program to pay grants for capital construction to persons in this income range. We were not prepared to pay the full \$800 but we felt the people in the \$7,000 to \$9,000 income range should be eligible for some assistance so we tapered the amount available from \$800 at \$7,000 down to \$300 at \$9,000 income range should be eligible for some assistance so we tapered the amount available from \$800 at \$7,000 down to \$300 at \$9,000. This program was implemented by a special warrant and applied to eligible houses started after November 1, 1972. It was provided in the first place as a winter works program which we thought would help to spur the employment for this last year and it certainly has done so, Mr. Speaker, as I shall be showing in a minute. A supplementary estimate to cover this program

will be presented for approval along with the department's estimates in the 1972-73 estimates. This Bill which we have before us today will amend The House Building Assistance Act and provide the legislative authority to continue the grant program for persons in this income range who construct a new home. This we felt was a good program and we brought it forward last fall and the legislation that we have before us today will continue this.

During the period since November 1, 1972 the department has received 83 applications from persons in the \$7,000 to \$9,000 income range which indicates a favorable response from this group of persons and warrants the continuation of this program. I, therefore, Mr. Speaker, move second reading of this Bill.

Mr. J. C. McIsaac: — (Wilkie) Mr. Speaker, a few brief words in reply to the Minister in the introduction of Bill 83. I'm glad to see that he's bringing in this piece of legislation. It's one certainly we will welcome and support. It's one oddly enough that demonstrates a bit of attrition on the part of the Government. They scrapped the \$500 program that was implemented and operational under the Liberal Government. They scrapped that to match a CMHC plan for those whose incomes were below \$7,000. And the Minister, really in giving it second reading, is telling us that they found that it was cutting off too many people who under the old program would have been able to receive at least \$500. Under their former legislation they were getting nothing from this Government that I appreciate is concerned about housing. So while it still isn't as good a universal program of assistance to everyone as other program was I don't quarrel with the fact that it's not universal. Mr. Speaker, I don't quarrel with that fact. But I go back to the \$500 grant program which was designed to help the owner but by the same token was designed and did serve as a stimulus to the construction industry and to the great work force that's in that construction industry. So this change and improvement from the policy of a year ago is one that certainly, Mr. Speaker, we will support. There are other questions and other ramifications of it that we could certainly either take up in Committee or when the Minister gets to the Estimates of his Department.

Mr. H. Rolfes: — (Saskatoon Nutana South) I should just like to say a few words concerning Bill 83. First of all let me say that I think the Minister ought to be congratulated for bringing this Bill into the House. I think it shows, Mr. Speaker, that not only the Minister but certainly the Government of Saskatchewan is concerned about the rise in the cost of living and recognizes that people in the income group of \$10,000 and lower certainly need help. And for this reason I certainly would commend the Government for bringing in this Bill.

There have been a number of requests from people who were earning more than \$7,000 and who wanted assistance and were not eligible. And, therefore, I certainly welcome this particular Bill.

I have some difficulty, Mr. Speaker, in following the Member for Wilkie (Mr. McIsaac) in saying that the Bill is not as good as it could be, because it isn't universal. I really

don't know what he meant by that. Whether he meant that a person who is earning \$50,000 would be encouraged to build a house because he would be eligible for \$500, I really don't see the logic of this. I think that it does show the difference in philosophy of the people on this side of the House compared to the people on the other side. We really believe in the redistribution of wealth, that to a person who is earning \$5,000, \$6,000 or \$7,000 means a lot more if he receives a \$500 grant. If it means, Mr. Speaker, that we are able to help more people with the money that is at our disposal because we have to put on a ceiling of \$9,000 then I would certainly support that rather than having a universal plan. A universal plan would mean that fewer people who earn \$9,000 and less would receive assistance and people possibly would not be getting \$800 but only \$300 or \$400.

So I want to commend the Minister for bringing this in, first of all on the principles that he has adopted in the Bill, and secondly, for recognizing that the cost of living is going up rather quickly and that the people earning \$9,000 and less really need the assistance.

Some Hon. Members: — Hear, hear!

Mr. K. R. MacLeod: — (Regina Albert Park) Mr. Speaker, just a word. I am impelled to speak briefly to this Bill because the NDP House congratulator has arisen to tell the Minister what a fine job he has been doing, and that must be the speech that he keeps at his desk because that is the only one that we have heard during the course of this particular Session. He leaves the name of the Minister blank so that he can fill that in as he goes along.

I think a little more realistic look at this Bill will recognize, will show, that the Hon. Minister should be congratulated more for recognizing the weaknesses of his previous Bill.

Some of the comments that we made a year ago about this Bill have now been recognized by the Minister and he is now moving to make some corrections. And for that I congratulate him, but not for having done such a good job throughout because he didn't do a good job throughout. I, myself, received a number of complaints from people who were in the \$7,400 and \$7,600 bracket and who were just simply excluded from the benefit of the Act as it then was.

It is very interesting to note that the New Democratic Members seem to enjoy and support the principle of universality on all these programs except when it applies to a particular matter that might save the Government a few dollars. The fact is that they don't have a consistent policy at all on this.

If the purpose of this Bill was to increase housing and good housing, and at the same time assist in the unemployment problem, then it would apply to all housing. Because it would, by its very definition, reduce proportionately the larger the house that is constructed. So if a man builds a \$10,000 house the amount involved is a higher percentage than if it was a \$20,000 house, and so it should be.

Last year, in the fall of 1971, we questioned why the

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Government should be paying the Medicate premium for people who were millionaires (and there is the odd one around Saskatchewan, although I recognize that they are odd to remain in Saskatchewan with this Government in power), and, of course, the principle of universality was applied holus-bolus, and of course everyone's premium was paid if you are over 65 without question, without regard to whether you were rich or if you were poor. I just invite the House to recognize that that principle, which is applied on the one hand, is not being applied on this hand at all and I say, again, that what this Bill does is move to improve the situation that existed as a result of what was rather a poor Bill last year.

Some Hon. Members: — Hear, hear!

Mr. Wood: — Mr. Speaker, there are a few remarks I should like to make in regard to this Bill and maybe clear up some misunderstandings.

One is in regard to the need of a universal program, in order to increase employment and give good housing. I want to say, Mr. Speaker, as I had indicated in this House earlier I don't have the figures with me right now, but there were under our program 35 per cent more houses built in Saskatchewan this year than there were last year.

Some Hon. Members: — Hear, hear!

Mr. Wood: — This is true, Mr. Speaker. There were, under the other program, where \$500 was given to everybody, as compared with our program where we gave \$800 to those we felt needed it, there were in the neighborhood of 35 per cent more houses built this year than last. As I said a few minutes ago, there were more than twice as many built for those people in the lower income brackets who needed this kind of help.

I think that we have shown very conclusively that this is the kind of program that we need in order to provide employment and to give good housing to the people of Saskatchewan.

I should like to say, also, something about the poor program that we had last year, according to Members opposite, that needed improvement. Our program last year, Mr. Speaker, was drafted on the basis that the CMHC and the Federal Government were going to raise their income requirements. It was our understanding that they would very likely be making their Assisted Home Ownership available to the people of higher income than \$7,000. When we drafted this Bill this is what we had in mind. We were hopeful that they would. In fact, Mr. Speaker, we are still hopeful that they are going to raise the incomes under which people would be available for Assisted Home Ownership. This will be coming through very shortly, we hope, but as of this date it has not come through and we clearly saw that if we were going to make this program available to people who needed it we would have to raise these limits ourselves.

Last summer I wrote to Mr. Basford about this and asked that he raise these income limits, but it wasn't done and so we had to take matters into our own hands and raise our own limits in regard to the assistance that we were prepared to give.

As I pointed out a few minutes ago I think this has had the desirable effect and this Bill that we are presenting and giving a second reading to today, I would assume, Mr. Speaker, will continue in operation those amendments that we have made by Order-in-Council last fall.

Motion agreed to and Bill read a second time.

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