

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session – Seventeenth Legislature
55th Day

Wednesday, April 11, 1973.

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

WELCOME TO STUDENTS

Hon. N. E. Byers: — (Kelvington) Mr. Speaker, before the pleased to inform you and Members of the House that we have been joined this morning by a group of 40 young people from Margo School. They are situated in the Speaker's Gallery. They are Grades Seven, Eight and Nine students. They are under the supervision of their teachers Mr. Robertson and Mr. Bottcher. They are making a full day of it. They left home early this morning to arrive in time for the sitting this morning. They are going to visit in time for the sitting this morning. They are going to visit the Legislative Buildings and the Museum of Natural History this morning, and the RCMP Barracks and Sask Tel and other points of interest in the city this afternoon.

I hope that all Members of the House will join with me in extending a welcome to them, hoping that their Regina tour will be informative and an entertaining experience and that they will find the proceedings informative. I want to welcome the students here this morning and I hope that all Members will join with me in extending a hearty welcome to our visitors from Margo.

Hon. Members: — Hear, hear!

SECOND READINGS

Hon. K. Thorson (Ministry of Industry and Commerce) moved second reading of Bill No. 92 – An Act respecting Saskatchewan Oil and Gas Corporation.

He said: Mr. Speaker, The Saskatchewan Oil and Gas Corporation Act, 1973, is intended to create a Crown corporation for the exploration and development of the province's oil and gas resources.

Initially priority will be given to the exploration and development phases of the industry. However, like many other corporations engaged in the oil industry, this new Crown corporation will have the powers of an integrated oil and gas company. So it will have the power not only to explore for, but also to produce and to transport and to store and to refine and to process, to market and distribute oil and gas products and to enter into joint ventures with others for the same purposes.

I want to come back in a few minutes to the powers and point out to the Assembly that there is nothing unusual in the particular sections of the Bill before us with respect to powers granted to a commercial company.

However, I expect the first question which any one would want to ask about this Bill and the corporation which it will establish is why the Government is proceeding with it at this

time.

And in that respect, Mr. Speaker, I want to draw the attention of the Assembly and the people of the province to what has been happening in our oil and gas industry in Saskatchewan.

The Oil industry to the end of 1971 has spent \$2 billion looking for oil and gas in the province. The return on this investment from the sale of crude oil, natural gas and related products is some \$2.6 billion. While the economic benefits of all this have been significant to the citizens of the province, it is obvious that industry too has done very well. In fact it reached payout in 1964. In the year 1971 alone, industry revenues exceeded expenditures by over \$100 million. However, in recent years industry profits from crude oil production in Saskatchewan are not being reinvested in any significant degree in the province.

Indeed, Mr. Speaker, the major oil companies – and I emphasize that I am now talking about the largest ones rather than the smaller ones and the independent ones – although these major oil companies have been very active in exploring in other parts of North America they have virtually deserted Saskatchewan in recent years as far as exploration drilling is concerned.

The production of crude oil in Saskatchewan is declining. From a high of 93 million barrels in 1966, it has declined in the last five years at an average rate of some 1 per cent per year. The decline rate is expected to accelerate in the future unless new resources are found.

For example the 1972 production which is estimated to be 86 million barrels will be more than 2 per cent lower than 1971. At present trends it is expected that by 1975 the annual decline rate will be 4 per cent. So crude oil reserves in Saskatchewan are being depleted at a much faster rate than new reserves are being found. Clearly, Mr. Speaker, it will take a major effort in order to reverse these trends.

I wanted to – so that all Members of the Assembly will be able to see in some graphic way what the situation is so far as expenditures and revenues are concerned – I want to table a graph and I have extra copies which I shall be glad to make available to Members. It shows the revenues received by sales of oil products in Saskatchewan since 1952 and the expenditures by the industry since that time up to the end on 1971. I wonder if I could get one of the Pages to deliver some to the press gallery.

Mr. Speaker, I was speaking a little while ago about the fact that the larger oil companies have virtually deserted Saskatchewan so far as drilling is concerned. Let me give some more figures. Well drilling licences issued in 1971 were down to 756 from a high of 1,400 in 1965. The total footage drilled exceeded 4 million feet, in each of the three years, 1964, 1965 and 1966. This has declined to 2 million feet in 1971.

Both exploratory and development drilling declined to 50 per cent of the peak year levels.

The trend in expenditures by the industry shows a sharp decline in money spent for exploration and development in the

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years since 1965. From \$95 million spent in 1965, these expenditures have dropped by one-half to \$47 million in 1971.

Mr. Speaker, there have been increases in crude oil prices: there was a 25 cent per barrel increase in 1970, a 10 cent increase in 1972 and a 20 cent increase in 1973. These increases not only arrested the decline in revenues to the industry but provided the producers with an all time high in 1971 of \$229 million in revenues.

However, despite the substantial increase in profits accruing to the production segment of the industry from the increases in crude oil prices indications are that exploration for more reserves is not keeping pace.

Now, Mr. Speaker, that is the factual background which the Government found itself in when it took office in the last half of 1971. It is not surprising that we should be looking for ways to increase exploration and development activity in the oil industry in Saskatchewan. It is not surprising that we should be looking for ways to increase the direct benefits to the province from the oil and gas industry.

We might have chosen various methods and indeed we have in this current fiscal year increased our royalty rates so that we will be getting more revenues for the province as a result of the increase in prices which are going to the producers.

But that alone is not satisfactory, Mr. Speaker. We have decided that we ought to take direct action with a Crown corporation which will have Saskatchewan's best interests foremost in its plans to increase the exploration and development activity in the province.

Admittedly there are going to be some problems, geological problems, commercial problems. But we believe that these can be overcome. We believe that there will be more direct benefit available to the province by this Crown corporations taking part in the oil industry in Saskatchewan than by simply trusting to the wishes of corporations which do not have Saskatchewan's best interest foremost in their plans.

I want to emphasize that we are not satisfied with the policy and the program of past governments being appropriate to the 1970s and the future so far as the oil industry in Saskatchewan is concerned. We are not going to be content simply to have regulations, simply to have royalties. We intend that the Government should have some direct participation in the commercial activities of the oil industry in the Province of Saskatchewan in the 1970s and in the decades afterwards.

Mr. Speaker, the powers given to this company are the ones you would expect any corporation in the oil industry to have. I want to emphasize that initially we will give priority in its activities to explorations and development of crude oil and natural gas resources. But if there are good opportunities either in joint ventures with others or at some future time on its own, for this corporation to go into other phases of the oil industry, we want the corporation to have the powers to proceed to take advantage of those opportunities.

I just want to refer the Members of the House to some of the powers given in the charters of other companies which are

active in Saskatchewan. For instance here is Pan Canadian Petroleum Limited. The Members of the Assembly will be aware that this corporation is active in Saskatchewan and I notice that in its charter it has the power not only to explore and develop oil resources but also to refine, process and distribute oil, petroleum and natural gases and the products and the by-products thereof and to reduce, smelt or amalgamate, refine and otherwise treat ores and so on and so on, Mr. Speaker.

The Canadian Reserve Oil Company while not presently in Saskatchewan involved in refining of oil products has those powers contained in its charter. Similarly Francana Oil and Gas Limited has the powers to refine natural gas and oil and all products and by-products of the same. Another company which has so far confined its activities to exploration and development is the Placid Oil Company. Another one is the Dome Petroleum Company which has powers to refine any product of oil and gas whether belonging to the company or not and to render the same merchantable and to sell and otherwise dispose of the same or any part thereof or any interest therein.

I do not want to be leaving the impression with the Assembly or anyone else that because the powers of the company are expressed in broad terms that you can determine exactly what it is going to do from time to time by simply reading the Bill. It would be most unfortunate and most inaccurate for people to read the powers sections of the Bill and conclude from that that the company will immediately be doing all of the things it has power to do. I say it may have opportunities to do all those things and if it does so it should do so. But initially I want to emphasize that our main thrust and our main reason for establishing this company is to take part in the exploration and the production part of the oil industry, particularly in the production of crude oil.

Mr. Speaker, I want to emphasize while I am talking about the powers of the company that contrary to a statement which I saw made on television by the chairman of the Saskatchewan Division of the Canadian Petroleum Association, that this company will not be confiscating any property. Nor do I read this powers set out in the Act as giving it the authority to confiscate any property. I say that anyone who makes that allegation is either deceived himself and therefore innocently deceives others or else for some reason unknown to me is trying to create a wrong impression about the powers of this company. Mr. Speaker, I want to emphasize that this is a commercial company. That it does not need and that it does not intend to exercise any powers to confiscate any property.

The Members of the Assembly should not be left with the impression that somehow though this is a new venture for the Province of Saskatchewan that it is unusual in terms of what is going on in the world today. It is not unusual in today's world that governments should take part in commercial activities and it is certainly not unusual in Canada today that governments should take part in the oil and gas industry by direct participation.

I want particularly to refer the Members to what is going on in the Province of Quebec. And I have before me two of the annual reports of the SOQUIP organization there that was established in the Province of Quebec by the present Liberal Government in 1970. I want to refer the Members for a moment

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to a part of the statute of the Assembly of Quebec which created SOQUIP. Section 3 reads as follows:

The objects of the company shall be (a) to explore for, produce, store, transport and sell crude hydrocarbons in liquid or gaseous form; (b) to participate in the refining of crude hydrocarbons in liquid or gaseous form, in the storage, transport and sale of refined hydrocarbons and in the development of discoveries of hydrocarbons made by others. It shall also associate itself with any person, partnership or corporation for such purposes.

Indeed, Mr. Speaker, the mandate of SOQUIP is so wide and broad that it is understood that it may operate beyond the borders of the Province of Quebec, although it has not yet done so.

I want to read a statement taken from the Annual Report of SOQUIP, a statement made by its president, in which he makes the oil and gas industry around the world. I quote from the 1971-72 Annual Report of SOQUIP.

This trend already well established is spreading and examples are numerous. State or mixed companies in consuming countries of liberal economics orientation co-exist harmoniously with private enterprises while pursuing the objectives of their respective countries. If only to cite the best known, let us note BP in the United Kingdom; Norsk Hydro in Norway; Neste Oy in Finland; Deminex in Germany; ERAP and CFP in France; OMV in Austria; ENI in Italy; Hispanoil in Spain; Petrobras in Brazil; Sasol in South Africa; the Oil and Natural Gas Commission in India; JAPEX and Japan Petroleum Development Corporation in Japan; and PAN Arctic Oils Limited in Canada.

Mr. Speaker, in the latest issue of Oil Week, the issue of April 2, 1973, there is an article on SOQUIP and I just refer the Assembly to the headline, "SOQUIP is alive and well in Quebec three years after start as state firm". It gives a little description of how the company has organized itself and the work it is doing.

It isn't, Mr. Speaker, just these countries in other parts of the world or just the Liberal Government of Quebec which is looking for ways for the state to take direct participation in commercial activities so far as the oil industry is concerned. But I see that even our sister province of Alberta does not turn away from that possibility. Here I have before me a clipping taken from the March 17, 1973 issue of the Regina Leader-Post. The heading says, "Alberta Plans new Gas Field". The story goes on to describe the concern of the Province of Alberta for the exploration and development in the gas areas of what is called the British Bloc, the area of Alberta which has been used for military purposes. Let me quote part of the story. It talks about a study that is being carried on for the Province of Alberta by a consulting firm.

The study said, proving the reserves now will provide the province with three alternatives early in 1975. They are: 1. Setting up a Crown corporation that would put the government directly into the natural gas business.

2. Entering a joint agreement with a public company that would involve government equity in production or perhaps making shares available to Albertans. 3. A third possibility would be to proceed as usual with bonus payments for leases or tendered royalty in allowing a private company for leases or tendered royalty in allowing a private company to handle withdrawal of the gas.

The Premier in Alberta according to this story says that:

No decision has been made on which of the three alternatives the government will choose.

Then it quotes him directly as saying:

We definitely are changing the normal pattern here and in fact the government is proving-up the reserves.

So, Mr. Speaker, no one should find that it is unusual in the 1970s that the Government of Saskatchewan, based on the factual situation it finds itself in in its own oil industry, based on precedents established in other parts of Canada and other parts of the world, would want to take this step of establishing a Crown corporation to take part in the oil and gas industry in the province.

Mr. Speaker, before I take my seat, let me just summarize briefly some of the provisions in the Act and the development of the corporation as we now foresee it. The affairs of the corporation will be directed by a board of directors appointed by the Lieutenant-Governor-in-Council and the corporation may employ such officers and employees as are required for its effective operation and in order to achieve its objectives and its purposes.

The corporation, as I have said, will be authorized to participate with other companies and to purchase shares in such companies that carry on business that assists or enhances the corporation in its operations. The corporation will be financed by funds appropriated by the Legislature, by advances from the Treasury and by loans. As to how much it spends, Mr. Speaker, that will depend, of course, on the opportunities available to it from time to time. But given reasonable prospect, that is good opportunities before it, I do not anticipate that the corporation will be restricted for lack of funds. Indeed I have said in other contexts and I think it is literally true in almost every field of economic endeavor in Saskatchewan, a lack of credit is not the major problem. Physical problems, commercial problems, transportation problems, those all have to be grappled with in a more serious way in Saskatchewan economic activity than in other parts of the world. But the credit rating of the province and the credit rating for businesses operating in the province which have good opportunities has never been higher in the history of Saskatchewan.

The books and accounts of the Crown corporation will, of course, be audited annually by the Provincial Auditor and there will be, as provided in the Bill, an annual report and financial statement to be laid before the Legislature and will therefore be available for public scrutiny.

Mr. Speaker, as we foresee the initial operations of this corporation it will acquire oil and gas rights by applying and bidding for permits, leases and drilling reservations on open

acreage whether it is Crown or freehold. It will acquire lands by association with companies already holding lands whether they are Crown or freehold and it will acquire lands by making agreements with other corporations or landowners. The corporation will participate with other companies by offering services and it may offer oil and gas rights for equity in joint ventures.

Initially, Mr. Speaker, the corporation will undertake systematic examination of the sedimentary areas of Saskatchewan. It will operate first of all, through studies conducted in the office of the corporation by interpreting available geological information, examining geophysical reports and undertaking a program of geochemical analysis and secondly, by geological and geophysical field parties to determine the structures and thickness of various sedimentary beds; thirdly of course by being involved in drilling wild-cat and development wells either on its own or in joint ventures with others. Indeed, Mr. Speaker, if anyone is interested in knowing how it will operate initially I refer them to the activities of the Saskatchewan Power Corporation in the past year.

I hope and I have a firm purpose in mind, that as the corporation grows by increasing its staff, acquiring experience, acquiring land interests, acquiring geological knowledge which is useful, by establishing a good reputation in the industry for competent work, it is certainly the purpose of the Government that it should grow larger and larger and take a larger and larger share of the activity that is available in exploration and development of our oil and gas industry in Saskatchewan. I have indicated that there is a great need for a more intensive search for oil and gas. The probability of discovery increases with the amount of time and the money invested in exploration.

As I have said, we are not satisfied that private corporations have been doing it enough or will be doing it enough. We believe the people of Saskatchewan expect the Government to take whatever steps are necessary to increase that activity and will support this Crown corporation as a major instrument of achieving that policy objective.

I want to say, Mr. Speaker, that the corporation will be created as quickly as the enabling legislation is passed. We are already considering some names for the board of directors. We have had some inquiries from companies looking for the possibility of co-operation and joint ventures with us. Altogether, Mr. Speaker, it is the one event in the oil industry in recent years, the announcement that we would establish the corporation, which seems to me to give us some concrete hope for increased exploration and development and a return to the days in Saskatchewan when our oil industry is growing and hopefully prospering in a way that is more beneficial, directly beneficial to the people of Saskatchewan than in the past. I urge all Members in the Assembly, Mr. Speaker, to support Bill No. 92.

Some Hon. Members: — Hear, hear!

Mr. A. R. Guy: — (Athabasca) Mr. Speaker, first of all I want to register before I go into the Bill the dissatisfaction of the Opposition with the manner in which the Government is presenting this legislation. When we started out this year, the Attorney General said we were going to have a sufficient amount of time to study bills, we

weren't going to sit in the evenings so that Members on both sides of the House could have the opportunity to do a lot of home work, get in touch with people who were affected by certain pieces of legislation and so on. It worked fairly well, there was only one difficulty and that is the reason that we are still here today of course and that was that the Bills that were important to the people of Saskatchewan were not presented to the Opposition, they were not presented to this Legislature.

Some Hon. Members: — Hear, hear!

Mr. Guy: — We spent probably many a night when there wasn't enough on the Order Paper to provide us with any work to do because The University Act wasn't in, Sask Oil wasn't in; The Teachers' Salary Negotiating Act wasn't in or the Implement Dealers' Act. You can name a whole list of them, 10 of them were thrown at us the other day, many of them of major importance. This year we are right back to where we were last year. On Monday afternoon at 3:00 we received a copy for the first time of this Bill that has far-reaching powers and an influence on every single individual in this province in one way or another. At 10:00 o'clock Tuesday night we were told that second reading would be at 10:00 on Wednesday morning. Now we are prepared to speak in second reading for a while today, then I am going to ask leave to adjourn the debate. I am not asking leave to adjourn the debate hopefully until sometime next week, until we have time to hear from the oil industry, to hear from the service station attendants and the people who are going to be included in this Act. This will give us time to analyze it as there are some far-reaching powers, again written in strictly legal terms and we have to get legal advice on them. I am just saying to the Government we don't appreciate having the Bill given to us one day and told the day afterwards that second reading will be the following morning. We don't think this is the way to handle this type of legislation and that's one of the reasons why this legislation takes longer to eventually go through the Legislature because you don't present it in the manner in which you told us at the beginning of the Session that you were going to do.

Now we have all known for some time, Mr. Speaker, that we were going to have a Saskatchewan Oil Corporation, Sask Oil, but we never dreamt and it was never pointed out that it would have such far-reaching powers as this Act that has been presented to us. The Minister today painted a rosy picture of innocence, this was nothing very different than what is going to be done in Alberta, of course in Alberta there has been no decision made but the decision has been made in Saskatchewan. It is not going to compete with any of the oil companies for land; it is not going to expropriate any property because the authority isn't in the Act. A little later on I want to show the Minister the section in case he hasn't read his own Bill, that does give him the authority to expropriate land or property, service stations, refineries or anything else. It is there clearly in the Act if you look at Section B.

The unfortunate part of it is that throughout this whole Session, the low-key emphasis has been on, 'we're going to go into the exploration business', we have no intention of interfering with a refinery or any other aspects of an integrated industry. I ask you to look back to the Throne Speech Debate.

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Mr. Bowerman: — Oh!

Mr. Guy: — Who says, Oh?

Mr. Blakeney: — . . . when I read Section 8.

Mr. Guy: — All right, I'll read Section 8 to you too, Mr. Premier. It says, "The corporation may apply or by purchase by lease or otherwise." Or otherwise! By any other means, expropriation, confiscation, any other means!

Mr. Blakeney: — You can't find one lawyer in Saskatchewan who will agree with that silly interpretation.

Mr. Guy: — You'll get your chance to . . .

Mr. Blakeney: — I certainly will!

Mr. Guy: — You had better stand up when you make that statement. You don't look very tall sitting down.

Mr. Blakeney: — Well you don't look very . . .

Mr. Guy: — You had better stand up when you make that statement. You don't look very tall sitting down.

Mr. Blakeney: — Well you don't look very . . .

Mr. Guy: — I'll tell you something else, Mr. Premier. The Minister made a very clear point of it this morning when he said, you know, really there isn't everything in this Act. How many times over the last few years have we seen acts brought into this House when everything hasn't been in the act. I say to you, Mr. Minister, bring your regulations in before we pass this Act, because you bring the regulations that will give you the power to confiscate and expropriate and everything else. You have done it before, so why wouldn't you do it again. You'll never convince the oil industry in Saskatchewan that you haven't got ulterior motives, because your past record is such.

Mr. Blakeney: — Tell us about what the regulation section is . . .

Mr. Guy: — You'll get a chance to speak, Mr. Premier. If you want to make your speech now, Mr. Speaker, if you will allow me to continue the debate after the Premier has made his speech I'll gladly sit down. I should like to hear him. I'd like to hear him. I want to quote some of the things the Premier said over the last few months. I am glad he is in his seat, and I am glad he brought up the question. Premier Blakeney, January 12, 1973. "Pull your own Weight, Oil Industry Warned." The old heavy hand of Premier Blakeney came on the oil industry in no uncertain terms.

Premier Blakeney Thursday warned major corporations they will not be allowed to continued making decisions in their own self interest to the detriment of Saskatchewan.

Mr. Blakeney: — Right!

Mr. Guy: — Now just a minute, Mr. Premier.

The Premier said:

Saskatchewan must find ways to process its raw materials, become an exporter of finished products including petroleum, plastic, fibres, fiberglass, rubber, fertilizer, sulphur.

A pretty broad range and it's all covered here in this Act. But he went on and he said:

There are no pat answers as to how to resolve these issues. But the Government is carefully studying several alternatives. Those alternatives range from public ownership of all or parts of the industry through government regulatory and fiscal measures to influence it. In between is government entry into the industry as a refiner or as an integrated producer, engaged in exploration, production, refining and marketing.

Now, here's the crunch. Here's the crunch!

For reasons which are perhaps obvious the Government of Saskatchewan is not attracted at this time to any complete public ownership of the industry in Saskatchewan.

And at that moment the oil producers heaved a sigh of relief. And then you see this Bill put on our desks on Monday which has done exactly the opposite to the commitment that the Premier gave to the oil industry on January 12, 1973. He said at this time we have no intention, no intention. Then we look at the Throne Speech. The Throne Speech very quietly said, "You will be asked to approve legislation establishing a Crown corporation to participate in exploration for oil and gas." Nothing about any of the other aspects of an integrated industry. Then in the Budget Debate, again very carefully worded.

Mr. Speaker, at this Session we will ask the Legislature to establish a Crown corporation to carry out exploration for petroleum and natural gas.

The Premier in the Throne Speech was very careful. After threatening the industry, having them reach a point where most of them were prepared to leave the province, he now soft pedals it. He was discussing it on page 127 of January 31 Hansard. He said:

To the surely modest proposal that the people of Saskatchewan through a Crown corporation might be one of the groups exploring for oil and gas owned by the people of Saskatchewan, the editors of the Leader-Post have reacted in a characteristic way, of course. In the Leader-Post of Saturday, January 27, they said (and this is a quote he gave from the Leader-Post):

Those who value the modern day principle of a free economy in which it should be a government's role to supplement private business rather than dominate it tend to see the initiative as an attempt by government to get a toe in the door which will lead in time to the complete domination of all the basic supports for the Saskatchewan economy.

Even at that time he said, you know, they're reading into the Throne and the Budget Debate where we've said we're going into the exploration of oil, they've read something more into it. They've read that they're going to get their toe in the door. The Premier went on to say:

Only the Leader-Post in one of its paranoiac moments could construe a proposal for an oil and gas corporation to explore for our oil and gas as the first toe in the door to complete state domination.

Now that was a statement he made in the Throne Speech Debate. He said the Leader-Post because of that editorial was suggesting that a corporation to explore for oil might be the toe in the door. Well, I wonder what the Leader-Post will be writing today after they've looked at this Bill? Which give you not only the toe in the door, you've got your whole body and you've got your whole grasping fingers into the oil industry. The point that we want to make, Mr. Premier, and it doesn't seem to want to go through that solid block, is that you misled the oil industry. You've been misleading the oil industry for 18 months because they've asked you time and time again, which are your intentions toward the oil industry. And you have told them, don't worry fellows, we're going to help you explore a little bit. We're not happy with the amount of exploration that you've done.

And there have been reasons why money has been spent in other areas in Saskatchewan. It happens over a cyclical period time and time again. So that's nothing. In fact, the Minister in his own speech on the Budget said that 1972 was a good year and that money was coming back. Why then if the money was starting to come back and you had the highest sales for the last four years, do you now all of a sudden have to take and hold a club over the oil industry? Why didn't you keep your word? Why didn't you say, all right, we'll go quietly into the exploration business if there isn't a pick up in the exploration by the private industry? Why bring in a Bill like this which controls every aspect of the oil industry from taking the oil out of the ground to selling it in the wayside service station. And if you did intend to do that, Mr. Minister, why didn't you tell the industry that you intended that instead of springing it on them on Monday afternoon?

However, this seems to be the way the Government works and I suspect that is why my friend from Saskatoon Nutana (Mr. Rolfes) has been keeping quiet during the last couple of months. As soon as an oil company was announced, we had Mr. Richards, the Waffler say, "Waffle to Campaign For Government Oil Firm".

A province-wide campaign aimed at generating public support for Sask Oil, the government owned oil company proposed for this province by the NDP Waffle group is being organized by the Wafflers.

They are honest enough to say that exploration isn't sufficient, we want to go the whole gamut and they were going to campaign for it. It looks like the campaigning has been overwhelmingly successful. To Mr. Richards I take off my hat, I compliment you for convincing 44 other Members on that side that this is the direction they should take. You converted them. However, it's too bad that yesterday when you wanted to discuss taking over the potash industry they didn't have the courage to let

you get up in the House and make your speech.

Mr. Rolfes: — He wasn't here.

Mr. Guy: — Well, I'll tell you one thing, Member from Nutana South, he makes a better speech when he's not here than you do when you're sitting in your seat.

Well, then you know, a few days later . . .

An Hon. Member: — They had him locked in a closet.

Mr. Guy: — . . . the Member from Saskatoon University (Mr. Richards) said "Government Action Inadequate", Swift Current, February 8.

He may have some pretty good support in his Party because the NDP convention did pass a resolution calling for the nationalization of the oil industry in this province. In fact they did it at two conventions. They did it in 1971 and they did it again in 1972 in a rather watered down version. So when you put those all together, the Throne Speech, the Budget Speech, Premier's speech, the Minister's speech on the Throne Speech and Thorson's speech in the Budget Debate, and the Wafflers being unhappy about the outcome, there was no reason why the oil industry would suspect at this time that there would be ulterior plans carried out by my friends opposite. However, they might have known because you didn't have to bring in a Crown corporation to explore for oil and gas. The Minister admitted that this morning. The Saskatchewan Power Corporation under The Saskatchewan Power Corporation Act had been exploring for oil and gas for years and they didn't have to have the far reaching powers which the Government has now taken upon themselves through this Act.

Mr. Thorson: — It has the power.

Mr. Guy: — To explore. They haven't go the powers that you've given yourself in this Act.

Mr. Thorson: — Yes, they have.

Mr. Guy: — Oh no, they haven't. All right, why did you bring in another Bill? Why did you bring in another Bill if they had all of those powers? This is another point that shows that they do have ulterior motives over on that side of the House. It's no surprise, Mr. Speaker, that the industry is concerned and uneasy in this province when you consider the threats of the Minister and the Premier, the resolutions of the NDP convention, the power of the Wafflers over there, and the fact that the SPC already has the power to explore for gas and oil. Bill 80, of course, today shows that the industry had need for concern because this corporation completely controls every aspect of the oil industry from the exploration, as I said, right down to the wholesaling, retailing and the attendant in the service station

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on the corner. They can acquire land and property by lease, purchase, expropriation, or any other means, and if they can't do it in the Act they'll find a way to do it in the regulations. And the Minister said, you know, everything isn't in the Act, we're going to have regulations under the Act. We know what the regulations under the Act will do.

Mr. Thorson: — Mr. Speaker, on a Point of Privilege. I don't recall saying that there would be any regulations passed under this Act and if I said that, I certainly want those remarks withdrawn, because they are completely inaccurate. There is no provision whatever anywhere in this Bill for passing regulations.

Mr. Guy: — Well, the Minister certainly said, Mr. Speaker, and we will get the Hansard when it is ready, that everything is not in this Bill. If all your legislation and all your means of control of this industry are not in this Bill, how are you going to do it? You must be going to pass some regulations.

Mr. Thorson: — Perhaps my memory fails me, but I do not recall making any such remark at all.

Mr. Guy: — That is not a Point of Order. He will have a chance to close the debate some time from now and he can check the Hansard and I will check it too, and if I misinterpreted it I will then apologize. But I am sure that he made the statement this morning and it will show up in the Hansard, the impression that everything is not in the Bill, that there will be additional . . .

Mr. Thorson: — Mr. Speaker, I rise on a Point of Privilege.

Mr. Guy: — There is no Point of Privilege involved.

Mr. Thorson: — My Point of Privilege is that if I said anything to suggest that everything is not in this Bill, or that this Bill empowers the passing of regulations, I did not intend to make that statement and I withdraw it entirely.

My privilege is that if the Member wants to make an argument that is his privilege, but he should not try to make it by imputing statements to me which I did not make, and do not intended to make.

Mr. Speaker: — I think the Point of Privilege as the Member raises it, if such as statement of inference was led that he wants to correct it. And I think Hon. Members will recognize that from all slides.

Mr. Guy: — That is fine, Mr. Speaker, and I am not going to argue the point. I heard him. He now has said that he is withdrawing any implications of that.

Mr. Smishek: — . . . he did

Mr. Guy: — You know you would sound a lot better if you were

standing up Mr. Minister of Health. You don't sound and you don't look that good sitting down.

So if the Minister says that there will be no regulations and that everything is right here in front of us, that is fine, I am glad that he cleared that up. But that, well I won't say it, Mr. Minister as it wouldn't be parliamentary. You haven't been here very long this Session so I don't want to do anything that would upset you that you'd leave.

Okay, now as I said, this is a complete sellout to the Wafflers and we don't want to forget that. Members opposite don't want to forget that. And it just leads us to believe that the Wafflers' credibility in that Party is growing by leaps and bounds and there is nothing to say that if they nationalize the oil industry today that they won't nationalize the potash industry tomorrow. They have shown that the Wafflers have a clout in their Party over there which takes precedence over that whole front bench. The front bench are afraid of the Wafflers and this Bill shows it.

You know, the other reason why the people of Saskatchewan have to be concerned with this Bill is that it's just part and parcel of what we have seen in 18 months. You know, coming on the heels of the Land Bank where they're taking the land away from the farmers, on The Natural Products Marketing Act which controls every product of the land and the lakes and the forests, the cancellation of the Athabasca and Choiceland projects because they were private enterprise. They weren't cancelled on the basis of whether they were good deals or bad deals, they were cancelled on the basis that they were run by private corporations and not by the Government of Saskatchewan. When you look at the Government going into the prospecting business in the North, when you look at the purchases of an increased number of shares in the steel company, when you look at the 45 per cent interest in the packing plant, when you see the 45 per cent interest in the packing plant, when you see the motion for the nationalization of the potash industry and now you propose the complete control of the oil industry, there isn't going to be anything left for the people of Saskatchewan by the time the NDP get through. You will find out in 1975 whether the people are concerned about their rights and their freedoms and their individuality in this province. All you have to do is look at the long list of controls and the taking over of every aspect of our economy. It's no wonder that the people are coming out in droves and in forces like they never have before to the meetings to register their disapproval of the actions of the Government opposite.

I think the key remark of the Minister, I suppose he's going to get up and say that he didn't make this one, was when he said, we didn't really want to go into this business but now we're in it, it's going to grow slowly but we expect it to be larger and larger and larger until we have a major effect in the oil industry of Saskatchewan. Then he couldn't resist getting in the expression, you know, we don't trust the companies, we don't trust the oil companies because they don't always have the best interests of Saskatchewan people at heart.

And of course, this is the truth, Mr. Speaker of the Members opposite, not only the Minister of Industry but every single Member over there, they absolutely distrust anything that isn't controlled by the NDP Government. They distrust businessmen, they distrust industries that are privately owned, they distrust

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people who own their own land, they distrust everybody who can't be brought under their thumb and that's one of the major reasons why this legislation is wrong along with the others that I've outlined. And the other reason, of course, is that it completely reverses the stand that the Government took earlier in the year when they said, oh yes, we're going to maybe, do a little exploring, but we don't want to get involved in an integrated oil industry.

This Bill will affect every oil company, every service station owner, every refinery, producer, transporter of oil, sulphur, rubber products, plastic, you name it and it comes under the jurisdiction of this Bill. And everyone in the oil industry and these other industries are going to be affected because they face the threat of socialism which has the ultimate aim of taking over the complete production and sale of their product. And I'll tell you, they're not going to take it, Mr. Minister, and you'll see.

Well, there are a lot of things that have to be said about this Bill, Mr. Speaker, particularly when we've only had it for about 48 hours or less than 48 hours, to read it and interpret some of the sections or misinterpret as Members opposite will try to do so therefore I should like to adjourn the debate.

Debate adjourned.

ADJOURNED DEBATES

Second Readings

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. MacMurchy that Bill No. 80 – An Act respecting the Negotiation of Collective Bargaining Agreements for Teachers be now read a second time.

Mr. E. F. Gardner: — (Moosomin) Mr. Speaker, Bill No. 80, An Act respecting the Negotiation of Collective Bargaining Agreements for Teachers is another good example of the many bills that we have seen in the latter part of this Session where the Government is taking over more authority and more control. We are getting a number of bills of this type, in fact, the Bills that we are receiving seem to be designed primarily with this in mind. This is their main purpose and this is why we are opposed to this Bill, because of the extra authority that the Provincial Government is assuming.

In this particular case we find less authority in the hands of parents and their representatives. When we talk about the trustees we must keep in mind that these are the people who are locally elected by the parents, by the ratepayers in each local area to speak for the parents. They are asked to do this, they are volunteers in most cases and this is the job that they are doing. So when we think of any negotiations, any dispute, remember that the trustees are actually the people who are speaking.

There is little decision-making opportunity left locally and we had some Members in this debate previously on the Government side who got up and by some twisted type of thinking suggested that this Bill would somehow return some control to the local people. Of course, it is doing exactly the opposite to

that and to anyone who looks at the Bill or thinks about it at all, this should be obvious.

This particular Bill – we don't see any advantage, or any benefit to any of the parties involved and when I speak of the parties involved I'm thinking of the student, the trustees, teachers, the parents and the taxpayers. And I might say, also that the speakers I have listened to from the other side, who have talked about this Bill, very seldom mention the student. They seem to think there is some sort of a dispute going on between teachers and trustees and the Government should take a look at it, but none of them talk about the students. Of course, these are the people that are involved. We listened to the Minister's second reading of this Bill and this became obvious. Very little mention of the students, nothing said about the quality of education and we are surprised that they leave this out of their speeches, that they don't talk about what this will actually be doing for the students in a particular area.

It almost suggested, in listening to the Minister of Education, his second reading speech, that he was saying we could certainly run a good school system, we'd have everything running smoothly, if we didn't have those 'darn' students hanging around cluttering the place up.

The Minister's attempt to reconcile the differences of opinion between trustees and teachers, seems to have one objective in mind and that is to satisfy the Government but not to do what is best for any of the other parties. He is not concerned about maximizing the benefits to students, or improving the quality of instruction and this should certainly be our first concern.

We have heard from over there, many times, that area bargaining didn't work and this seems to be an accepted cliché by Government members. They say, oh, area bargaining didn't work.

Now in many cases, the trustees throughout the province say that it did work and I have letters sent in to me by unit boards (not only in my own area but from other areas) indicating that they want to stay with the area bargaining principle. And I am sure that all Members of the Legislature have had communication from Unit Boards and from trustees indicating it.

I might say, Mr. Speaker, that under the Area Bargaining arrangement, the teachers' benefits improved very, very substantially. Now I've got charts showing the average salaries for example, of the teachers in the units in my area, from 1965 to 1971 and it indicates the increases every year of the average teacher salary. And I shall be surprised, Mr. Speaker, if the benefit to these people, to the teachers are as great in the years, the five or six years following this as they were during that period. This will remain to be seen, but I have the average teacher's salary, the increase that they received from 1965 to 1971. If they receive as much because of the charges that you are suggesting in this Bill, I would be very surprised.

Mr. Speaker, we know that it's a typical NDP tactic to create some sort of issue to encourage friction in those areas. This is part of their job. They create an issue – they go out and say, 'area bargaining doesn't work, they stir both sides

up in a dispute; they encourage this friction and they put on a campaign to convince people that something is wrong and they try to convince people that change are needed. And then they introduce legislation to supposedly solve the problem, but in reality what they are doing is acquiring more power for themselves. They are getting more control over the citizens of this province and this is the way they do it; simply by going out, creating an issue, stirring up friction, getting both sides unhappy about something, then bringing in a Bill and ending up with more power in the hands of the NDP Government.

By this Bill the Government hopes to have control over the negotiations. This is their purpose and this is what they are trying to do in this particular Bill. They are introducing politics into the bargaining and everyone would agree, I believe, that this is no place for politics. The Provincial Government shouldn't be in the bargaining and I've talked to many teachers in my area and this is the one thing they tell me, once the Provincial Government gets involved in the bargaining you're going to have politics regardless of which party is involved and in the long-run it is going to work out to the detriment of everyone involved.

No party will benefit from this, the trustees, the parents don't want politics in bargaining, the teachers don't want politics in bargaining and it could perhaps (you could visualize the situation) where these groups of people could join hands against the Government and I wouldn't be too surprised if this actually happens even if they may have their own differences. Basically they are looking for the same thing – they are looking for good quality education with little interference. They are not going to get it under this Bill and they could quite conceivably join hands in negotiating against the Government and this would be an unfortunate situation.

The local authority, Mr. Speaker, is being clipped away by the Provincial Government and if local people sit idly by it could disappear altogether. It's very close to disappearing with the Bill that's before us today. Any bit of a local authority, local parental control that we had had could disappear with this particular Bill.

The people in my area have recently had an example of what could happen if local authority is taken away from the school system. They realize, and they have told me this, that they should have been concerned earlier. They should have looked at this ten, five, two or three years ago and had taken a look at the fact they are losing their authority in the school system. But even late is better than not at all, and most of them are realizing this now. With this final step where they are losing every bit of right and authority that they did have. With the introduction of this Bill, this is the time that they should take a stand and decide that this is not what they want.

Mr. Speaker, the parents and the local people not only want to retain, they want to retain what parental rights and control they now possess, but they want some of these rights returned and they are certainly not going to get it by the Bill that we have before us today. This Bill is doing exactly opposite to what the local taxpayer, the parents and the local teachers want. They don't want distant groups bargaining in a cold and calculating manner about issues which could very vitally affect their own children in their own local schools. And if you

check around the province you'll find that a great number of teachers agree with this; something that the Members opposite seem to forget when they are discussing this Bill, or this issue. They should remember that teachers are also citizens and taxpayers and parents, in many of these local areas. And that they have the same feelings – they want the same things as the other local people and this is something that shouldn't be forgotten, that the teacher who is teaching out in some rural area in this province, he is also a citizen of that town, he takes part in the local activities, he's a taxpayer of that town and in many cases he is a parent, has children going to the school, and he sees the loss of control of authority that is involved in this Bill.

In many respects, the concerns of the teachers are very similar to those of the other citizens, the other parents, and the other taxpayers in any particular area.

For this reason, Mr. Speaker, I would very strenuously oppose the provisions of this Bill.

Some Hon. Members: — Hear, hear!

Mr. M. Kwasnica: — (Cut Knife) Mr. Deputy Speaker, it is with a great deal of enthusiasm and pride that I rise to take part in this debate. This debate on The Teacher Collective Bargaining Act, 1973, now under debate, repeals the previous Liberal area bargaining legislation brought in amidst great consternation, anger, disgust and confusion. Area bargaining has been a total failure as a means of settling teachers' salaries in this province, and we have five years of solid proof that this is the case. For these reasons, I am glad that the New Democratic Government is making a sincere attempt to rid us of this bad dream called 'area bargaining'.

Now Mr. Deputy Speaker, I want to take a few minutes to discuss what the Opposition Members have been saying about this Bill.

The Member from Wilkie (Mr. McIsaac) said in his speech the other day that 'this Bill was eliminating trustees from the bargaining table', and he openly said that plainly and simply. They are eliminating trustees from the bargaining table! Well, there are four trustees to be appointed by the Saskatchewan School Trustees Association on that bargaining committee. The five Government appointees could very well be trustees and probably will be, and really when you look at the ratio, that's not bad at all – four trustees, five Government. Is he suggesting as well then, if we have four trustees on a committee and we have four teachers on the committee, is he suggesting then that we are eliminating teachers from the bargaining committee? There are four teachers, so by his calculations in his statements he is saying we are eliminating trustees and therefore, we must be eliminating teachers too because they are the same number – equal number. So that argument is total nonsense and he knows it.

Mr. C. P. MacDonald: — That's nonsense.

Mr. Kwasnica: — The Member for Milestone knows it and he is grinning away and he sees the total nonsense of that statement.

And the Hon. Member for Wilkie also says that parents have the right to be heard in educational matters. Well, of course they do. Nobody argues with that. We agree with that, but I should like to know how will settling of a salary grid at the provincial level lessen parental input into that aspect of education that they had before – at the area level? Parents had nothing to say at all in the area level negotiations so by some magical way he says this is what is going to happen. This is not true.

The Member who just sat down, the Member from Moosomin (Mr. Gardner) – the same old punch line again – less autonomy for parents and trustees, little decision-making left at the local level. As usual bury your head in the sand, keep muttering away in the sand, the same old clichés.

Just what does the local board have for rights? Right now, as they have had in the past, they will hire and fire all teachers. Pretty good local control if you ask me. Total control of buildings and maintenance thereof as always; total control of rules for the schools, that's there; and now that we have such a thing as accreditation of schools whereby there is no need for certain teachers to ask their students to write the government set final examinations. Now there you've got local control that you've never had before. Complete control of transportation within the system, the buses, or whatever; total freedom in courses and curriculum content (you've never had this before), in short, total local autonomy by all school boards in everything except teacher grid. So I don't see the problem at all.

The Member who just sat down also mentioned bringing politics into bargaining. Well, he should know because that Party opposite were masters at bringing in politics. The Liberals were pretty sneaky and underhanded. They were the backroom boys who imposed guidelines on negotiations, threatened boards with reduction of grants if they settled over the guideline. Now that's what I call political interference and they were masters at it.

We are facing the financial realities of today and the teachers have asked that they negotiate directly with the people who have the money, instead of 'paper people', the trustees who always say, 'well we don't really know what the grant will be so we can't really settle'.

Mr. MacDonald: — Is that what they are – paper boys?

Mr. Kwasnica: — That's what they were under your legislation.

Now, Mr. Speaker, what was the background to the legislation which we are now repealing – that area bargaining? I should like to remind Members opposite because they might have forgotten (they are prone to forget) that area bargaining was brought in against the advice of the then Minister's own Moor Committee, totally against the advice of that committee. The closest thing the Moore Committee came to area bargaining was to suggest that it not be implemented but that it be tried voluntarily on a trial basis. But the Government of the day, the Liberals, went ahead anyway.

The greatest objection to area bargaining came from the Saskatchewan Teachers' Federation. They had the foresight to see a disaster in the making and I have news clipping after news clipping on my files that indicate the degree of concern shown by the Saskatchewan teachers at that time. I just want to quote a few. One of interest to all would be: "STF Ire Roused by Government Firmness", Star Phoenix, January 20, 1968. It says in this article and I quote:

The Saskatchewan Government intends to ram through objectionable legislation, despite teacher protests, Stirling MacDowell, Saskatchewan Teachers' Federation Secretary said today. The STF has been in harsh battle with the Government for nearly two weeks over proposals to institute area bargaining and to exclude administrative staff from the bargaining and to exclude administrative staff from the bargaining agreement. The Government is attempting to lull the public into thinking there really is no crisis in education, Mr. MacDowell said, however, teacher know there is a crisis and it is growing more severe each day. Talk of mass resignations and walk-outs and work-by-rules are not bluffing threats by an organization, they are expressions of deep concern by individual teachers who feel concerned over the infringement of their professional freedom.

There you have the degree of concern at that time.

"Teachers Protesting Strongly", Star Phoenix, January 25, 1968 and I quote:

Saskatchewan teachers are mounting their fiercest campaign in recent years against changes in salary negotiation methods proposed by the Provincial Government. They say they do not like the proposed changes and they are saying so loudly throughout the province.

And the Members opposite say that it was the New Democrats that were opposing the Bill. Well this is the STF – what has it got to do with the NDP?

"Sympathy for Saskatchewan Teachers Felt in Schools Across Canada", Star Phoenix, January 30, 1968.

Saskatchewan teachers angry about a new iron-clad salary act proposed by the Provincial Government have shoulders to cry on in other parts of Canada. If approved by the Government the Act will divide the province into separate negotiation areas and remove local school board salary discussions.

So, Mr. Speaker, there is no doubt that 11,000 teachers across the province were not happy with the proposed legislation by that Liberal Government of 1968 and that's probably one of the main reasons that the Liberal Party opposite was firmly trounced in the 1971 election.

Mr. Speaker, teachers were not the only ones dissatisfied with the proposed legislation of that day. I have documented evidence in my files that trustees as well opposed it. First item, Star-Phoenix, February 12, 1968, a very interesting headline and news commentary. "Unit Board and Teachers Oppose Area Bargaining". Boards and teachers both.

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Trustees and teachers of Kindersley superintendency have combined in their opposition to compulsory area bargaining. At a joint meeting of the Kindersley School Unit Board and the executive of the Kindersley Superintendency Teachers' Association, members were unanimous in their opposition to the proposed legislation.

Neilburg, Saskatchewan, January 22, 1968. Neilburg Central School Board passed a resolution opposing area bargaining and sent it to their unit board.

Elrose, Saskatchewan, January 26, 1968, Star-Phoenix:

Two resolutions opposing the Provincial Government's proposed Teachers' Salary Negotiations Bill were passed at a public meeting here after more than 175 people heard discussions from both trustees and teacher representatives.

And further in that release, I quote:

George Leith, MLA for Elrose said that he would make no apologies for the actions of the Education Minister.

And where is that Liberal MLA for Elrose now, Mr. Speaker? I can't see him anywhere in this House. Long gone.

Mr. Speaker, I could go on and on. Carnduff School Board, Govan School unit which had already settled their salaries under the previous Act and many more.

Of course, I wouldn't want to forget another quotation from a well-known educator in the Saskatoon area. Star-Phoenix, January 13, 1968: "Teacher Legislation said Reactionary".

Premier Thatcher would not be heading Saskatchewan Government today if recently proposed education legislation had been indicated during the election campaign last fall, a public school trustee and former Liberal MLA said Friday.

And he must have been really shocked right out of his mind because he went on to say:

I find it difficult to believe that a Liberal Government would try to enact such reactionary legislation.

Who was this former Liberal MLA and school trustee, Mr. Speaker? None other than John Egnatoff of Saskatoon.

Well, Mr. Speaker, it is evident that area bargaining was not being accepted at that time and it is not being accepted now, five years later, either.

Compare the total difference in approach and reaction to our proposed bi-level negotiations Act, brought in by our Education Minister. Our Minister has held many meetings with teachers and trustees separately and then together. He has used some sound ideas and recommendations of his committee, the Toombs Committee, the main recommendation in that Committee being that area bargaining had to go. It had to be scrapped. He has also used the idea of the Educational Relations Board suggested by that Committee. Our Minister has spent hours of

hard work in finding a method that will work.

Unlike the Liberals who wouldn't dare talk about their election platform, as Mr. Egnatoff claimed, our Minister, after consultation, study and compromise has carried through our election promise, on page 11, number 3, of Our New Deal for People which says that the New Democratic Party would, and I quote:

Enact new legislation to replace The Teacher Salary Agreements Act which will permit free collective bargaining and remove political interference from the bargaining process.

Compare the tremendous concern voiced against area bargaining by some 11,000 teachers in 1968 with a resolution passed at the annual STF Easter Council held in Regina last week, and I quote:

Be it resolved that we endorse the major principles contained in Bill 80, The Teacher Collective Bargaining Act, 1973, and that we urge the Provincial Government and all Members of the Legislature to proceed expeditiously with its passage.

Now that is a statement of endorsement of the principle of that Bill. But they also gave some very sound advice and they said further:

Be it further resolved that we press for the following amendments to Bill 80.

1. That the definitions of teacher classifications be added to the list of items that shall be negotiated in the provincial agreement. 2. That allocation of duties to teachers be deleted from Section 4(4) and Section 9(3). 3. That sick leave be transferred from Section 8(1) (a) to Section 4 (1) (a). 4. That a clause be added to protect the status of local agreements that have been previously negotiated by school boards and teachers.

I want to thank the teachers of Saskatchewan for their sensible and businesslike approach to the problem of collective bargaining.

Mr. Speaker, the New Democrats opposed area bargaining in 1968 because we were positive it would not work because of its many flaws and it did not work and the record is extremely dismal. Area Bargaining brought in by the Liberals opposite was a major catastrophe for education in Saskatchewan. Why do I say this and what are the facts?

Four years of area bargaining had produced very few agreements on time. And yet Members opposite say it is working, it could have worked, it may work someday. In 1969, the first year of negotiating under the Act, all teachers area teams requested negotiations on or before October 15, 1968, but not one settlement was reached by January 7, 1969, the deadline date. Nor was any reached by February 7, nor by March 7, nor by April 7th. The first settlement was reached on April 18 of 1969, 4 ½ months late, so teachers were 4 ½ months late in getting their increases.

In 1972, last year, no negotiations of any kind were

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carried on so all teachers' areas were already 3 ½ months behind on their salary increases.

It is interesting, Mr. Speaker, in the 1969 negotiations under area bargaining that it took a total of 2,755 days of negotiating time to reach settlements. In that year it took 276 days to reach a settlement in Area 4, 276 days in Area 2, and in Area 10 it took 222 days to reach a settlement.

By 1970 the situation grew even worse. It took 302 days in Area 13, 420 days in Area 11, 534 days to reach a settlement in Area 4 and a record of 606 days from commencement to conclusion of negotiations in Area 1. 606 days! Almost two years.

What about the students? This is the sad record of area bargaining, Mr. Speaker. But what is most disturbing to the education of the children of our province is the fact that area bargaining brought in by the Liberal caused Saskatchewan teach to go on organized strikes for the first time in the history of our province. What is that Liberal record, Mr. Speaker? How many teacher days were lost due to strikes? Was it 100 days? Was it 500? Was it 1,000? What it 5, 000? No, Mr. Speaker, since the inception of area bargaining in 1968, the total teacher days lost due to withdrawal of services, was 6,213.5. I repeat 6,213.5 teacher days lost due to Liberal legislation called area bargaining and Liberals opposite still want to continue with area bargaining and are going to oppose our fresh and sensible approach of bi-level negotiations.

What was the previous CCF record, Mr. Speaker? Let's look at the 20 years of CCF Government from 1944 to 1964 and two years of NDP Government since June of 1971. How many teacher days were lost in the 22 years, Mr. Speaker? Was it 6,213.5? Was it 5,000 days on strike? Or was it 1,000? No, Mr. Speaker, a few hundred teacher days were lost in what were termed teacher study sessions in the Regina area in the 1960s. That is the extent.

Mr. Speaker, this is an NDP record. We are on the road to another 22 years of good, honest and fair collective bargaining again with this new Act now under debate.

Mr. Speaker, what did the Liberal Education Minister do when he saw himself that area bargaining was creating public discord, hard feelings and strikes? What did he do? Mr. Speaker, he brought in two piddling amendments. One, set back the deadlines for starting and ending negotiations by six weeks. This called for negotiations be completed by November 25th of the year. The second amendment, which we opposed in the House, brought in compulsory binding arbitration. And the Minister of Education of that day stood up, proud as a peacock in this House, and proclaimed very naively, "This will teach them a lesson, they better get down to serious negotiating now".

The result of those ridiculous amendments, Mr. Speaker, was that free collective bargaining was given the kiss of death and the end result was not one settlement, not one set of negotiations carried on in 1972 or 1973 to date, and the Liberals have the gall to oppose this new and innovative approach proposed in our Bill.

What are the Liberals led by the Member from Milestone, opposing this Bill? I'll tell you why. They want a few

newspaper headlines; they hope they can make some cheap political gain as they bandy about the country talking about local autonomy and parental control of education. But they haven't got the courage to admit that area bargaining will not work and did not work as I have proven. They, like little boys, can't give consent to something that will work because it is being brought in by the NDP. Straight politics. If I were the Member for Milestone (Mr. MacDonald), who is not in his seat, I would walk out of this Chamber with my head down in shame and never return, as he had to do after he made his brilliant speech when the galleries were full of teachers. If I were the Member for Wilkie (Mr. McIsaac) I would resign my seat, because he will never win that seat again. He doesn't even live in his riding any more. And if I were the Leader of the Opposition (Mr. Steuart) of that motley Opposition – and there are four of them in the House now – I would go and fly a kite and be dragged off into the wild blue yonder where he properly belongs. That is the extent of his impact on this legislation and constructive criticism.

No, Mr. Speaker, it was the Liberals who introduced a time bomb, as the Member for Milestone put it, that exploded in their faces. We are trying to patch up the scars and settle this matter reasonably once and for all. That is the situation. The people of Saskatchewan ought to be aware of it.

Mr. Speaker, this Bill now before us, proposed two levels of negotiation – provincial and local. Because of this feature, it is very unique in Canada. It faces the financial realities of today and yet preserves the right of teachers to bargain collectively. Each level has the items it is to negotiate spelled out specifically. That was one of the major defects in Area bargaining. Negotiators never knew exactly what items should be negotiated and they were reluctant to discuss new items and this caused great frustration.

The provincial negotiation team will be made up of 13 members, composed of four appointed by the Saskatchewan Teachers' Federation, four by the Saskatchewan School Trustees' Association and five appointees by the Government. And as I suggested, these five Government appointees could very well be school trustees. Therefore, four teacher negotiators will face nine employer negotiators composed of trustees and the Government. This seems like a one-sided bargaining committee – four against nine. But, Mr. Speaker, how else can the true financial position be incorporated into the negotiating picture. The Government is now paying 53 per cent of the operating costs of our schools through operating grants which will amount to some \$100.9 million this year. If we add to this our Government's Property Improvement Grants, which are earmarked as a tax reduction for school purposes, we get a further \$30.5 million. This means that local ratepayers are now financing 30 per cent of expenditures by local school boards and that the Government is now financing a total of 70 per cent of school costs in our province.

If the Government is now paying 70 per cent of school costs, then it is very logical to assume that the Government should have a greater say in negotiating the moneyed items of teachers' salaries such as salary grid, principals' allowances, group insurance and pension plan.

Under the old system of area bargaining, the Government was always blamed by teachers and trustees for not allowing

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settlements on time and for imposing guidelines. So previously, the Government took the blame for a situation that it did not really control. This Government has faced up to the financial facts of the day and is willing to shoulder the responsibility.

I want to say a bit more about the negotiating teams of four teachers versus nine employers, which includes trustees and Government. And this is for the benefit of the Member for Wilkie. On the surface this seems like an imbalance of power. But anyone who understands negotiations will realize that there are only two sides to the negotiations – the employees (teachers) and the employers (trustees and government). It makes no difference whatsoever how many are on each side. There could be 20 on one side and 2 on the other and the outcome will be the same, a salary settlement acceptable to both sides. And this Act is a proper reflection of the financial responsibility in our educational system today. And this reflects the present situation as it really is.

The other level of negotiations will be right back at the local school board level. Each school board will negotiate matters of local concern directly with its teachers on such matters as sick leave, sabbatical leave, educational leave, salaries for substitute teachers, the period of their agreement, pay periods and special allowances. This will give local school boards much more local autonomy on matters that are truly local in nature, much more control than they ever had under area bargaining, which was literally very little. It is possible, at a later date, that items may be added to one level or another, but experience and logic will prevail in this matter.

Mr. Speaker, in concluding my remarks on this Act, The Teacher Collective Bargaining Act, 1973, let me sum up.

Five years of area bargaining have proven without a doubt to be a total failure. Area bargaining caused confusion, frustration and brought about a rash of teacher strikes and walkouts unparalleled in the history of our province. In short, area bargaining did not work and the public are fed up with this constant bickering over teachers' salaries.

Education is a co-operative system based on the good will and mutual respect of teachers, trustees, government and the public. As financial responsibilities shift so must the duties and obligations of the parties concerned shift. This Act faces the practical and financial realities of the situation today, 1973 and will face the challenges of the future.

Mr. Speaker, we on the Government side, ask for the co-operation of the teachers and trustees. We hope that trustees will take up the challenge and participate fully in the negotiations at the provincial level. It is the hope of our Government that educators will get on with the job of providing programs and methods of educating Saskatchewan children in a system that is second to none on the North American Continent.

Finally, Mr. Speaker, I want sincerely congratulate the Minister of Education for his patience which has been tested by many, his farsightedness in drawing up this important legislation which is in touch with the realities of today. On behalf of my constituents and the people of Saskatchewan, I want to thank him for an excellent job.

Mr. Speaker, as you can readily see, I will be supporting this Bill.

Some Hon. Members: — Hear, hear!

Mr. E. C. Whelan: — (Regina North West) Mr. Speaker, on entering the discussion of The Teacher Bargaining Bill, I do so as sort of an on-looker, removed from the influence of either the trustees or the teachers, but conversant with the position taken by both parties over the years that I have been in the Legislature.

When the Opposition rush into this House telling us how upset trustees are, on behalf of parents, because we are introducing legislation that will try to arrange an amicable and practical means of concluding effective collective agreements between teachers and trustees on a provincial basis, I suggest that they are out of step and off the beam.

At the present time in the area where my riding is located, bargaining Area III, the last agreement was reached after 14 months of negotiations. If that is effective area bargaining then I suggest to those who say so that they have misjudged the procedures. When they tell us that they have in mind the welfare and the educational well-being of the children and the parents, I suggest, Mr. Speaker, that they are hard put to prove it with the area bargaining procedure, when it took 14 months to arrive at a contract in that Area, the last time around.

Did the parents know what was going on? Did the children know what was going on? Were the teachers aware of the negotiations? Were they progressing? I suggest over that 14 month period you will find in the classrooms and in the homes and in the minds of the teachers and students there was a degree of uncertainty, a degree of dissatisfaction, a degree of conflict that was not, is not and could not be conducive to a good educational system.

To those who argue for area bargaining as it was, and at the same time tell me that they are concerned for the parents and their children, I suggest to them that they cannot and will not convince the same children and parents that a long negotiating period, to arrive at a settlement, is a satisfactory way to handle negotiations while teaching young people.

We are told there is an objection because the trustees will not be advised if bargaining takes place on a provincial basis.

Were the trustees in this area involved in area bargaining? I have been told, Mr. Speaker, by trustees, that during the last negotiations in Area III, they were not aware of what was going on, what was developing or why, except for a handful close to the scene of negotiations. The rest were completely in the dark as to what was happening or how the contract negotiations were proceeding.

It seems to me that having come through the area bargaining procedure, we should not now find fault with provincial bargaining on the basis that the trustees cannot participate on behalf of the parents and the children. Often political parties are charged with playing politics with the money that we use to finance schools but I suggest, Mr. Speaker, that if we carry on

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bargaining for 14 months or more, and more as was the case in most instances in 13 different areas of this province, we are really playing politics with the minds of children in the classrooms.

For these reasons one area over the whole province for the controversial items under negotiation is, in my estimation, better for the boards, for the teachers and for the children.

We are told that if the bargaining takes place now on a provincial level it will take away the local autonomy that developed in area bargaining. Was there really local autonomy in area bargaining? According to both the trustees and teachers who have been involved in these negotiations, I have been advised that on most occasions meetings for contract negotiations never got underway until the representatives of the SSTA and the STF were on hand to assist.

It can easily be proved, I suspect, that their presence influenced and prolonged the negotiations. Thus we had 13 sets of negotiations that were prolonged because there were provincial representatives either directly or indirectly involved in all 13 negotiations.

Mr. Speaker, it may be suggested that we are taking away local autonomy. I am convinced if that is possible, area bargaining may have done that a long time ago.

In one sentence – provincial bargaining as it has been set out in the Bill will mean one provincial negotiation, instead of 13 long, drawn-out, prolonged provincial negotiations in areas as we have at the present time.

The argument is made that the trustees will have four on their side and that there will be nine on the other side – four teachers and five from the Government. I suggest this is jumping at conclusions. It could be the other way around with the teachers, if their case isn't good, stacked up against four trustees and five others, nine employers in all. Who knows? To argue that the Provincial Government has no right to be part of this bargaining system is hardly practical. The province has a right to establish curriculum, teaching standards and most of the rules and regulations that set the standard for education on a provincial basis. In addition, when you add the Property Improvement Grant, the province puts up approximately 70 per cent of the total cost of education. If it is going to be called upon to put more and more financial equity into education, then I have only one point to make. The Provincial Government should have a strong voice in guaranteeing the harmonious function of the educational system in this province.

The record as far as area bargaining is concerned has not been good. It's been a long drawn-out negotiation arrangement, oftentimes a failure when arriving at a contract. I think this proves the need for machinery that is being established by legislation in this Bill. I would urge the trustees to participate fully with their knowledge of the administration of education.

What is the ultimate objective? It is the same for all of us, a good education system for the Province of Saskatchewan. My challenge to the trustees and to the teachers and to those representing the Government, is to sit down and make this Bill

work. The Bill offers a vehicle for doing that on a sound and practical basis.

Mr. Speaker, I wholeheartedly support this Bill.

Some Hon. Members: — Hear, hear!

Mr. L. Larson: — (Pelly) Mr. Speaker, I want to take this opportunity to say a word or two about this Bill with regard to teacher-trustee bargaining. I was rather amused the other day at the Member for Milestone (Mr. MacDonald) after the Minister had made an excellent presentation of the Bill using common sense, rationally and sincerely trying to explain what he hoped could be accomplished under this Bill. He pointed out some of the very grave and unsatisfactory weaknesses of area bargaining as it exists. Then the Member from Milestone proceeded to follow him, and in my opinion did a very bad job. It has been rather noticeable throughout this whole Session, the Opposition has been flailing and thrashing and groping around to find something to discredit the Government.

In my opinion, Mr. Speaker, in doing so they have abrogated all sense of responsibility, all sense of credibility, worthiness, trust or even common sense. Out of all these desperate attempts to confuse the people and to discredit the Government, so far, not one single issue has made sense or had any common appeal. All it has done is to paralyze progress in this House and to paralyze the business of the Government.

For 55 days this House has sat and listened to this nauseating, whining and politicking of the dejected, disorganized, yes, even leaderless, handful of political desperadoes on the other side of the House, Mr. Speaker.

And in this debate on trustee-teacher bargaining there is no exception. The Member for Milestone the other day, of course, under great duress and pressure as I have said, set the tone. With the galleries full of fellow teachers he really squirmed and back-pedalled. The best he could do and the best he could come up with was to talk about local autonomy and to refer to the Bill as a time bomb.

It may be a time bomb, but I suggest, Mr. Speaker, this time bomb has existed in education for a long time. For too long we have lived under the pressure of the time bomb. Salary negotiations have been a stumbling block and a time consuming aspect of boards and teachers for a long time. It goes back to the days of even before the unit. The times when the local boards and the teachers sat down and tried to work out salary agreements and salary schedules.

I can recall those days, recall them very vividly. I recall teachers, teaching for the Government grants. I recall the discontent and the dissatisfaction that existed. Finally in an attempt to dispel this problem I recall the Government in 1940 stepping in and arbitrarily setting teachers' salaries at a minimum of \$700 a year. I want to quote the section of the Act that brought this into effect. Section 211, Chapter 75 of the 1940 Statute:

Notwithstanding any agreement to the contrary every teacher shall be paid a minimum salary of \$700 per year.

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Not too much local autonomy involved in this kind of legislation. Again, in 1952, Chapter 55, Section 216:

Notwithstanding any agreement to the contrary every teacher who is the holder of a valid certificate within the meaning of the regulations under The School Act shall be paid a salary not less than \$1,320 per year.

So the local autonomy that's been mooted was lost, in my opinion a long time ago.

So let us not get carried away with the Member from Milestone's clichés or his attempts to confuse and detract from the real time bomb.

He tries, Mr. Speaker, to belittle and degrade the Minister of Education by his blatant and course remarks. He said the Minister has labored and brought forth in abortion. By this kind of remark the Member for Milestone has shown his contempt and disrespect, not only for the Minister, but for this House. He has also shown the same kind of contempt and disrespect for the profession that has given him a good living and respected status in the province.

Coming from an active school teacher, a former Minister of the Crown and a sitting MLA, those kinds of remarks can't go unnoticed either by this House or by other members of his chosen profession, they are truly shameful.

What, Mr. Speaker, is the real time bomb in education? Is it whether or not the brain child of the Liberal Party wants to preserve area bargaining? Is it the issue of whether or not some form of imagined local autonomy is at stake? Is it the power struggle between the SSTA and the STF or what really is it?

I suggest, Mr. Speaker, it is none of these. I suggest it is a much bigger and a much more important issue.

What about the quality of education and our students? What about the welfare of the students and children? What about harmony between parents and teachers? Harmony between trustees and teachers? Cost distribution and the sharing of the costs of education between the various taxpayers and levels of government?

I suggest that all these are integrated and inseparable. I suggest all of these have broken down. Local area bargaining did not produce them. Provincial bargaining may not produce them. But we must try.

Good faith must be restored to teachers, trustees between government and teachers and trustees and parents. No legislation can force this. This must be worked at, it must be tried, it must be experimented with and it must be approached from the premise of good faith by all people concerned.

Teachers and trustees and the Government now face this challenge. Success or failure rests entirely on their shoulders. There are hazards, some real hazards. There may be changes necessary. And changes ought to be incorporated into any legislation as it is found necessary.

The challenges of this House now is to try to seek out an honest way in these hazards and what changes may be necessary can be brought forward.

We can have our differences in philosophy, our differences in beliefs, but on the issue of education, petty partisan politics and issues have to be put aside and they really have no place. If we approach the whole problem from this premise there is little doubt in my mind that Saskatchewan can be successful.

We have come through a very trying period and a very trying time with regard to education. A school plant system that was obsolete and out dated, a highly volatile group of students that needed plant room, needed facilities and needed curriculum and needed guidance. These we have lived with, these we have overcome, these we now see as a result of a planned effort and dedication from an awful lot of people both at government level, at the trustee level, at the teacher level and at the present level. That we have not resolved the issue and the problem of salary negotiations is not really too surprising, when we consider and comprehend the challenges that we have faced, and the effort that has been expended in meeting and solving this challenge.

Today with declining student enrolment with a surplus of teachers the shoe may be on the other foot. Surely then, Mr. Speaker, if we bend our efforts to this problem of teacher-trustee salary negotiations and the items that are outlined in the Bill that come within its jurisdiction and scope surely we can and must resolve this one.

I call on all Members of the House to bend your efforts towards this very vital and very important issue.

Obviously I will be supporting the Bill.

Some Hon. Members: — Hear, hear!

Mr. A. R. Guy: — (Athabasca) Mr. Speaker, I am pleased to participate in this debate. I think before any Member on either side of the House determines whether they support the Bill that Members are going to have to look at several main principles that are involved. First of all will it help solve or at least lessen the conflict between teachers and trustees? Does it strengthen or weaken the local autonomy of the school boards who represent the parents and the students? Does it provide and protect free collective bargaining processes for teachers? Does it improve the quality of education in the province for our students? Is the Government sincere in introducing this legislation?

Now these principles are not principles that I have come up with or suggesting, these are principles that for the most part came out of the debate of 1968 when we debated area bargaining. Members opposite who were then in the Opposition raised these principles as being basic to the provision of good education in the Province of Saskatchewan. These are principles of long standing and I don't think anyone will argue that these are the six basic principles of any salary agreement, whether it is this one, the one in 1968, or the one prior to that. These are principles that are basic to the very fabric of providing education in the province.

The Minister of Education had the opportunity to answer these questions as to whether these principles have been looked after in this Bill. Unfortunately he was more interested in politics than whether the Bill answered the concerns of the teachers and the trustees. The galleries were full of teachers wanting to hear the explanation of this new legislation and they got one hour of politics about area bargaining which the teachers already knew and ten minutes on the explanation of the Bill. He mentioned the Liberals 43 times in 27 pages of Hansard and there were five pages trying to explain the legislation of this new Act. The teachers told me afterwards when I visited with many of them at their convention that they learned more about the Bill in the short time that the MLA for Milestone spoke and that they didn't appreciate the fact the Minister used their attendance in the galleries to politic because they had come to the Legislature and had left their convention to try and find out the details of the new proposal. It is the Minister's speech that makes the sincerity of the Government suspect from the beginning. Suspect since he only took ten minutes to try and explain whether the Bill fulfilled the six principles that I outlined earlier.

Other Members opposite have been parroting the Minister. They have not been dealing with the principles of education. The only one who spoke on his own was the Member from Elrose (Mr. Owens), who showed that he was thinking for himself in line with the principles that I outlined earlier. This Bill, if passed, and it will be passed because there is a majority opposite, effectively kills The Area Bargaining Act. It's dead. So why do they spend hour after hour getting up and telling about all the weaknesses of area bargaining and reading clippings of what people said in 1968. You can read it, it might be enjoyable for you to read, but it is not going to solve the problems facing education today. The onus is on the Government opposite to explain the principles of this legislation. However, I know that they are going to continue talking about area bargaining because they are not prepared to outline the principles in this Act that are required to improve the relationships that I have mentioned.

I want to look at these principles and just give some examples of where I don't think that you have come through with anything that is an improvement over what we had before. The first one I referred to is conflict. Have you eased the conflict in education? Well I suggest that you have increased the conflict in many areas rather than decreased it. Now you have made room for conflict at two levels rather than one level. The Government has inserted itself into negotiations and that in itself will create conflict. You'll have teachers versus trustees, teachers versus Government. You'll have trustees versus Government on the provincial level and you'll have teachers versus trustees on the local level. So I suggest that the principle of eliminating the conflict has not been solved in this legislation. In fact the potential for conflict has been increased.

Now the second principle that I mentioned that had to be taken care of was local autonomy for school boards. I might just say before I move on that the Member for Cut Knife's (Mr. Kwasnica) suggestion that if you can say that the teachers by being outnumbered five to four by Government are in the same position as trustees, I would remind the that the four teachers are on the one side of the negotiating table whereas the four

trustees and five Government Members represent a group on the other side. They represent the same interest. So what he was trying to explain with his argument was complete nonsense.

Coming back to principle number two, local autonomy in school boards. The injection of Government always lessens the autonomy of any local institution whether it is school boards, hospital boards, library boards, recreation boards. I think this is a principle that we all acknowledge. I am sure the Premier will acknowledge that when Government plays an effective role of having Government personnel or Government appointments on these boards that they are always leaving themselves open to the suggestion that local autonomy and local representatives on the board are going to be subject to pressures from Government. I am not saying it is true just for that Government, but it is true for any government, when you inject yourself into institutions such as school boards, hospitals, libraries, recreation etc., you are lessening local autonomy of these boards.

The majority of Government Members on the trustee committee of course takes complete fiscal autonomy and responsibility away from the trustees because the five Government Members can always vote down the four trustees at the bargaining table. Since the fiscal aspect of salaries is the most important and affects all the other matters that come under the Bill then of course that is the most serious objection from the trustees' point of view when they are saying that they are losing some of their local autonomy. It is no longer an employer negotiating with employees, for all intents and purposes it is both groups negotiating with the Government. So I would suggest respectfully to the Minister and Members opposite that the second principle of increasing local autonomy in this Bill is just the opposite, and they are losing local autonomy.

Now the third principle, I said was, does it protect free collective bargaining rights for the teachers? I can't find it in this Bill if it does, because as I say there is no longer an employee-employer relationship. The Government is now interfering in negotiations and it destroys this principle of free collective bargaining between the employer and the employee. The Government paying more than 50 per cent in grants is not a justification or a good principle of Government as far as local autonomy or free bargaining is concerned. If you were going to follow this principle with other institutions like hospitals, library boards, recreation boards, town councils, village councils, and so on because you are giving grants of a particular percentage, it doesn't justify the Government having representation on these boards or on those councils. This is what you are trying to justify here. So again, I suggest to you, Mr. Minister, that the free collective bargaining process has not been improved in fact, I think the fabric of it has been weakened.

There is compulsion in this Act. That is one of the principles under free collective bargaining that there be no compulsion. It is compulsory in what you negotiate on the provincial and local levels, the length of the agreement is compulsory; the number of STF members is compulsory; the number of trustee members is compulsory; the dates when you start and end negotiations are compulsory. There is no local bargaining in 1973, that's compulsory. When all is said and done, when you go through these procedures for conciliation, mediation, arbitration it all ends up for all intents and purposes that

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this is no choice and that the Government rather than improving the free collective bargaining process to my mind has done more to destroy the process in this Bill, than they have to improve it.

Fourth the quality of education, I said was another principle that had to be covered if this was going to be a satisfactory document. I don't think the quality of education has been improved because of the increased conflicts that I have already mentioned; the loss of local autonomy and government interference. So I don't think that principle is being supported.

The full value for the tax dollar is another principle. Again I doubt that you have provided better value for the tax dollar because negotiations at two levels are going to be more expensive than in one package. The Government using its role for political purposes could cost the taxpayer more money in election year. You could give a good salary increase because of the five Government members on the Board and only the four trustees, that could cost the taxpayer money. So respectfully again I don't think that you have satisfied that principle of giving full value for the tax dollar.

Sixth, the sincerity of Government. You know the Minister as I mentioned cast some doubt on the principle when he introduced the Bill by reading a political speech at a time when a non-political speech would have been more in the interests of all concerned. To find if the Government is really sincere I want to go back and remind the Members opposite what you said the weaknesses of the 1968 legislation were, because I believe that if you believed that those weaknesses were there then and were sincere about it, you would now want to see them corrected in this Bill before you decided whether you were going to vote in favor of it. I want first of all to look at what the Member for Cut Knife said in 1968 on page 2218 of the 1968 Debates and Proceedings. At that time he was the education critic for the Opposition for The Salary Negotiating Act. He said:

I am not against are bargaining but against compulsory area bargaining.

Well now if that is so he must be against this Bill and the compulsory features that I outlined just a minute ago, particularly the Government involvement. Then he said:

I have five objections . . .

He went on and said he believed they were valid and I am not questioning his sincerity then. All I am saying is that if he were sincere then he had better take a look at his conscience to see if he is sincere today when he says that he is going to support this legislation. His first objection was:

The Act doesn't clarify who can be designated as administrators.

Well I respectfully suggest that neither does this Act. There is no clause in this Act in which you have defined the role of administrator. In fact I think there is a section there that has made it more confusing than ever, Section 4, subsection 4. The second objection he said:

The Act fails to assure that certain supervisory personnel

will continue to be in the teacher bargaining unit.

There is certainly nothing in this Act that does that either. His third objection and he said:

I think the biggest reason is the element of compulsion here which no one likes as it smacks of dictatorship.

Well, certainly it has not been cured in this Act, in fact, with the Government involvement and the other features that I have mentioned of compulsion, it has been increased. So if it smacked of dictatorship in 1968, certainly this Act before us today has to be put in the same classification.

Then he went on and said:

Another objection that I have is that the human element of local freedom to bargain with employer for wages will be lost forever. There will be a loss of local autonomy for boards and teachers without a doubt.

Well, as I mentioned, certainly it's lost in this Bill so he can't support the Bill when he considers that objection that he made in 1968. Then in conclusion he said:

I can't support the Bill, it is dictatorial, it smells of meddling and causing division among the people of Saskatchewan in driving a wedge between the teachers, boards and taxpayers.

Well certainly this Bill drives a wedge and the wedge is the Government itself.

So there were five reasons why the Opposition education critic at that time would not support the Negotiating Bill of 1968. None of these have been corrected in this Act. The MLA from Cut Knife (Mr. Kwasnica) surprised me when I heard him today say he was going to support this Bill, I would expect him to vote against the Bill because the five major objections he had to it in 1968 have not been satisfactorily cleared up or taken out of this Act.

Now I want to turn for a minute to what the Member from Regina North West (Mr. Whelan) said, and again I was surprised today when he said he was going to support the Act. Because he went on on page 2381 in 1968 and he said:

It seems to me that passing this legislation . . .

He is talking about The Salary Negotiation Act of 1968.

. . . without having the teachers and trustees work out a procedure that is satisfactory to them prior to drafting the legislation we are setting the stage for some bad clashing between these two necessary groups in our society. Our job is not to decide who is right or who is wrong, our job is to provide machinery that will give the trustees and the teachers an opportunity to work out their own solutions. Solutions for bargaining brings benefits to the entire scope of an agreement.

Well of course there was no agreement before this Bill was

passed. There is no opportunity here for agreement when you have Government interference of five government members to four trustees. The third party between the teachers and the trustees and the entire scope of the Bill is narrowed rather than widened so I would expect the MLA from Regina North West to vote against Bill 80.

Then the Member from Redberry (Mr. Michayluk) on page 2382 spoke of the co-operation of STF and SSTA with ratepayers is desirable but it doesn't mention any government interference in coming to this co-operation so I would expect him to vote against Bill 80 because this co-operation has not been provided in the present legislation.

Then I would like to look for a moment at what the Member from Melville (Mr. Kowalchuk) said when he spoke the other day, he said that he was going to support this Bill and I am surprised at his turn around because he said on page 2393 of the Debates and Proceedings in 1968:

Many trustees have voiced anxiety with the thought always in mind as to how far this Government is going to extend its fingers to erode the powers of school boards.

Then he said:

If this erosion of powers of the important function of the trustees continues the result will be that they will become mere caretaker boards with far too great power concentrated in and wielded by the Government.

Now I ask the Member for Melville in all sincerity that if he believed that in 1968 and I am sure that he did, how can he say today when you have provided five Government members to negotiate and to take the power away from the trustees that you will support this Bill. So surely the Member from Melville will examine his conscience before he stands up and votes on second reading in this Bill. Because if there is any one Bill it is Bill 80 that exemplifies the very fears that he expressed only a few years ago. However, from his comments the other day it appears that his principles have changed as he said he was proud to support the Bill and it was completely opposite to what he said in 1968. I would ask him to reconsider his view and position.

Now these quotations from 1968, as I said, I am sure were done in sincerity at that time. I want to just turn to two other people who participated in that debate because after all I think they really spoke on behalf of the Government.

I want to refer to some of the comments that were made at that time by the late Woodrow Lloyd, Leader of the Opposition, who had also been STF President. He had several reasons why he would not support the Bill. He said first of all he was opposed because there were 'outside agents' in the negotiations. Well now certainly if there was one man, at that time, that was representing the views of the NDP and Her Majesty's Loyal Opposition, it had to be the late Mr. Lloyd and he made some very valid comments and one of them was as he said that he was opposed to the use of outside agents in negotiations. Yet this Bill allows, in fact, it encourages outside agents to participate in the negotiations. He said that he was opposed to negotiations

at the area level and some at the unit or school district level. He says:

One has to question whether this fracturing or fragmenting of relationship is the best sort of thing to have.

Well it's certainly worse at the provincial and the local level, with Government interference, than it was at the area and the local level. So the Government today have taken the exact opposite position to what the Leader of the Opposition took in 1968. He said also he was opposed to trying to make salary arrangements for months preceding the time of actual negotiations, that it would have an effect on the mill rate. The mill rate will have to carry an increase not only for the calendar year of negotiations carried on, but for four months preceding it. And yet, that has not been corrected in this Bill. In fact, this Bill does just exactly that. You are going to carry out negotiations for several months following the actual agreement taking effect. So again, a very valid objection, one that has not been corrected in this legislation.

Then he brought up another valid point. He said, teachers and trustees around the table discussing matters come away with something more than an agreement on salaries. They come away with the understanding about the problems of persons on the other side of the table. And I don't think anybody will object or suggest that isn't a very valid objection to any type of legislation. He said:

This is one of the major losses in this proposal for area bargaining.

Well certainly if it was a loss in the proposal for area bargaining in 1968 it has to be more of a loss this year when you have involved the Government between the teachers in this Act. So again, you have gone into direct opposition to what the Leader of the Opposition, in all sincerity said during the debate on the area negotiation act.

Then he went on and he said:

Such actions create total confrontation between teachers and trustees. At this level no opportunity for provincial organization to conciliate exists.

Now, of course, this is true because you have brought the two provincial organizations, the STF and the SSTA to the table with the Government so that there is no opportunity for the parent organizations to act as negotiators when confrontations do exist. Just exactly again as the late Mr. Lloyd suggested. Then he went on and he said:

There are several tests of this legislation (and he was referring to the 1968 legislation) – does it improve the trustee-teacher relations?

And I think the answer has to be, if it was 'no' in 1968, it is certainly 'no' today, with this Bill. Does it save the time of the trustees? Again – 'no' because now they are negotiating at two levels rather than one. Is it going to help recruit new people to the profession, retain people in the profession and in the province? Again, I think the answer has to be 'no', it

will likely do the opposite.

As I say, these were the words, these were the objections of the Leader of the Opposition, the former Minister of Education in 1968. I don't think there is anyone in this Legislature who will say that those were not valid objections. We argued in 1968 that we had covered these objections in our negotiating Act, but it's obvious today that probably we hadn't, or else they would have worked better than they did. But, why I'm pointing this out today is that the same objections in 1968 are valid today and that the present legislation does not correct these weaknesses which were pointed out by the late Mr. Lloyd.

Now I should like to come to the comment of the present Premier (Mr. Blakeney) who was a former Minister of Education, also when speaking in the debate I'm sure, at that time, was speaking government policy and certainly speaking on behalf of the Party which he represented. As Premier today, I'm sure that he must have been concerned when this Bill was drafted that the objections he had in 1968 had not been covered in the present legislation. He stated that the effects of this legislation would overbalance the benefits, because he referred to:

Separating the bargaining process from the employer-employee relationship.

These are his exact words and he says:

I think that bargaining at second-hand and third-hand will be a source of frustration and eventually resentment by both teachers and board members, who, because of this process will find themselves unable to participate effectively in the bargaining process which is such an important part of the administration of the educational system.

And I suggest to the Hon. Premier that this objection that he had in 1968 has not been solved by injecting the Government into these negotiations.

If you say that you want the bargaining process between employer and employee (and this is the relationship that you desired) how can you say today you have that same relationship when you have five Government members and four trustee members on the board? Now I am sure that you were sincere in 1968 when you made this comment and I'm sure today that this particular legislation does not solve the objections that you had in 1968. Now I will be glad to hear you explain it when your opportunity comes to speak. Then you went on and said your other major objection was the separating of salary bargaining from fringe benefit bargaining which is not a good way to handle it and this was the reason you gave, and I think it had some validity. These were the exact words of the now Premier:

The teachers might be arguing for sabbatical leave the trustees arguing for some playground supervision, and all these items went into the overall settlement. This, I think, is sound.

Now you can't have that when you have salaries negotiated on the provincial level and sabbatical leave and playground supervision on the local level. There is no opportunity for a complete package today.

Those were the two major objections of the man who today occupies the Premier's seat in this province. One would have thought that before any legislation would come into this Legislature that these objections of the Premier and the former Leader of the Opposition who must have been speaking on behalf of his Party, would have been overcome in the present legislation.

All I am trying to point out, Mr. Speaker, is that It's obvious that the objections of Members opposite in 1968 have not been overcome in the Bill before us. Yet they are supporting this legislation. One must ask then the question: Were they sincere in 1968, or did they oppose the Bill for political purposes? Are they sincere today in presenting Bill 80, or are they presenting it for political purposes? Because I suggest respectfully that you can't have both – you can't have been sincere in 1968, pointing out those objectives and then be sincere today in supporting a Bill that has not overcome those objections. It is obvious that there is no sincerity in both cases. If Members were sincere in 1968 in their comments, then there is no way they can support this Bill and I hope that we can remember the comments, and that they will remember the comments of the late Woodrow Lloyd, then Leader of the Opposition, and the present Premier, because we find it hard to believe that they were not sincere in their remarks in 1968, or that any of the other Members opposite who spoke on the salary negotiating Bill that was presented. I am sure that they were. There is a very severe strain, I suggest, on their integrity and the sincerity of the Premier and his Government and his Minister today because these objections have not been covered.

I would suggest that to maintain credibility to what they said and what they supported in 1968 that they have no choice but to vote against this Bill, which does not satisfy the criteria that they established in 1968 that are necessary for a teacher collective bargaining Act that will work and be in the best interests of those concerned.

I hope that Members opposite and the Premier now will reassess their position in view of the attitudes and the positions they took in 1968 and that the best thing they could do would be to hold up this Bill until they have an opportunity to bring it more in line with the policies and philosophy, and to take out the objections that they so strongly supported in 1968.

I think the eyes of the people of Saskatchewan will be on the Government today. The teachers, the trustees, the taxpayers, the parents and the students, will be watching the Members opposite when they vote on second reading of this Bill. Because I feel that this Act does not satisfy the principles that I have outlined as being necessary to make the relationships work between teachers and trustees and parents and children, I have no hesitation in opposing this Bill, but I have a few other things that I should like to say and I beg leave to adjourn debate.

Debate adjourned.

WELCOME TO STUDENTS

Mr. H. H. Rolfes: — (Saskatoon Nutana South) Mr. Speaker, I should like to take this opportunity

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to introduce to you and through you to this House a group of 65 Grade Seven students from Lorne Hazelton School. These students are seated in the west gallery. I hope to meet with these students around 3:00 o'clock this afternoon and I do hope that their stay in the House this afternoon will be informative and that their trip to Regina will be also a worthwhile experience.

They are accompanied by their two teachers, Mr. Harry Panasiuk and Mr.s. Shermak. I know the rest of the Members will join with me in hoping that their stay here in Regina will be worthwhile.

Hon. Members: — Hear, hear!

ADJOURNED DEBATES

Second Readings

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Messer that Bill 69 – An Act to amend The Agricultural Implements Act, 1968 be now read a second time.

Mr. J. C. McIsaac: — (Wilkie) Mr. Speaker, Bill 69 is a Bill that is rather difficult to debate on second reading for the reasons I pointed out when the Minister was introducing it last week. He has indicated some rather vague changes when he was giving the Bill second reading and if I interpret him correctly those changes will certainly change some of the principles of this legislation. I will have a few comments to make on it, but I think that other Members on this side would be speaking on this Bill, but now that the principle has become so befuddled we may well let it go to Committee and raise some of the points there that perhaps should come up in second reading.

One of the aspects of the Minister's remarks was a bit disturbing, Mr. Speaker. We have no real knowledge as to what extent, what size of a problem there is, in the whole question of getting parts, getting repairs and so on, the problem that the Bill is supposedly designed to correct. And I suppose, Mr. Speaker, that throughout the years I'm sure there has scarcely been a farmer in Saskatchewan who hasn't at one time or another experienced some inconvenience at least with respect to securing repairs and parts. Some inconvenience certainly. There have been cases where the buyers of new machines, be it a combine or tractor, have had some real difficulties with them and I want to suggest that the great majority of these have been rectified by the companies. And if warranty provisions need to be strengthened, and personally I'm not familiar enough with the facts to suggest that that is the case, then that certainly could be done by amendments to existing legislation to form "A" contracts and so on, which as I understand it, Mr. Speaker, are generally acceptable now to farmers as well as to dealers.

The implement dealers of this province have given good service to the farmers. They have gone through good times and bad times with them. There is no doubt that the consolidation of farms, the decline of many of our smaller communities, has certainly had its effect on implement dealers, along with other service and supply industries in rural Saskatchewan. And I want to suggest, Mr. Speaker, that this Bill before us is another illustration of NDP 'over-kill'. We have legislation before us

to deal with a problem that more or less has been an NDP bogeyman. They created it at the last election, they set it up as an election issue in the first place, and, of course, the next step then is to bring in legislation supposedly to solve it, having created the issue to a great extent in the first place. I don't think this legislation, Mr. Speaker, will really solve anything. It will frustrate the good dealers, in my opinion. It will certainly cost farmers more for parts and machinery in the long run because we know very well if additional costs are incurred by the manufacturer they will eventually find their way to the dealer, find their way to the farmer and they will be added to the price paid by the consumer.

Now there is one other aspect of the Bill that seems to me to be a poor feature of it and that is a six-month period can elapse before a farmer needs to file a complaint or lay a claim to the compensation board. I think it could mean farmers filing a claim at the end of the crop season, for something that happened in early spring, the facts are certainly going to be hazy at that time. Other events will have happened to add to the possibility of confusion; a chap may feel that because he was two or three days late getting his crop off in the fall that had he had this part two days prior to when he did get it in the spring of the year, that the crop would have been ripe and he would have been able to take it off and one can easily see a man losing a grade or two on grain, striking a wet season, and thinking back and suddenly deciding well if he could have got that part at the right time back in April, just at the very day he wanted it, it wouldn't have happened. To go back then to the dealer who doesn't keep complete records of every occasion somebody phones in or stops in or asks about a repair or a part, I think is going to create real confusion and make it a real problem for this compensation board to fairly assess whether or not there is a complaint. And I suggest under this legislation that dealers will be forced to keep records, more additional records than they now do and it will be another cost and another burden to business, another harassment for the small businessman. About all he doesn't need right now is further Government harassment.

The one thing the small businessman needs, the same is true of the machine dealer, is more customers and more clientele and we can do all the studying we like, we can bring in all the legislation we like, and give him additional grants or assistance in that regard, but if there is one thing that will solve a lot of problems of the small businessman in rural Saskatchewan particularly it is more customers and not less. This Bill is another intrusion into the relationship of the farmer and the dealer. It is a Bill I suggest, Mr. Speaker, that will not promote better service by dealers. Indeed I suggest that it is going to promote poorer service, there is no real incentive for a dealer to do a good job as far as this Bill is concerned. It sets up a kangaroo court to deal with any claims that may be made and the Bill as is presently printed provides for no appeal from that board's decision. Mr. Speaker, I don't think we need a kangaroo court made up of members who are appointed entirely by the Cabinet and if the intention is to have representation from dealers and companies on that board well then the Act certainly should have spelled that out in the first place. I think, Mr. Speaker, this Bill will do nothing to further the stated objectives. First of all, we are not sure there is a problem, the Minister hasn't told us whether or not there is and for that reason, Mr. Speaker, I'll be opposing the Bill.

Mr. H. Owens: — (Elrose) Mr. Speaker, the changes proposed in the amendments to The Agricultural Implements Act are in the main to me generally good. These changes when the Bill was first announced were accepted by the Implement Dealers' Association. This Association represents all of the larger dealers and most of the small dealers. But since that time, Mr. Speaker, there has been considerable activity by the major line companies who have had their chief legal advisors study the legislation very thoroughly. These people have employed scare tactics by reading into the legislation a good many suggestions that do not exist. We are witnessing a re-run of the tactics used in 1971 on the introduction of The Family Farm Protection Act. One of the great fears they foresee is the excessive costs to the distributor and the dealer that will eventually be paid for by the farmer to cover the expenses relating to the activities of the implement board. They would like to leave the impression that these problems have been adequately looked after. Mr. Speaker, some of the farmers are not exactly satisfied with the resolution of a few of their problems and this legislation is designed to give them at least some partial protection.

This Bill is not designed to gouge the distributor, in fact, there is no way this can happen. Distributors will be assessed on their own record. I ask you, Mr. Speaker, are they afraid of their record? Are they afraid that some one will intrude on their private domain?

I have no axe to grind with the distributors, I have reasonably good relations with distributors, the ones that I have had dealings with.

But Saskatchewan farmers expect some protection from the distributor who does not honor his obligations. It is my hope that this legislation will rectify this situation.

From the vendor's point of view, Mr. Speaker, I see no reason for alarm. This Bill does not threaten them with any drastic disadvantages. There is no provision for drawing money out of their cash registers. Here again the customer is protected but only as far as he is deserving. Dealers have realized for a long time that service is a very major factor in their success or failure. Only those dealers who fail to honor their obligations to the customer, will be required to 'pull up their socks'.

In a general way, this Bill will be an advantage to the dealer group. One of the ways that this can happen is in the representation of the board. The make-up of the board is one of the features that is presently being ballyhooed by the forces of opposition. Mr. Speaker, the dealer body have proposed a make-up of members acceptable to them and I have every confidence that their wishes will be acceded to.

With representation from all of the parties involved in the farm machinery business, the farmer, the dealer and the distributor, there is absolutely no reason why this board will not do an admirable job in smoothing out some of the rough spots in the distribution, sale and servicing in this industry. I believe that one of the keys to the success of the whole operation is the personnel of the board. If they choose to sabotage the whole operation, of course, it will fail. However, if they choose to accept their responsibilities given to them and work within

the framework and spirit of this Act, everyone will benefit from their leadership.

As was pointed out by the Minister, during his presentation on second reading, the farm machinery business in Saskatchewan is a big business and a board, such as proposed here to administer this Act, is not only a desirable body but is a necessary body.

There will probably be some kinks in the early stages of operation. The distributors are prone to accept suggestions from dealers, dealer are reluctant to hear suggestions from farmers, and farmers feel quite capable of overseeing the whole operation. With a little co-operation and expertise from all the groups the results will be a better industry for everyone.

Now, Mr. Speaker, I should like to make a few comments on the Bill itself. It is quite possible that some of the questions that I raised, will be covered in the regulations. The Act covers three general areas, repair part service, labor and maintenance service and compensation.

Although the repair parts and maintenance service are combined into one in the Act, they are in reality very separate services. And for clarification purposes for the board, as well as the other parties involved, should be more clearly defined. For example, it could be determined that a farmer's machine was tied up because a service man was not available when the required part was on hand, or vice-versa.

It could also be determined that the repair part ordered by the dealer was not the part shipped by the provincial distributor, due to an error in communicating the designated part number. The tie-up could be further aggravated by the part shipped being lost or delayed in the transportation system. A situation beyond the control of either party, but during the entire time a serviceman was standing by.

The board should have the power, not only to investigate the complaint, but to assess the responsibility and impose the corrective measures. The board should also have the power to settle warranty claim disputes and problems and disputes pertaining to repossessions, whether they be between the buyer and the dealer, the buyer and the distributor, or the dealer and the distributor.

The Act further provides that the board review and consider contracts between the vendor and the provincial distributor. They should also be authorized to view the contracts signed by the purchaser, known as Form A, in the implement business.

Problems have arisen in the past regarding the purchaser's responsibility if and when warranty service is required. The For A contract states that the warranty will be performed at seller's place of business and that it is the purchaser's responsibility to deliver the unit there to qualify for the warranty.

How many purchasers really know that such a provision is in the contract? In fact, I doubt if some of the dealers realize that it is there. But it could be a thorny area to settle in some cases.

The board should also be authorized to review the present

franchise contracts between provincial distributors and vendors; also to consider the possibility of more than one franchise being readily available, if the vendor was in a position to properly handle another franchise, and provide a further service to the trade.

The board is authorized to make recommendations to the Minister respecting standardization of parts. I would suggest that it initiate the provision of a cross reference parts book for the use of the dealers. Such a book is provided by the bearing manufacturers for bearings, but as a rule the manufacturer of the implement, provides only the manufacturer's part numbers whereas if the bearing number, as recorded by the bearing manufacturer, was also available, a long delay could be avoided.

It seems to me that this board could very naturally co-operate and work with the farm machinery testing service such as the former AMA, and do a really good job for proposing recommendations for changes in various machines, to improve safety requirements, manufacturing changes and improvements.

Mr. Speaker, I congratulate the Minister in presenting these amendments to the Act, providing for more protection for the purchases of farm implements in Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. E. Kaeding: — (Saltcoats) Mr. Speaker, I should like very much to make a few comments on this Bill, which is designed, finally, to give farmers in this province some of the muscle needed to guarantee the availability of parts.

You know, Mr. Speaker, I could hardly believe my ears the other day, when I heard the Member from Canning (Mr. Weatherald) describe this very worthwhile Bill as vicious legislation.

Mr. Weatherald: — Mr. Speaker, I think the Member is out of order. I have not spoken on the Bill at all. I intend to speak a little later on this afternoon.

Mr. Kaeding: — I am sorry, the Member for Moosomin (Mr. Gardner). Time after time in this Session, Mr. Speaker, when we have introduced legislation which could be of real benefit to our rural people, the Members opposite have resorted to this sort of rhetoric. Surely, Mr. Speaker, this truly reflects where their sympathies lie and that it is not with the farm people.

Mr. Speaker, I have personally experienced some of the frustrations and losses which are being faced daily by farmers in their struggle to obtain a fair deal from implement companies. Let me say that in most cases the problem does not lie at the doorstep of the local dealer. Most dealers in the province try their very best to satisfy their customers. We do not expect them to keep a huge supply of expensive parts on hand for immediate use. We do, however, feel that the distributors who supply the equipment to the dealer, have a continuing obligation to maintain a stock of, not only fast moving parts, which should be available within 48 hours, but should also be able to place almost any part from a central supply depot within 72 hours.

I wholeheartedly support the contention that distributors should be financially responsible for losses due to their inability to provide the parts in a reasonable time. Prices for machinery undoubtedly have a built-in margin to absorb this cost since their franchise regulations require them to have parts and service available for 10 years after date of sale.

They have already been paid to supply that service. This legislation will guarantee that they will do so. The failure to do so will result in levies on distributors by the board, which will cover proven losses to farmers, resulting from that failure up to \$5,000. Because levies are based on the annual experience rate of each company, they will in effect, set their own rates by their own performance.

Mr. Speaker, I should like to suggest to Members of the Legislature that farmers have another and very effective method of control over prices and services in the implement industry. This is in actively supporting and promoting their own implement company, The Co-operative Implements Limited, which is wholly owned and controlled by farmers in western Canada.

From a shaky start in the 1930s until the present, this company has grown despite extreme odds to the extent that it now has approximately 8 per cent of the farm machinery sales in the Prairies. Over the years it has suffered severe growing pains in that it has had difficulty maintaining a reliable source of supply of machinery, such as combines and tractors. However, many of these hurdles have now been overcome.

With the completion of the new \$7 ½ million factory in Winnipeg, this farmer-owned company is now in a position to supply a complete line of quality products, tractors, combines, swathers, cultivators, harrows, draw bars, discers, drills and related equipment. In addition, Co-op Implements is selling, through its depot system, a fairly extensive line of short-line equipment, all of which is purchased from jobbers in Manitoba and Saskatchewan.

This modern and up-to-date equipment is retailed through 65 company-owned and operated depots from the Lakehead to the Rockies, spaced in such a way that in very few instances are farmers more than 50 miles from the nearest depot.

Depots are manned by company employees and managers are on the company payroll. Control of the company is maintained by the membership, who are all farmers, through a depot committee and a delegate system.

Each year farm members meet to hear their financial statement and to discuss the implement requirements. Most of the equipment now being sold by Co-op Implements, is the result of consultation with, and ideas provided by, practical farmers. Because Co-op Implements is its own manufacturer, distributor and retailed, savings from each stage of the operation are passed onto the original shareholder, the farmer owner.

Machines are competitively priced with those of other companies. However, through their MACOP plan an automatic cash discount is allowed on all cash sales of 27 per cent of the retail price at the time of the sale. Machines purchased before the season of use, are priced at retail, less 27 per cent, less one per cent for every month prior to the season of use. That

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means that a combine worth \$18,000 purchased in November, would attract a maximum discount of from 36 to 37 per cent. Or in other words, you could drive that combine into your yard in November at just over \$10,000.

In addition, in years of surplus, a dividend is paid on purchases. Dividends as high as 18 per cent have been paid in the past. This kind of price is available when sales are only 8 per cent of the total market. If farmers would get behind their own company and bring sales up to 25 per cent or more of the total, fantastic savings could result. In addition, Co-op Implements could have the sales volume needed to manufacture its total line of equipment in western Canada instead of being dependent on other suppliers.

Because the factory is in the Prairie Basin, additional jobs created would also reflect to our benefit. When we talk of parts supply, Mr. Speaker, we again have a plus with Co-op Implements, because the factory is in Winnipeg and no farmer is more than a few hundred miles from the parts base and, therefore, supply of parts on short notice is little problem. A full supply of parts is on hand for imported machines and in special cases where parts are not in stock, a telex order can have them here within three days.

I personally have used Co-op Implements equipment for many years and have found parts not to be a problem. I would encourage all western farmers to take another look at this practical and logical method of implement price control, and the advantages it can bring in parts service.

Mr. Speaker, I want only to add that I am sure that all farmers will welcome this much needed legislation. Hopefully machine companies will upgrade their parts stock as a result, and as a result also, will refrain from putting equipment on the market which has not been fully tested and proven.

Probably as serious as parts supply itself, is the problem of transportation. In many cases which I have examined, even when parts were available, the lack of proper transportation has held up delivery for many days. This is another problem that will require immediate attention.

In conclusion, Mr. Speaker, I would say, again, we as farmers appreciate this step to establish a farm machinery board. It is another step to provide greater security for farm operators, and we welcome it.

I will be supporting this Bill.

Some Hon. Members: — Hear, hear!

Mr. T. M. Weatherald: — (Cannington) Mr. Speaker, I am interested in the comments of the Member opposite, particularly when he says that this legislation will provide for individual performance as far as companies is concerned, because we have nothing in the Bill which says that this will actually take place. And we have received no amendments as yet to say that this will take place. So possibly the Member knows something about the Bill that we do not.

The only thing that I might say in that regard is that I think it is disappointing that the Minister should come to the

Assembly, after a considerable length of time, and say that he will have amendments for the Bill, and yet when we are debating the principle of the Bill we don't have those amendments before us. I think it would have been a much better procedure had he provided those amendments so that we would have had the information before us, when we are debating second reading of this Bill. Some of the things that he mentioned would very drastically alter the Bill as it is now.

My colleague suggested that it would have been better withdrawn and resubmitted and I concur in that particular idea.

One thing I want to say about this Bill, Mr. Speaker, is that, like a number of ideas that the Government opposite has had, the idea originally had some merit to it, but unfortunately the manner in which they are going about it leaves a great deal to be desired.

One of the dealers in my area submitted to me a brief of about 20 farmers who had signed wishing that we object to the Bill. That particular dealer indicated to me that his organization of implement dealers had asked some type of a board be set up, but that the type of board that was being set up in this instance wasn't exactly what they had in mind. I think what they had in mind according to this individual was a type of mediation board that could mediate disputes between farmers and companies over a period of time and not the severe powers that are actually in this piece of legislation.

One of the things, Mr. Speaker, that I should like to say about this Bill is that I think in many individual cases it will result in a deteriorating situation as far as farmers are concerned receiving parts. Many of the Members opposite have indicated how it would improve parts service but I would be extremely doubtful if this is actually the case. In fact, I think that the long term result of this will be that many of our smaller dealers, who do not have substantial financial resources or a particular adaptability to provide parts on short notice, will eventually be forced out of business because of this Act.

I want to say a few things about why I contemplate this actually happening.

Mr. Speaker, let's take for example that the Bill is altered and that companies will be charged on an individual performance basis, in other words the poorest performance of a company then will result in more severe charges against that company as far as the fund is concerned, the stabilization fund is concerned, and the payout against it. Let's take, for example, then that that company is a good company and provides parts service well, produces a good product against which there are a few warranty claims, but that company has a number of small dealers spread around throughout Saskatchewan who, due to circumstances, are unable to provide the parts on a short notice. Now this can easily come about for several reasons. One of them is the financial resources at the disposal of the dealer. Because as I think, every Member here knows, that dealers when they stock parts require to pay for those parts. There is no consignment of parts to dealers as far as implement repair parts are concerned. So the possibility of a dealer having a substantial investment in parts already exists. Now we can take the situation where a dealer therefore does not have a large

stock of parts because of financial resources and because of the area he serves. And yet he sells a substantial amount of machinery. And therefore this individual because he has not had this large quantity of parts in all likelihood under this Act will have substantial claims against him. Those claims obviously could run into hundreds or thousands of dollars and hence the company will have these claims registered against it out of the stabilization fund.

Now let's take the example that I am the dealer and for two or three successive years I am unable to supply the parts, therefore, the farmers lay a claim and the stabilization fund pays for them. Each time the company will note that I am the person at fault, although I am not actually putting up the money, the company is. They would also note that after a period of time of this going on that the dealer is not able to produce the parts, they are getting many claims against that dealer and therefore the likelihood of putting more pressure on the dealer to close out, certainly exists.

I think that many of the smaller dealers will find that there will be a substantial number of claims against them, Mr. Speaker, and that these claims will pile up so that eventually it becomes financially impossible to keep on operating.

I think this will result in less dealers in many cases, and I acknowledge that in many cases they are unable, not through any particular fault of their own but due to financial circumstances, geographic area etc. to produce the service that is wanted. However, they do provide a service which is much, much better than no service at all.

I have looked up in the Manitoba Act what regulations we may be able to anticipate. I note in the Act that is presented to us here this afternoon that Section 6 C(b) says:

The board shall take such action as may be necessary to reduce or correct unreasonable delays in the delivery of repairs and unreasonable charges for them, or recommend to the Minister appropriate action to alleviate such problems.

Mr. Speaker, boiled down this means that the Cabinet may make regulations which require that a dealer provide the parts within a certain number of hours. What happened in Manitoba when the regulations were drafted was this. I will read you a part from the Manitoba Act:

Emergency repair parts include every contract with the purchase of new seeding equipment, haying equipment, harvesting, milking, feed processing or mechanical feeding.

The dealer in Manitoba is now required as of a few short months ago, to provide to the purchaser emergency repair parts from the dealer at any time between the hours of 8:00 o'clock in the morning and 10:00 o'clock in the evening of any day except Sunday during the season of use of the machinery and equipment. It is pretty obvious that milking equipment is in use the year around, feed processing equipment certainly is. And of course for seeding equipment you would be required to stay open to provide repair parts for seeding equipment. And of course the haying season comes shortly after that as does harvesting.

So actually the Act in Manitoba really requires that a dealer be able to provide parts service from approximately 8:00 o'clock in the morning until 10:00 o'clock at night for six days of the week and this adds up to about 84 hours per week that his shop must be open.

The Act provides for the Government to be able to draft regulations which will mean that the dealer will be required to live up to this type of thing.

Certainly many implement dealers as I know them are one, or two or three man operations. They couldn't even come close to maintaining this type of hours of work if they are going to even remotely maintain themselves at working something between a 40 and 48 hour week. This will mean the imposition on them of requirement of hiring more staff. And of course substantially more costs will be incurred by them. If they are not able to stay open these hours and maintain these hours than certainly a farmer not receiving a part that day because the dealer was closed then has a claim against the fund. So, I think, you will find that many small dealers in Saskatchewan under these circumstances will find it exceptionally difficult to maintain these lengthy hours of work if they are drafted under this legislation. I think that they will find themselves vulnerable to a number of claims under the fund.

Now in Manitoba, we could again look at the Manitoba situation because I suspect the Government here is contemplating something along similar lines. Already companies have announced that because of the increased costs that will be borne because of these claims that new equipment sales will be increased in price by 4.5 per cent, which some of my colleagues have already indicated will be passed on to the farmer.

Generally speaking, Mr. Speaker, I view it as desirable that we have some type of a board and I think most implement dealers would support this. That we have some type of a board that could act as a mediator and I say a mediator because as I envisage it, it would be a farmer who feels he is wronged on a warranty claim or on parts service, that he could come and make his case to this board at no cost to himself and that this board could listen to that individual, assess the facts of the case and then represent that individual to the company. I realize that there would be no legal teeth in the Act to enforce a payment by the company but I think that most of these disputes could be mediated by a board between farmers who feel they have been wronged and between the companies involved. Because I am quite sure that most companies would recognize any faults on their part in this regard. I think that they would be reluctant to see how in many, particularly the small dealerships it will be of assistance to the farmer for a number of the reasons I have outlined. I think it will add costs to the farmers' operations and I think that as I originally mentioned some of our smaller operators will find it extremely difficult to continue operation with increased hours of work and a number of claims piling up against them because they can't provide the parts that are required.

I honestly feel, Mr. Speaker, that most implement dealerships confronted with the kind of problems that they have do the very best kind of a job they can for most farms. One of their problems as I mentioned before is their financial problems that they are encountering simply because they have to pay for

the parts when they receive them. This can run into many, many thousands of dollars. Often it can run into hundreds of dollars for an individual part that the dealer may never sell in that particular year and is sitting there as dead inventory.

These problems are not overcome by this type of legislation. And in fact this will actually make it much more difficult for people that are trying to service the agricultural machinery industry. Because of this I suggested I think the idea of some type of a board would be a good one, a type of a mediation board with no particular power except moral persuasion towards the companies in representing farmers. I will be opposing this Act because I don't think the costs involved in it and the service that is given to farmers now by the implement industry will be improved.

Some Hon. Members: — Hear, hear!

Mr. D. F. MacDonald: — (Moose Jaw North) Mr. Speaker, I have just a few words so that my opposition to the Bill will be recorded. I don't want to get into an involved debate because as I understand the Bill as we have it before us is to be changed to a great extent. So I think that I don't want to get into detailed consideration.

I do want to say that as the Bill is presented to us it is going to help to drive out dealers from our small communities. It is certainly going to add to the cost of machinery to farmers. It is going to create friction in the industry. And it may as it is written tempt dealers to give less service and we will find a deterioration of service from what we have at present. I think the other thing is that the adverse effects of this Bill will be borne almost entirely by the ultimate consumer who is the farmer, not by the machine dealers and the machine companies.

As I said I don't want to debate it at this time because according to the Minister, the amendments will change as I understood it really the fundamental principles in the Bill.

I really think, Mr. Speaker, from the words of the Minister when he introduced it that you will likely find it necessary to have the Bill withdrawn when you see the amendments. I think that if they change the fundamental principles that the amendments will not be acceptable. I think the Bill should have been withdrawn and rewritten with the amendments incorporated in the Bill instead of doing it this way. I think it is an insult to the House to be judging a bill when we don't know what the bill says.

I am opposed to it as it is written.

Motion agreed to on Division.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Wood that Bill No. 82 — An Act to amend The Property Improvement Grant Act, 1972 be now read a second time.

Mr. W. A. Robbins: — (Saskatoon Nutana Centre) Mr. Speaker, I should like to make a few brief comments with respect to this particular Bill.

This is the one that deals of course with The Property Improvement Grant and is part of the program of the New Democratic Party to shift taxes from property to the income tax base which is a much more equitable type of tax.

I just want to make a few brief comments with respect to it because I am not completely satisfied with the Property Improvement Grant. I am not talking in terms of the amounts in the Bill. I am talking about what I see as some holes in the Bill in relation to helping people who need assistance.

Increased assistance in relation to property taxes in the current year of course is very welcome. I don't want to bore the House with statistical data but you are all aware of the fact that the Government's approach in spending over \$1 million in educational grants to maintain a basic average mill rate of 43 mills throughout the province and reduce it through the use of the Property Improvement Grant down to an average of 25, is a sound approach and a reasonable approach and has been accomplished in the last two years, only roughly half-way through our term.

That increased assistance is welcome. I perhaps should refresh the memories of the Members of the House. In the old Homeowners Grant approach – it was \$70 for homes and farms. In the current year the Property Improvement Grant which replaced the Homeowner Grant will be paying up to \$144 on residences – up to \$180 on small businesses which were not covered previously and up to \$270 on farms.

It also, of course, has an overall maximum or ceiling of \$270. One of the things that I have always felt I should like to see is that this payment be made not to the individual directly but to the municipal office concerned. However, I realize the problems related to this because of the fact that they do cover three different items. An individual might own a home in the city and a farm a few miles out of that city. He might be a part owner or an owner in a business in an adjoining town. Obviously then you must have a central registry as the maximum of \$270 applies to that individual in terms of rebates in relation to his property taxes.

This obviously makes it impossible to use direct payment to municipal offices, which frankly I would prefer. It also has an income tax implication which I think Members do realize exists. Here is a specific example to illustrate the point. Let us assume that an individual farmer had a 1973 property tax bill of \$600 on his farm. He qualifies for the maximum Property Improvement Grant of \$270, which gives him a net property tax cost of \$330. If this was paid to the municipal office he would pay only \$330 in tax and he could then deduct only \$330 in relation to his expenses in operating that farm when he files his income tax return. However, when it is paid to him directly, and it means the same thing in terms of assistance, he still can use the \$600 figure in terms of compilation of his income tax.

This is another basic reason why, of course, we cannot use the payment to municipal government approach. Now I realize that when we were in Opposition we criticized the previous government for not making payment directly to municipal offices. However, we did accomplish one thing, we moved that love letter that went out with all the cheques. I refer to the letter that indicated that this was a dividend from Saskatchewan's

industrial development. That contention was obviously a mere figment of the imagination of the administration of that time.

I should just like to make one or two further brief comments with respect to how this Property Improvement Grant can be of a appreciable assistance in a specific instance. I happen to be familiar with this particular situation. There is an elderly couple living in the city of Saskatoon in my constituency. They retired a number of years ago and as it happens to many people when they reach retirement, they thought they had sufficient to get by but inflation is eating away their liquid assets and their income and they find themselves getting into difficulty. They were recipients of the Old Age Security in both instances, \$75 a month at the time they came to Saskatoon and they bough a small home for \$10,000. It was a very good home. It's not a very big one. Their income also consisted of an annuity arrangement that they had made personally of some \$200 a month. The \$200 a month plus the \$150 that they got from their Old Age Security they felt was ample to look after them as long as they would live. They bought this small home, as I said, for some \$10,000. Now their income remains largely static, not completely so because you are all aware of the fact that the Old Age Security payments has been increased and as from April of this year on they will be getting \$100 in each instance in terms of Old Age Security. So their total income has gone up from \$4,200 a year ten years ago to \$4,800 a year now. Checking back on the records I found that in this particular instance their property taxes were \$243 in 1958, in 1972 their taxes rose to \$431. That in itself would not create insurmountable problems for a retired couple but with everything rising in cost, food costs etc., they find themselves getting into a tightening situation economically. I point out that this is quite common amongst elderly people They ran into a severe situation in relation to health cost and had bills which they had to pay in excess of \$1,400. The problem becomes particularly severe. I want to point out that that \$1,400 medical cost didn't include any deterrent fees or things of that nature which we moved after we attained office. However, their property tax bill as I previously mentioned was up to \$431. They qualify for the maximum grant in the current year and they will get \$144 taken off that bill so they are back to a net figure of \$287. Their situation now is they have a payment of \$287 for their property tax cost in the current year compared to \$243 actual cost back in 1958 some fourteen or fifteen year ago. Therefore the Property Improvement Grant has been of appreciable assistance in many, many instances. I think this should be kept in mind.

However, as I said before, it is far from perfect and as an individual Member of this House I should like to see a tax credit approach utilized. The Member from Saskatoon University (Mr. Richards) discussed this to some degree previously in relation to another item in this House and I should like to see that assistance available to renters as well as property owners. Now I know there are problems but other provinces are finally getting around to working out some kind of a formula that will work in this regard. If we utilize a tax credit base we can give more assistance to more people who really need that help. In reality what governments must accomplish is some reasonable transfer of income to those people who happen to get in that category because it is not only important to them that they be viable economic units but it is important to the society in which they live that they be economically viable units.

Because of these points I would like to raise them before the House and point out that I strongly support the Bill even though I have certain reservations with respect to it.

Some Hon. Members: — Hear, hear!

Mr. J. C. McIsaac: — (Wilkie) Mr. Speaker, a few brief comments on some of the remarks of the Member who just took his seat and I want to congratulate my colleague, the Member from Nutana Centre, as one of the few over there who hasn't changed his thinking since the last time he was in the House. He was good enough to point out that the former criticized the Homeowner Grant legislation for the cheque that went out from the province rather than going through the municipal office but I am glad to see now that they are in power he has seen some of the difficulties of handling the legislation and handling this program in this particular way. I am sure the same is true today as it was when this legislation was introduced in the first place that the method of mailing the cheque from Regina is also as cheap a method that can be found as far as distribution of this sum is concerned.

Mr. Robbins: — No letters though.

Mr. McIsaac: — Mr. Speaker, whether or not they have a letter, one thing they do have and it was very noticeable last year, during September and October, there were advertisements and we haven't yet learned how many thousands of dollars were spent in advertising the Property Improvement Grant and it was an unusual kind of time during harvest and through October, quite a while from the end of the year when claims had to be submitted. Oddly enough come October 30th and the advertisements disappeared. We saw them, large ads in dailies, weeklies, all the papers of the province and oddly enough just after the Federal election was over, the advertising campaign just dwindled to almost nothing. So that while there may not have been any letters the Government had spent a good deal more money than was ever spent in any letters, trying to make political hay with their Property Improvement Grant.

Now, Mr. Speaker, I can recall, as I say, many of the criticisms of this Bill and of the principle of it when I introduced it back some years ago. I can recall at that time the NDP passed a resolution condemning the Government for this kind of a give-away program. At that time it was around \$8 million. Well since that time it has grown, this year I believe to something like \$30 million.

Now, Mr. Speaker, this brings up another aspect as mentioned by the Minister in his introductory remarks and it was mentioned by a couple of other Members. The fact that this program represents a tax shift. Now, Mr. Speaker, just a word or two about that tax shift because the true tax shift that this program is reflecting is a tax shift from provincial resources to federal resources. Were it not for the fact this Government is getting huge new and additional sums from Ottawa there is absolutely no way they could extend this program to the extent that they have.

I was interested in the Minister pointing out in his introductory remarks that this money, the vote here and the size of the payment provided for in this legislation is increased over last year which was increased over the year before. He also said

that though in the meantime the income tax has gone up by only 3 per cent, something like an additional \$3 million was raised in provincial income tax. Well, Mr. Speaker, I want to refer the Minister to the Estimates that were tabled in the House sometime ago and if he looks and checks there he will find that the amount estimated for realization from provincial income tax in the forth-coming year to be \$95 million as opposed to last year's \$70 million. Not to mention from \$15 million to \$18 million in the corporate income tax. In total about \$25 million in individual income tax and not \$3 million, as the Minister pointed out.

Mr. Speaker, we will certainly be supporting this Bill. It is an extension of good Liberal legislation in the first place and as I say I think it is worth reminding Members of the House that the only true tax shift has been the increase in funds, the increase in money that this Government has received from Ottawa and that's the only reason we are able even to consider a Bill like this today.

Some Hon. Members: — Hear, hear!

Mr. E. I. Wood: — (Minister of Municipal Affairs) Mr. Speaker, I should like to make a few further remarks if I may particularly in regard to those just made by the Hon. Member who has just resumed his seat.

The Hon. Member from Wilkie was indicating that there had been a large change in the position taken by the New Democratic Party in regard to a program which had not changed. Mr. Speaker, I want to point out that there has been a large change in the program. Under the former Homeowner Grant Program grants were made only in regard to households, the principal residence of the person receiving the grant. There were no grants made in regard to property otherwise such as farms or businesses or trailer licencees and so on. Under this program there are different grants made in regard to other purposes. Under the earlier program I think it would have been a simple matter to have turned the payments over to the municipalities because it was simply with regard to the home of the person receiving the grant. And in this case they would only have one, it would be in one municipality or it would be in another. This I think would have been done quite easily. Of course it wouldn't have allowed them to have sent this nice letter that they had from the Premier stating that this money was coming from the industrial resources of the province and so on. However, we all knew quite well it was coming from entirely different sources besides this.

However, on the new program as I said we are making these additional payments. If we are going to have a maximum assessment in the program which we have, we say that we will pay up to so much. It is necessary, absolutely necessary that this be paid out centrally. I can't conceive of any set up whereby we could pay it through the municipalities and retain a maximum. If we do away with the maximum of course it would mean that the payment would be made to all the larger land holders and the money would be dissipated over a much larger area including large holdings of all kinds which would get this money instead of those that find it necessary. I understood this was one point that the former government made with the regard to their Homeowner Grant that it was not dependent so much upon the size of the holdings as this one is. But if we took the ceiling off

entirely it would be making this grant available to all and it would dissipate the money much further and would mean less for the small holder of property unless we put a great deal more money into the program.

So if you are going to have the ceiling, you must handle this program centrally. You take a land owner who owns a farm in a municipality, maybe he also owns land in two or maybe three municipalities. He maybe lives in an adjoining town or he may have a house in a couple of towns. And how any one municipal secretary would be able to sit down and figure out what that many had coming in regard to the Property Improvement Grant that had a ceiling on it, is absolutely impossible, Mr. Speaker. So I do maintain that the Hon. Member from Wilkie is wrong in saying that there is no reason why we should continue this as a centrally administered program any more than there was under the earlier program. I say there is a real reason that it has to be done this way.

Although I would agree with the Hon. Member from Saskatoon Nutana (Mr. Robbins) that there would be much to advocate doing this. It would be a much easier program to administer if it could be worked out by going through the municipalities. I would be the first one to be in favor of it because it would surely be a lot less work for the Department of Municipal Affairs. I think it would be a better program but so far, so long as we have the ceiling in here, I can't see how it can possibly be done.

Now, Mr. Speaker, the Hon. Member from Wilkie also mentioned advertising. We found that a lot of people misunderstood this program. Last summer we were getting inquiries from all over the place in regard to what sort of program this was and we had a good deal of difficulty in explaining to people that they didn't have to make improvements to their property, they didn't have to paint the house or what have you, in order to obtain this grant. As you are aware, the name was chosen in the first place so as to make it clear that this was a program that would not attract income tax but it wasn't immediately apparent to all that it was not one in which they did not have to make repairs of some kind to property in order to qualify. We found that it was necessary that we clear up this and this we did last fall. We also had advertisements after the end of October in that we advertised that the payments had to be made on the taxes before the end of the year and also in regard to applications, they had to be made before the 15th of February. Again we have found that it was necessary to impress this upon people and I think that we are going to have to advertise further again this year in that regard because there were a lot of applications came in after the deadline date and we feel very sorry about this. Mr. Speaker, we should like to have people qualify for this grant and to pay their taxes and make their applications in time to qualify. If we cannot impress it in one way we will have to do it in another and I expect that we will have to be back advertising again on this.

Now in regard to the income tax I want to say that the \$3.6 million that I mentioned was the increase in income tax that was due to the raising of income tax rates. The other increases of income tax that may be due to other reasons I did not take into consideration because that is not the matter that we had under consideration, but what I was speaking of was the increase in income tax rates that have been made. These were

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the ones for which the Government was being criticized and this was \$3.6 million of which I was speaking.

Mr. Speaker, I do maintain that this is a good program. The advantages that are given to the property owners of the province through this program, coupled with the increased school grants far outweigh anything, any detriment that may have accrued to the taxpayers of the province by way of an increase in income tax and I should like to move second reading of this Bill.

Some Hon. Members: — Hear, hear!

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

YEAS — 51
Messieurs

Blakeney	Kwasnica	Feschuk
Dyck	Carlson	Kaeding
Meakes	Engel	Flasch
Wood	Owens	Steuart
Smishek	Robbins	Coupland
Romanow	Tchorzewski	Loken
Snyder	Cowley	Guy
Kramer	Taylor	Grant
Thibault	Matsalla	Boldt
Larson	Faris	MacDonald
Baker	Cody	(Milestone)
Brockelbank	Feduniak	McIsaac
MacMurchy	Mostoway	Weatherald
Pepper	Comer	MacLeod
Michayluk	Rolfes	McPherson
Byers	Lange	Lane
Thorson	Oliver	MacDonald
Whelan		(Moose Jaw N.)

NAYS — Nil
Messieurs

The Assembly adjourned at 5:40 o'clock p.m.