

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session — Seventeenth Legislature
65th Day

Thursday, April 26, 1973.

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

Announcements

Increase in Underground Construction Grants — Rural Telephone Companies

Hon. J.E. Brockelbank (Saskatoon-Mayfair): — Mr. Speaker, before the Orders of the Day I have an announcement that may be of interest to the Members of the Assembly, and I am sure will be of interest to the rural telephone companies of Saskatchewan.

The Government, at this time, wishes to announce an increase in the amount of the underground construction grants which will be paid to rural telephone companies, to assist them in upgrading their facilities.

The amounts of the grants for underground construction will be increased from 33 1/3 per cent to 50 per cent of the cost of wire and cable which is used.

Some Hon. Members: — Hear, hear!

Mr. Brockelbank: — This particular increase could mean an extra \$150,000 to rural telephone companies for their 1973 underground construction program and would bring the total grant for this purpose to approximately \$350,000.

The increased grants should encourage rural telephone companies to bury their service rather than construct pole lines, and in so doing, virtually eliminate the obstruction to farm equipment caused by these lines. In addition, buried facilities will reduce maintenance costs, provide more reliable service and enhance the visual appearance of the rural landscape.

I am pleased to be able to announce the increased assistance to help the rural telephone companies to upgrade their service to rural subscribers. The grants will mean additional employment, not only for workers in the cable laying industry, but also for people involved in brush clearing and cable manufacturing.

Mr. G.B. Grant (Regina Whitmore Park): — Mr. Speaker, I wonder if the Minister could tell us what the percentage participation was under the pole and wire construction? I believe there was assistance given to that.

Mr. Brockelbank: — I don't have that information at hand, Mr. Speaker, but I would be pleased to obtain it for the Member.

Statement

Expork Canada West Setting Quota on Hogs

Hon. J.R. Messer: (Minister of Agriculture) — Mr. Speaker, questions were asked several days ago in the House in regard to a statement made by the Minister of Agriculture in the Province of Manitoba.

The assumption, I think, from that statement was that the Minister had said that Expork Canada West, the newly announced company between Manitoba and Saskatchewan export of hogs would, in fact, set a quota on those hogs.

I should like for the benefit of the House and for the sake of clarification, refer to an article in The Winnipeg Free Press dated April 24, 1973, to a statement by Mr. Uskiw, which says this, and I quote:

Agricultural Minister Samuel Uskiw of Manitoba said Monday, there is no intention by the Manitoba-Saskatchewan Hog Marketing Board to set production quotas for hogs.

It goes on to make some reference in regard to what the Expork Canada West will do, but I think that it will clarify for Members opposite, as well as anyone else in the province, who may have been misled by the report that the Member for Moosomin (Mr. Gardner) referred to. I think that this will clarify that Mr. Uskiw has no intentions of the agency, in fact, doing that, setting quotas in Manitoba or Saskatchewan.

Mr. E.F. Gardner: (Moosomin) — Mr. Speaker, you are saying then that Mr. Uskiw was misquoted in the Star-Phoenix of April 17th. Is this what you are saying?

Mr. Messer: — That would appear to be the case because in this statement Mr. Uskiw says that he — if I may refer to the article — Mr. Uskiw said a misunderstanding had resulted in an erroneous report carried in some newspapers. So I imagine that some newspapers could include the Star-Phoenix or the Leader-Post, whichever you got your information from.

Questions

Amendments to Bill No. 69

Mr. Gardner: — Mr. Speaker, before the Orders of the Day, I should like to ask a question of the Minister of Agriculture.

As we all know Bill No. 69 has been waiting in Committee of the Whole for some time. In second reading the Minister indicated that there would be substantial amendments to this. Now we have had some offers from Toronto that they would supply us with the amendments and said that they would send them up to us. This should hardly be necessary. It seems rather an insult to the Legislature if we have to obtain the amendments from Toronto, rather than from the Minister of Agriculture. Certainly he should supply us with the amendments before this

is read in Committee of the Whole so that we will get a chance to look at it.

I am asking the Minister if he will supply us with the amendments rather than have us obtain them from Toronto. I think this is certainly contempt of the Legislature to supply these amendments to people all across Canada before they are available to Members of the Opposition.

Mr. Messer: — Mr. Speaker, firstly I gave no indication that there were going to be substantial amendments to Bill No. 69. I said that there would be some amendments and attempted to refer to them in my second reading speech. I said that they would simply clarify some of the intents of the Bill, but that they would not, in any way, change the content of the Bill in a major sense.

I know of no forwarding or sending of amendments to any firms in Toronto. I would appreciate the Member bringing their names to my attention so that I can pursue as to where those amendments came from, and if in fact, they are the amendments that I will be bringing forward when we go into that in Committee of the Whole, in discussing that Bill.

As I indicated to the Whip of the Opposition last night, I would not have any problems or would not be against passing the amendments off to the agricultural critic before we go into Committee of the Whole, and I will endeavor to do that within the next day or two, perhaps even today.

Mr. D.G. Steuart: (Leader of the Opposition) — A supplementary question, Mr. Speaker. Has the Minister given out copies of amendments to anyone?

Mr. Messer: — I have not given copies of the amendments to anyone.

Mr. Steuart: — Has anyone in your Department? Because there are copies, as least reported copies, of amendments in circulation now. Are you saying that no one to your knowledge has given out any amendments to anyone?

Mr. Messer: — Mr. Speaker, I believe that I answered the Member for Moosomin's question in regard to whether there had been any amendments sent to anyone in Toronto. I said that to my knowledge that there had not been any amendments sent to Toronto. We may have referred to amendments in our discussions with representatives in Toronto who were consulting with us on behalf of the wholesalers or the manufacturers of farm machinery. They may be referring to those discussions, but to my knowledge, I am not knowledgeable of sending to them the amendments that we will be introducing in this House.

Mr. Steuart: — I asked if in fact you sent them to anybody, anybody at all. I think this is important, Mr. Speaker.

Mr. Speaker: — Order, order!

Mr. Blakeney: — I do, too. And I want to say this. If there is an inference that we shouldn't be talking about amendments with anybody, then that's a piece of darn nonsense. We intend to consult with respect to the terms of Bills and amendments with whomever we wish, before we bring them into this House. It is our Government's policy to consult and if you think we are going to make them public in this House before we consult with any interested bodies, then think again.

Mr. Steuart: — Mr. Speaker, let me tell that power hungry excited Premier that what we are saying is this — he gets up and avoids the question, he gives us half truths, just as you are doing.

We have no objection, and can have no objection, if you consult with anyone. But I say that you are showing contempt of the Legislature, contempt of the elected people, when you ask us to look at amendments which have already been circulated. Then he gets up and he hasn't got the decency to tell us whether he sent them out or not.

Some Hon. Members: — Hear, hear!

Bill to amend The Forest Act

Mr. Steuart: — Mr. Speaker, I should like to ask another question of the Premier.

In a few days we will be looking at a Bill to amend The Forest Act, which is, I think, one of the most unbelievable Acts ever brought before any Legislature, to scrap every contract with every timber industry.

As a basis for this, we have the Springate Report. The Premier told us some time ago, that when it was finished or when there was another addition to the Springate Report that he would table it and give it to us.

I am asking him now: Can we have copies of the Springate Report before we consider, in second reading, this very important Bill?

Mr. Blakeney: — Mr. Speaker, I am advised that the final copies of the Springate Report will be available today or tomorrow. We propose to proceed with the Bill today. Members opposite are free to adjourn it if they wish. We have now, as I indicated earlier, received the final version of the Springate Report, which was as a result of consultation by Mr. Springate, as you know — you got your copy from the people with whom he consulted. But there will be copies available either today or tomorrow as the Minister indicates to me.

Permission for Meetings in Legislative Buildings

Mr. J.G. Lane: (Lumsden) — Mr. Speaker, a question to the Minister of Municipal Affairs (Mr. Wood).

On this Government sponsored cabal that went on the other night, Monday night, sponsored by the Minister of Municipal

Affairs, did you give permission for those people supposedly a general public NDP supporters;

- (i) to meet in the Legislative Buildings;
- (ii) who in the Government waived the requirement that these people had to sign in and out of the Legislative Buildings because the Press report indicates that only give people signed in Monday night?

Mr. E.I. Wood: (Minister of Municipal Affairs) — Mr. Speaker, the term cabal, is a rather offensive one that I don't appreciate. It was also indicated that the statement was made that this "cabal" as was termed, was sponsored by the Minister of Municipal Affairs.

This, I think I made clear yesterday, is not so. I think the Member opposite has either got a very fertile imagination or is endeavoring to mislead people by such a statement, because I said that I knew nothing about this meeting. I was told that there was a delegation here to meet me. I went to meet them.

You want to know whether my permission was given, my permission was not asked and it was not given. It was simply a matter that I did not think was that important and if they wish to make representation for a program, it is none of my business.

Insofar as signing in, I don't know who signed in what, but the meeting was called for 9:15. This was when I was asked to be there. I don't know who signed in whom.

Mr. Lane: — Are you saying therefore that no permission or no requirement was necessary for these people to sign out, which is a requirement of everybody else? And why was that waived?

Mr. Wood: — I tried to make clear, Mr. Speaker, that I know nothing about what arrangements were made for coming in or going out. I was simply told that there was a delegation to meet me and I went to meet the delegation. However, how they got there and how they got away, I didn't enquire into.

Second Readings

Hon. G.R. Bowerman (Minister of Natural Resources) moved second reading of **Bill No. 111 — An Act to amend The Forest Act.**

He said: — Mr. Speaker, the Bill to amend The Forest Act and the principle of that Bill strikes at the very core of those basic philosophical differences which so widely separate Liberal and New Democratic governments.

Some Hon. Members: — Hear, hear!

Mr. Bowerman: — The principle of the Bill focuses itself directly on the very current provincial, national and international public debates of this century.

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Those debates, Mr. Speaker, are on who should own and who should manage, who should control and develop the natural resources in a sovereign state.

The vital question is: are those resources to be the domain of privately owned foreign corporations? Must they be developed by the private enterprise system only or is there a large public responsibility through democratically elected governments?

Mr. Thibault: — Mr. Speaker, on a Point of Order. This is an important debate and we want to listen to it. I hate like the dickens to sit here and listen to this gibbering continuously. We just want to sit here and listen.

Mr. MacDonald: (Milestone) — On a Point of Order. We share the Member's concern if he would pass that on in his own caucus and we would appreciate it.

Mr. Speaker: — I would ask both sides whoever the speaker is, to give him the courtesy of listening without interruptions.

Mr. Bowerman: — Mr. Speaker, we believe there is a large public responsibility through democratically elected governments to choose the most beneficial method that will provide the greatest social-economic returns to its citizens, be they publicly owned, be they joint, private and public ownership or be they through a co-operative development method.

We, on this side of the House, Mr. Speaker, believe the latter proposal commends itself to the Saskatchewan people beyond that which was foisted upon them under the former Liberal regime from 1964 to 1971.

Mr. Speaker, the only reason this legislation comes before the House today is in order to alleviate the public injustice of a virtual sellout of our softwood forest resources to two privately owned foreign corporations — Parsons and Whittemore and Simpson Timber.

Some Hon. Members: — Hear, hear!

Mr. Bowerman: — The three forest management agreements, Simpson Timber, Prince Albert Pulp Company and Meadow Lake Sawmill, literally encompass most of Saskatchewan's commercial forests from boundary to boundary, from Manitoba to Alberta, and from north of the Clearwater and Churchill Rivers to the south boundaries of the northern provincial forest boundaries.

That includes approximately 38 million acres of Saskatchewan's forests which is 95 per cent of the total acres of commercially crown-owned timber in Saskatchewan. Mr. Speaker, these commitments extend up to the turn of the century, nearly to the year 2000. Beyond that provisions are made for perpetual commitments to the same corporations that we speak about.

This sellout of our forest resources was perpetrated on the Saskatchewan public by a contractual agreement negotiated, framed and concluded without public participation or without

their sanction.

Some Hon. Members: — Hear, hear!

Mr. Bowerman: — There was no public debate, nor was there any plebiscite of the owners and producers about which we have heard so much in this Session.

I do not suggest for a moment that the former Government did not have the authority to do what they did. That authority is obvious and without necessity of further debate. But I do question that the former Government similarly had a mandate from the Saskatchewan people to do what they did in negotiating those contracts. In fact, it is my opinion that the major reason why they sit in such sordid disarray to your left, Mr. Speaker, is because when the Saskatchewan public had an opportunity to review and to understand the effects of these shadowed contractual documents, the election of June 23, 1971 was an overwhelming and resounding endorsement for a new deal to be implemented in forest utilization and management.

Some Hon. Members: — Hear, hear!

Mr. Bowerman: — I believe it is true, Mr. Speaker, that Saskatchewan knows of only one other issue that has been more controversial and more hotly debated than the 1964-71 Liberal deals for our provincial forests, and that was the Medicare issue of 1962.

Mr. Speaker, this Bill is clearly a political and public issue in Saskatchewan. The Thatcher Liberal Government from 1964 to 1971 used the forest resources of this province and the development of forest industries as the leading edge of their Liberal Government's thrust into private industry and the province's so-called industrial development era.

I want to look at the developments in the forest industries for a moment to prove that point. Look at Wisewood, a totally owned Saskatchewan company at Hudson Bay, sold to MacMillan Bloedel for 60 cents on the dollar. Indeed, it was having some difficulties, no one will argue with that point. But they had gone through the phase of the start up and were beginning, in fact, to come out of the financial difficulties that they were in.

The Prince Albert Pulp Mill agreement provided for 18,000 square miles or 11.5 million acres for a \$100 per year forest licence. For \$100 a year we sold 18,000 square miles or 11.5 million acres to Parsons and Whittemore of New York.

In addition to that we guaranteed a four year wood supply at a subsidized price. For that same \$100 per annum we guaranteed a four year wood supply at a subsidized price. Stumpage dues on white spruce saw timber, coming out of the Prince Albert Pulp Company agreement is at 70 cents a cord until 1980. Seventy cents a cord for some of the best white spruce timber that we have in this province we are receiving 70 cents a cord. And this not only includes, Mr. Speaker, not only includes the timber that they are utilizing but it also includes a ground rental on the 18,000 square miles and also includes a fire tax which is normally a cost that should be borne by a company operating in that area.

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In addition to that, Mr. Speaker, we the public of Saskatchewan, are committed to build roads at approximately \$.5 to \$.75 million annually for the next 30 years. \$.5 to \$.75 million annually are committed to the roads within the pulp mill agreement area for the next 30 years.

Then there was the renegotiated agreement of the Dumont Brothers Stud Mill operation at Hudson's Bay for a considerably extended permission in the new Simpson timber agreement that will outlive many of Saskatchewan's present generation and commit most of our best white spruce forest to a studs only operation in that area. And that area again includes another 18,000 square miles.

Then there was the projected demise of The Saskatchewan Timber Board after it had been prostituted by the Liberal Government to subsidize the start-up costs of the Prince Albert Pulp Mill.

The grand finale to all this, Mr. Speaker, was the announcement of the Liberal Government in 1971 for the development of the Athabasca Pulp Mill in the Meadow Lake Saw Mill complex.

This was more of the same Liberal philosophy but with a much more grandiose approach in the disregard for forest resources. A gross disregard for environment of the Churchill River and an overwhelming commitment of Saskatchewan's and Canada's public purse to support a private non-Canadian corporation resulting in questionable returns for Saskatchewan people.

Mr. Speaker, that was the public and political stage of 1971. There were seven years of Liberal record in mismanaging the forest resources and a major election proposal for developing one of North America's largest pulp manufacturing industries which was to be located in Northern Saskatchewan. And the results are evident. You can see it across the way. The Saskatchewan public overwhelmingly rejected those seven years of resources mismanagement along with that proposal to develop the Athabasca Pulp Mill complex.

Some Hon. Members: — Hear, hear!

Mr. Bowerman: — Evidence that even the Liberal Party supporters were unhappy with the philosophy of the Liberal mismanagement of forest resources by their government, came early during the first opportunity that Liberal grass roots had a chance to speak.

A Press report, Mr. Speaker, of December 6, 1972, when the Liberal Convention in Regina revealed the feeling of the delegates with respect to the past Liberal administration. And I quote from that periodical.

Among the more significant results was one in which 70 per cent of the young delegates approved a proposal that a study be undertaken into clear-cutting and reforestation methods being carried out by the Prince Albert Pulp Company, MacMillan-Bloedel and Simpson Timber Company.

Liberal leader Steuart said, at a news conference, he understood that to be a clear indication that the Party membership felt that timber use policies of the

Party when it was in Government were not good enough.

Some Hon. Members: — Hear, hear!

Mr. Bowerman: — Confession, I suppose he thought was good for the soul, but it was a little late.

If delegates to the Liberal Convention disapprove of their own government's action what could one expect from the people of Saskatchewan as a whole.

It is obvious that the Saskatchewan public accepted the clearly enunciated New Deal for People with its programs for progress dealing with forest and renewable resources management.

Mr. Speaker, quotations from the New Deal for People pamphlet which was the 1971 campaign document of the Party that now forms Government adequately sets out the principle of this Bill.

I want to remind Opposition Members, and I want to remind the Saskatchewan public, and I want to remind as well, the forest corporations involved, that our commitments, this Government's commitments to the electorate in 1971 were not acts of window dressing or hollow pronouncements to be forgotten when we came into office.

Let me quote from the New Deal for People pamphlet in order adequately to place it on the record and to outline the principle of this Bill. I quote:

Saskatchewan's natural resources are the rightful heritage of the people of our province, not the preserve of private interest.

The New Democratic Party believes that Liberal policy of selling out our birthright is both unwise and unnecessary.

We have faith in Saskatchewan people. We believe them capable of developing their own resources for their own benefit. Outside help is sometimes necessary but a sell-out is not.

Development must be aimed at maximizing benefits for people and not maximizing profits for big business and its promoters.

New Democrats recognize the need for research and planning and the folly of growth for the sake of growth. We must take into account all aspects of the well-being of the citizens including their right to a health environment.

Towards these ends a New Democratic Government will oppose any further sell-out of our resources. With respect to new development, the NDP will give first priority to public ownership through Crown corporations.

Co-operative ownership will be encouraged. Partnership arrangements between government and co-operatives or

private developers will be undertaken when appropriate. Limits will be established with respect to foreign equity capital and every effort will be made to limit foreign investment in resource development to non-equity capital.

We would review existing royalty and other arrangements with a view of renegotiating where necessary those not in the interests of Saskatchewan people. Where feasible we will reclaim ownership and control of foreign owned resources. We would spare no effort in renewing those resources that are renewable, such as fish and forests while conserving non-renewable resources such as oil and other minerals.

Mr. Speaker, that I believe is the principle of this Bill. I believe it was summed up well in the election campaign of 1971. It now becomes the opportunity and the privilege of this Government to implement that particular policy and that particular principle.

I want to acquaint those not so well informed with the history of forest resource development in Saskatchewan. I want to refer briefly to a series of events leading up to the 1964 potential for developing forest industries.

In 1945, Mr. Speaker, a Royal Commission on Saskatchewan's Forests was established resulting in the start of the first provincial forest inventory in 1947. We were harvesting large quantities of white spruce timber up until 1944 but we were harvesting those resources without the benefit of any inventory or without the benefit of knowing what we were really doing to the forest resources. So in 1945 the appointment of the Royal Commission on Saskatchewan Forest Resources was begun and the inventory was begun to be provided for.

The Commission study concluded that the white spruce saw timber would be depleted within 10 years if the existing rates of harvest was to be continued.

The Government of the day quickly introduced a quota harvest system as part of a complete forest management program. The exhausted forest of that day was literally nursed back to health over the following two decades with forestry practices that were recognized as some of the best on the continent of North America.

Some Hon. Members: — Hear, hear!

Mr. Bowerman: — That program and in addition, Mr. Speaker, that program was introduced and administered by the CCF Douglas Government. In 1964 we fell back into a virtual sell-out. In 1964 we fell back into a virtual sell-out of our commercial forest resources by the then Liberal Government.

The Sandwell Report, a consultants report on the prospects for pulp and paper mill development in Saskatchewan was produced in April of 1959. The conclusion of this report was that Saskatchewan forests could support four strategically located pulp mills capable of 900 tons per day pulp production with a 50 per cent reserve factor for other forest industries.

Recent updating of forest inventories extend these limits upwards considerably.

The recommended rate (and I want you to hear this, Mr. Speaker, and the Members of the House) the recommended royalty rate of timber dues by the Sandwell Report in 1959 was \$1.40 per cord for white spruce and we sold out in 1964 for 70 cents a cord for white spruce.

Some Hon. Members: — Hear, hear!

Mr. Bowerman: — Parsons and Whittemore in the Prince Albert agreement get their white spruce wood for 70 cents a cord plus free ground rental plus free forest fire tax and a half to three-quarters of a million dollars a year of provincial money to construct roads within their lease.

In March of 1972 the Saskatchewan Land Capability Classification for forestry was published. It was funded through the Canada Land Inventory. Saskatchewan was the first province to complete the study which began in 1964.

References are made in this report to the higher values utilization of saw timber by conversion of wood into dimension lumber and other wood products which are now being converted to the very easily mechanical production of pulp wood and studs of lesser value.

This will further result in the gradual lowering of minimum sizes in saw timber to seven inches top diameter. Allowing for some increase to harvestable volumes will also accrue from our forest stands. The report also recognizes that a far greater harvest potential is also possible through greatly improved management and reforestation practices. There is however, no provision for proper reforestation and management costs in timber at 70 cents a cord. Across North America, across the world where forestry is being practiced one of the concepts of forestry is that the costs of reforestation is a part of the costs of harvesting.

Some Hon. Members: — Hear, hear!

Mr. Bowerman: — Mr. Speaker, we have never taken into consideration in the 70 cents a cord the costs of forest fire protection and the land that was being used as a result.

Proper reforestation must be considered a logical part of the current wood harvesting costs. Mr. Speaker, there were many efforts made by the Douglas and Lloyd Governments to negotiate with forest industries. Negotiations were undertaken with the Dumonts, with Wisewood and with the expansion of the Saskatchewan Forests Products Corporation, contacts were made with Green Bay Packaging Limited, Crown Zellerbach, Powell River Company and Waskesiu Forest products.

Undoubtedly had the Douglas and Lloyd Governments thrown caution and common sense to the wind, agreements could have been negotiated in the day when they were the Government. This careful consideration and this concern for the resources within the province was obviously not observed by the Liberal Government in the years during which it operated.

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We now have one major pulp mill complex and two stud mill operations. All were negotiated or renegotiated to their present status by the former Liberal Government.

The Saskatchewan public and this Government support the development of forest utilization industries. Saskatchewan public and this Government agree with proper harvesting and utilization of our forest resources. Saskatchewan people and this Government question that present harvesting, present reforestation and wood utilization practices that are provided for in the Liberal agreements, we question that they adequately protect the public interest and return a fair value for the resources which they are utilizing.

Some Hon. Members: — Hear, hear!

Mr. Bowerman: — This same question, Mr. Speaker, has been asked in every province in Canada and is being asked by nearly every country in the western world, not only in forestry but in the mineral and petroleum industries as well. Our Government believes that public participation and ownership is a responsible approach in resources development.

We believe that public ownership has been proven successful in many fields. We believe it has also been proven successful in the operations of the Saskatchewan Forest Products Corporation.

Liberals refer to the Saskatchewan Timber Board as a bad deal and a two-bit socialist fiasco.

Some Hon. Members: — Hear, hear!

Mr. Bowerman: — Mr. Speaker, right he says. Direct revenues — I should like you to listen to this. Direct revenues to the provincial Treasury from the Saskatchewan Timber Board in 1972 exceeded direct revenues to the provincial Treasury by nearly \$.5 million over the much applauded pulp mill company at Prince Albert.

Some Hon. Members: — Hear, hear!

Mr. Bowerman: — That little two-bit Crown corporation they call it. But that little two-bit Crown corporation was able to provide to the people of Saskatchewan \$.5 million more in direct revenues than that much applauded pulp mill in Prince Albert.

Let me tell you, Mr. Speaker, that to provide that additional \$.5 million to the public Treasury, they used 70,000 cords of wood from our forests and Prince Albert Pulp Company used 450,000 cords of wood from our forests. And that little two-bit public corporation they refer to it as a fiasco.

In the Prince Albert area — I should like the Members to listen to this, Mr. Speaker — in the Prince Albert area, 450,000 cords of timber is cut for pulp wood. 20 to 25 per cent of this volume consists of large trees which should be used to make multi-length dimensional lumber or other wood products. All such logs are now chipped and made into pulp. The province receives 70 cents per cord and less for all of this material.

A proper market value today for these larger logs, Mr. Speaker, if made into lumber or other wood products would return to the province \$3 to \$4 per cord for royalties alone. The total revenue to the Provincial Treasury by the Saskatchewan Timber Board of \$800,000 in 1972 accrued from the harvest of approximately 35 million board feet or 70,000 cords of timber resources. Those revenues indicate an average return of \$11 per cord or \$22 per thousand board feet of harvested timber. That is 15 times per cord higher than the returns we are now receiving from the Prince Albert Pulp Mill use of wood in their reserve.

The 30-year PAPCO agreement absolutely robs the people of Saskatchewan. There is only a \$100 licence fee which the company is required to pay for a lease of 18,000 square miles or 11.5 million acres of Saskatchewan. And this lasts until 1980.

The province gets 70 cents a cord for beautiful white spruce saw timber, they get 60 cents a cord for jack pine and 38 cents a cord for other species. From 1980 to 1987 we get 90 cents for white spruce and 80 cents for pine and 50 cents a cord for other wood respectively. An increase that is hardly worth mentioning.

By that time, Mr. Speaker, by the time 1987 rolls around white spruce saw timber for dimension lumber or plywood products could be estimated to return \$6 to \$8 a cord in royalties plus marketing revenues.

Today, 70 cents a cord versus \$3 a cord, Mr. Speaker, is the Liberals' idea of a good forest deal. The schedule of dues as painfully inadequate as they are for the resources alone also includes a ground rental and fire protection tax that are normally additional costs that a corporation should pay for using these crown owned resources. and that too, Mr. Speaker, is considered by Liberals to be a good forest deal.

Mr. Speaker, the total annual revenues the province will receive from the sale of this natural resource to PAPCO is approximately \$300,000 annually. This will not even recover the annual cost commitments for road construction estimated from between \$500,000 to \$750,000 a year. We won't even get enough from 450,000 cords of wood annually to pay for the commitments of the roads that we are to build annually for the next 30 years. We are going to cut 450,000 cords of our best commercial forest and we are not even going to be able to pay for the roads that we built for the Parsons and Whittemore Company. And that in the eyes of Liberals is a good deal. The Leader of the Opposition is the fellow who was part of the negotiation of that deal.

In addition to that, Mr. Speaker, there are no provisions in the agreement for costs of reforestation, forest management, fire protection or ground rentals.

When taking office this Government found that virtually all of the best commercial forest lands in this province had been disposed of to Prince Albert Pulp Company for 30 years, to Meadow Lake Sawmill Company for 20 years, and to Simpson Timber Company for 20 years. In each agreement there are provisions for a perpetual extension to be negotiated on reasonable terms and conditions at that time — until death do us part.

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Simpson Timber is entitled to use from our best forest resources on the east side of this province, large logs for making studs only. The Prince Albert Pulp mill is free to use from the best forest resources of the central part of our province, large white spruce logs for the purpose of making pulpwood chips. The Meadow Lake sawmill can use any logs for its studs only operation, at Meadow Lake.

It is considered that provisions should be made for better use of our timber resources. It is also necessary, we believe, to increase our conservation and reforestation practices. Because of the growing demand on North American forest resources, conversion of the forest resource into proper wood products becomes increasingly vital.

In order to do this and be in a position to provide for better utilization of the larger logs for such products as plywood and multi-length dimension lumber products, it is necessary, Mr. Speaker, to provide for changing the terms and conditions in all management licences, timber permits, timber sales and timber agreements which authorize the harvesting of Saskatchewan Crown timber. We believe that it is near scandalous for the province to be selling much of its best white spruce forest for 70 cents per cord until 1980.

In order for Saskatchewan to effect a new deal for its forest resources and to assure a proper reforestation and management approach and to provide for the better utilization of large logs for such products as plywood and multi-length dimension lumber, it is therefore necessary for us, we believe, to change the agreements and the contracts for the harvesting of Crown timber.

The legislation which is being proposed is not new to Canada. Similar legislation has already been implemented in Manitoba, in Alberta, in Ontario and in Quebec, in New Brunswick and is being considered now in the province of Newfoundland. Therefore, the principle of this Bill is to provide for more returns to the people of the province. They will come through increased royalties relating to current values; and they will relate to increased job opportunities through new industries and additions to existing industries. We will provide as well for control of clear cutting practices in recognition of competing uses of the forest for such purposes as recreation, fisheries, wildlife and parks. Provision is made to restrict harvesting methods by area and species to ensure future needs of the forest community. We will provide for improved large log utilization, because of the need for improved forest practices in producing higher value products. The legislation also, Mr. Speaker, will provide for increased reforestation practices. There is a need to ensure immediate reforestation for cut-over areas and not to gamble on mother nature providing for the new forests. Provisions must be made to re-assess the current reforestation program and to provide for increased activities, especially with regard to the white spruce resources. Both Government and industry will be required to consider doubling or possibly tripling reforestation activities in the years ahead.

New industry and integrated forest operations is another suggestion. There is an obvious need to establish a basic industry for the benefit of northern people and development of northern settlements. It is intended that the legislation will provide for a flexible approach to the allocation of the timber

resources especially adjacent to northern communities. The legislation will provide for a renegotiation of existing timber agreements with a view to using guaranteed timber supplies rather than specific alienation of timber lands as was the case under the Liberal agreement.

Mr. Speaker, because of these principles and because of these objectives which is the program of the Government which I stand to represent on this side of the House, it, therefore, gives me great pleasure to move second reading of this Bill.

Some Hon. Members: — Hear, hear!

Mr. Speaker: — I will ask Members to remain quiet while this debate goes on.

Mr. D.G. Stuart: (Leader of the Opposition) — Well, Mr. Speaker, we have seen a great many changes in the last two years since the NDP were elected.

Some Hon. Members: — Hear, hear!

Mr. Stuart: — A few of them have been good but not very many. Most of them have taken this province down the road of more centralization of power, more government control than ever happened in the 20 years of the old CCF. I suppose no one should have been surprised because the NDP in their election campaign promised the people of Saskatchewan to do exactly this and so I don't fault them, Mr. Speaker, for breaking their word to the people of Saskatchewan. They are keeping their word. I don't know why the people of Saskatchewan should be surprised that a self-avowed socialist government is acting like a socialist government, an extremely left wing socialist government. But they are surprised because over the years of the old CCF we heard the same kind of promises but when they took power in 1944 and again in 1952 and 1956, they became more responsible. Power brought with it a sense of responsibility and with that sense of responsibility a recognition of the facts of life here in Saskatchewan. The fact that we do have basic resources to develop, that they are not easy to develop, that they are costly to develop, that they require a great deal of capital to develop, that we are a long way from the market, that by and large since Confederation we have been by-passed through the normal channels of capital development that have sought other regions in Canada, in fact have sought other parts of the world. So anyone who takes power in the Province of Saskatchewan and takes on the responsibility to develop our natural resources, faces a difficult task, there is no question about that.

We have great natural resources and that is unquestioned. We have tremendous reserves of coal. We have great reserves of oil, sodium sulphate. We have 90,000 square miles of Pre-Cambrian Shield. We've got 70,000 square miles of fair, and I say fair, forest resources. We have great amounts of fresh water. In fact we have potentially some of the greatest resources to be found in this country and anywhere in the world.

This doesn't automatically mean that it is easy to get them developed. Had it been easy we wouldn't be debating the question

in this House today, they would be developed. Our forest resources would have been developed long since. Our mineral resources would have been developed into a thriving industry. Our coal resources would have been used to a far greater extent than they are now. And so I say, Mr. Speaker, that any government that takes power here has serious problems. You have a decision to make. There are only two kinds of capital — capital that is generated from the public sector, government capital, or capital that is generated from the private sector. Or you can have a combination of both.

We in the Liberal Party do not object to the use of any one of these methods or a combination of these methods. I say that we have a responsibility as legislators to develop the resources of this province for the benefit of the people of this province. And we have to take the best instrument at hand. I say that if we can't get private capital to do it, then I don't object to using the power of government capital or the power of government guarantees or any combination. I think the responsibility that we have as a Legislative Assembly, that you have as a government and that we had as a government, is to choose the best instrument at hand to do the job, keeping in mind not some basic philosophy, not some built in prejudice, but overall best interest of the people.

When we talk about the best interests of the people, we don't talk about the narrow outlook of how much comes in in 1972 or in 1969 or in 1944 or in 1973, in the form of stumpage fees, or royalties directly to the Government. We must look at the whole picture. What comes into the Government, how much the Government has to pay out to develop those resources, what goes directly to the people in the form of wages and what accrues to the Government in the form of income tax, gasoline tax, licence fees and so on. With that in mind, this Government has launched a far different program, that is undeniable, than has been launched at any time in this province. When a Minister says they are doing this in other provinces he is either misinformed or he is attempting to misinform others. What we are looking at in this Bill is something not only brand new for Saskatchewan but it's brand new for Canada. What they are saying in this Bill is that the word of the Government of Saskatchewan from now on, as long as they sit on that side of the House, is not to be trusted. What they are saying is that any contract, any piece of paper that has been signed, negotiated in good faith by a party on one side and the Government on the other, isn't worth the paper it is written on. That is exactly what they are saying.

I say to the people of Saskatchewan in every sector of our economy, today it is the Timber industry, tomorrow it can be the Potash industry, the next day the Oil industry. It can be anybody, any industry and any individual. It can be the Land Bank people. The farmers who sign a lease with our Government thinking it is in perpetuity if they want it, being able to hand it on to the next generation at a certain rate, they should beware, they should be warned. They should know that this Government is saying right now in this Bill to the people of Saskatchewan, "we have nothing but contempt for anything we put our name to or anybody else has put their name to on behalf of the province and the people of Saskatchewan".

Now that is very clear. They have in fact said our word and our contracts are not worth the paper they are written on.

Well now the Minister said that when they took office they found that there was a monopoly existing in Northern Saskatchewan in our timber industry. The Minister said we had to break that monopoly in the interest of the people. He said that the Liberals had literally given away our forests. He said that they were not getting a return, the people of this province were not getting a return commensurate with the value of that forest. Well let's take a look at the situation. When we became the Government in 1964, let's look at the situation that existed in the forest areas of Northern Saskatchewan. I come from Prince Albert which has always been one of the major centres of the forest industry in this province, not just from 1944 to 1973 but even before this province was formed. When we became the Government we found a monopoly all right, a government monopoly. You couldn't go into the forest, the Crown owned about 99 per cent of our forest. The Timber Board had the most dictatorial powers over our forest that anybody had even been given over any resource in any province in this nation.

Let's look at the situation today. We went from a Timber Board that had total control and a few Creosoting Plants and a few small underpaid timber operators and little mills, we went from there to what? MacMillan-Bloedel, Simpson Timber, P.A. Pulp Mill, Meadow Lake Sawmill, Creosoting Plants in Prince Albert, in North Battleford, in Glaslyn, plus other small mills, plus the operations of the Timber Board. In other words we had over 15 private firms not including small operators engaged in the cutting of poles, fence posts and so— 15 firms. All of them, or almost all of them in good sound financial shape, employing over 3,000 people directly and thousands of people indirectly. They were paying top wages and pouring millions of dollars into the economy of this province and hundreds and hundreds of thousands of dollars directly and indirectly into the Treasury of the Province of Saskatchewan.

Now let's compare the situation as it exists today to what existed in 1964. Northern Saskatchewan was a depressed area. Northern Saskatchewan under the Timber Board paid the lowest wages, I don't say among the lowest wages, I say the lowest wages of any timber industry with the possible exception of Quebec and Newfoundland but any timber industry in Western Canada, any province in Western Canada. The total return to our Treasury in stumpage fees, in so-called profits over the long haul from this Timber Board, taking off interest, the total return in taxes, income tax, sales, tax, gas tax was next to nothing.

We opened up the forest resources of northern Saskatchewan and I say we did an excellent job.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — We rejected and we still reject any kind of monopoly, whether it's a monopoly by big or small business or whether it's a monopoly by the Government. A monopoly by the Government has no sanctity. A monopoly by the Government can be far worse than a monopoly by an individual company. They are both bad but at least any Government can do something about the monopoly business. The people are helpless between elections to do anything about the monopoly of government.

Of course, we should review from time to time our forest policies and I have no objection to this. This is happening

right across the country. I think the people of Canada through their governments in all parts of this country, and that's what I referred to in our last convention, have come to the conclusion that they want more and they should get more from their resources. We see this happening not only in forest resources, we see it happening with natural gas and oil and almost every resource that Canada has to offer. We have come to the conclusion, as a people across this country, regardless of political philosophy, that we want more from our resources and to this we don't object, in fact, we support it.

The Premier of Alberta has taken a lead in this. What he is doing in that province, I don't know whether I agree or don't agree with his two price policy, but the fact that he has gone out to get more money from that great resource, oil and gas, for the people of Alberta, I think is accepted across this country and is worthy of following. So when this Government said at the beginning that they intended to review all existing contracts to all of our natural resources, no one could have any serious objection to that. If they intended to sit down with these companies and say, we're changing the rules as we did with the potash industry. When we became the Government we didn't object that the former CCF Government to encourage the Potash Company of America to come in against great odds and start to develop our potash resource had given them, this was in the '50s, a 25 or 30 year deal on royalties that was next to nothing, the lowest royalty for potash of any nation in the world. Now when we became the Government we didn't object to that because we said, look at the risk this company took to develop our potash, in fact, it cost them something like \$13 million before they began to get any potash out of the ground near Saskatoon at all. So the Government of that day was right. They said we've got a great resource buried 2,500 feet below the ground that's doing no one any good. It's needed across the world to help them to grow food, our people need it for jobs and revenue, we haven't got the know-how or the markets, we don't want to risk the people's money directly, we will encourage people in the private sector of the economy to come in and they did that. And it was an American firm. No objection. When we became the Government there were nine or ten potash people either coming in or on the verge of coming in. We reviewed the situation and we increased the revenue to the Government of Saskatchewan from potash. Of course we did, take a look at the facts. We didn't increase the royalty because there was a contract. There was a contract which had been signed by the former CCF Government and which we honored. One of the basic principles of democracy surely is that when you're the Government and you do something that you expect under normal circumstances, that it will be honored by the Government that replaces you. In the normal contracts. This is the departure that is happening now.

Okay, we increased the revenue from the potash industry. Some might argue that we didn't increase it enough. I think we did because the potash industry, within a short time, due to overproduction, found itself in trouble. But we had increased it. And so there is a precedent to sit down with private firms and renegotiate deals that were made one, two, three, four or five years later. Nothing wrong with that. The economics of the whole industry change, the problems change, the demands change. It might be that sometime, to save the industry, renegotiations might be downward rather than upward.

Did this happen? I say it hasn't happened. This Bill is not a renegotiation. This Bill is, in fact, a confiscation. It could be confiscation with no guarantee of any return to any of these people that invested their money, their time, their skill and their markets. It, in fact, is worse than the actions taken by Chile when they moved in and nationalized industry, at least they have been negotiating ever since to pay the people who invested their money in that country, to pay them back the money they have invested. This Bill gives no guarantee whatsoever that any company that has invested in the Province of Saskatchewan in good faith will ever get so much as a five cent piece back for their investment. The power the Government is taking unto itself in this Bill means that they can starve out the Prince Albert Pulp Mill, Simpson Timer, MacMillan-Bloedel, the smallest post operator to the largest pulp mill operator in this province with no compensation and no guarantee. In fact, with the Prince Albert Pulp Mill, and this may be their plan, they can walk in, reduce their forest area, reduce their allowable cut, increase the stumpage fees to such a rate that it will no longer be profitable to operate that mill. The company could then go bankrupt and not be in a position to pay off its indebtedness, and the Government of Saskatchewan, which has the first guarantee on the Prince Albert Pulp Mill, could then walk in and for something under \$50 million pick up a company this is, in fact, worth better than \$100 million.

An Hon. Member: — Another good Act.

Mr. Steuart: — It could happen. Just read the Bill.

Now the Minister talks about public debate. This sounds strange from the NDP of 1973. How much public debate was there on Intercon? There was hardly any debate at all. A little old man in Saskatoon, in three short weeks, took the great, brilliant negotiators from the Department of Industry, Mr. Thorson, Mr. Messer and Mr. Blakeney, and he became the number one salesman in this province and they became the number one suckers. Public debate? No, there wasn't any public debate. Was there public debate when you sent out to the shareholders of IPSCO, who probably bought IPSCO shares for \$6 and \$7 and paid them \$15? Was there public debate? It was done quietly, it was done with stealth, it was done secretly and then announced after the four and a half million had been spent. Public debate? No public debate!

Let's talk about the Ward System when they walk in and take over the democratic rights of the citizens of our two largest cities. Was there public debate? Oh, there's public debate going on now. We have found out about their sneaky little ways to try and influence that debate. No public debate. In fact, in the face of an outraged cry by the City Council of Regina and the people of Regina, the City Council and the people of Saskatoon, the Premier arrogantly said "we are going ahead, this, in our opinion, is in the best interests of the people of Saskatchewan".

Talk about public debate. Well, there was a little public debate on the University. They moved in and the president of the University and the people of Saskatoon and some in Regina had the intestinal fortitude to stand up to Mr. Blakeney. And when anybody stands up to Mr. Blakeney, whether it is the old auctioneer who is out auctioneering now and whom he didn't put

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in the Cabinet and a right fine decision the Premier made at that time. But when the bull moose stomped around the halls and threatened all kinds of things, what happened to Mr. Blakeney's great fortitude then? He wilted. Every time anybody stands up to the Premier of Saskatchewan, Mr. Blakeney, he folds up unless they're little people.

Talk about public debate! Don't talk about public debate because your record is a disgrace.

He talks about the old CCF record. Well, let's look at the old CCF record to attempt to develop the forest resources of this province.

An Hon. Member: — Beautiful!

Mr. Steuart: — Talk about one of the sad, disgraceful failures of any Government and one of the reasons that they were put out of office in 1964 was their total and abject failure to do anything with that great resource except hand it over to the Timber Board and pay wages of around 90 cents and \$1 and \$1.10 an hour and keep northern Saskatchewan as one of the most depressed areas anywhere in Canada.

Oh, we used to get threatened with a pulp mill. Just before the '52 election, just before the '56 election, just before the '60 election. Up would jump little Tommy Douglas or Russ Brown and the whole host of those, gone, thank God, but not forgotten, Members of the old CCF, and they would announce a pulp mill. When we got to be the Government we looked at the deals they offered. And if you think what we have done is a giveaway then I say what they offered and failed to get was a giveaway of unbelievable proportions. We, at least, got a deal. Take a look at the records, go and look them up. They peddled the forest resources of this province up and down Canada, up and down the United States for any price and the most humiliating part of it for that Government and the people of Saskatchewan, in spite of offering this for next to nothing, they were turned down year after year. And they had to resort to trickery, they had to resort to deceit, they had to resort to misleading the public just before every election to say, look at us, we got a pulp mill. Who did they always announce? Was it Canadian companies? Well, there was one fast-buck Canadian promoter from Vancouver and I met him, he was an ex-mountie, a good fellow, I don't think he knew much about the forest industry, but he knew a lot about promoting and he promoted those people over there, the remnants of them that are left over there, right around the bend in 1956. Most of them were Americans. Nothing wrong with that. They took a serious look at what we had to offer and they were attracted because of the unbelievably low rates they were offered but they looked at the problems and they walked away from them.

So what was the situation in Northern Saskatchewan when we become the Government?

An Hon. Member: — Nothing.

Mr. Steuart: — Well, let me tell you, it had the lowest wage rates of any area in Western Canada, the absolute lowest. It had the lowest wages on the average of any area in Western Canada. It

had the highest welfare. For most of the time the CCF were in Government over 10 per cent of the population in Prince Albert was on welfare. Meadow Lake was a disgrace, and it still is. What happened after we became the Government and we were able to attract people to come in and help us to develop our forest resources? Well, one thing that happened, for example, is that the average wage in the city of Prince Albert went up from the lowest in Western Canada to second or third highest in Western Canada and has maintained that average ever since. I come from Prince Albert. Mike Feschuk comes from Prince Albert and he will tell you the economic difference between Prince Albert and district before the pulp mill and after the pulp mill is like night and day.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — Our people in Northern Saskatchewan have benefitted and they have benefitted immeasurably by the advent of the pulp mill. Wages went up and up and up. And the demand for the skill of the workers went up. The competition among business firms and the pulp mill for the skills of forest workers, mechanics, electricians, plumbers, unskilled labor went up and up to where now in the Prince Albert Pulp Mill the average wage is better than \$7,000 a year. A far cry from the \$1 and \$1.10 an hour paid by the old Timber Board, even taking into consideration escalation and inflation that has taken place. Make no mistake, Mr. Speaker, the advent of the pulp mill gave direct employment to around 800, 900 or 1,000 people at peak times, 400 in the mill, 400 or 400 plus in the woods, and it generated thousands of jobs in secondary industry. It has been the greatest single boon to north-central Saskatchewan that has ever happened since this province was formed. Was it a good deal? I say it was an excellent deal. For an investment of one and a half million dollars plus subsidies of another three or four million dollars, plus the money we spent and will spend on the roads which could amount to another ten or fifteen or twenty million dollars, for twenty, twenty-five million dollars, we have an industry that has sparked good employment, three or four thousand people, we have an industry that pours \$25 million into the economy of the Province of Saskatchewan in wages, freight, buying of supplies and so on, we have an industry that pays directly and indirectly millions of dollars into the Treasury of the Province of Saskatchewan through stumpage fees, wages, income tax, corporation tax and business tax for the people that have lived off the mill and earned that money, gas tax, E & H tax. On the mill itself there was almost a million dollars paid into the Treasury on its construction, almost a million dollars before the mill was even in operation.

Okay, what will this new Bill do? I haven't mentioned other areas of the province such as Hudson Bay. I'd like to see the Member who represents Hudson Bay stand up in this House and paint an honest picture. The town of Hudson Bay, before MacMillan-Bloedel came in and before Simpson Timber came in, and I know that town, I went up there many times. That town has changed even more dramatically than Prince Albert. You find the main area paved, you find that the town is prosperous, business is good, the people are optimistic and they're receiving good wages. You ask the treatment that the Minister who just introduced this Bill got when the Minister of Agriculture (Mr. Messer) and he went up there and talked about Simpson Timer and ran down

MacMillan-Bloedel. They almost got run out of town. The Minister of Agriculture had to get up at the meeting and change the subject because the Minister of Northern Affairs was in deep trouble. He can bow all he wants, but I defy him to go up and talk about this Bill, I defy him to go up and talk about this Bill in the town of Hudson Bay. MacMillan-Bloedel — he had better take a bodyguard with him then, one even bigger than himself. MacMillan-Bloedel and Simpson Timber have been good for this province, they have paid in thousands and thousands of dollars into the Treasury of this province in direct and indirect taxation. They have been good citizens. They have been good employers. And they are well respected and well liked in the area they operate, the Hudson Bay area, and make no mistake about it.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — Sure, they're outside capital, sure they're Americans, and it may be kind of popular right now to run down American investors, but I say if they have been good citizens and these people have, and they come into our province in good faith, they were invited in here, they didn't come sneaking in the night to steal our resources, they came in and negotiated with the Government of the day, and if the Government of the day made a mistake and didn't charge enough for the stumpage fees, there is nothing wrong with the Government of today, the present NDP Government renegotiating those fees upwards. You couldn't have done this a year ago. The timber industry was in deep trouble a year or two years ago because there was little or no house building in Canada or in United States. Today the timber and the lumber industry is in excellent condition. It's so good, in fact, that even the Timber Board should show an excellent profit.

So let's keep in mind what we're doing here. We're taking people who come in in good faith, who have helped develop our resources, who are good corporate citizens, paying good wages, what's their record of labor strife? There has been very little record of labor strife in the timber industry. There has been some but by comparison to other sectors of our economy there has been a very reasonable feeling between the workers and the management of the pulp mill, of Simpson Timber, MacMillan-Bloedel, and all of the rest of the people engaged in the timber industry. What does this indicate? It indicates that they have been, by and large, good employers.

Let's look at the attitude between the communities and these people. You go and talk to the Chamber of Commerce, to the Town Councils of Hudson Bay, Meadow Lake and Prince Albert and ask them their attitude about these companies who come in and help them develop the economy in those areas and they'll tell you their attitude is excellent. They take part in community effort, if they are going to build a hockey rink or a curling rink, if it's the Red Cross or the United Appeal, these companies and their families are in the forefront of giving and that's the way it should be. So let's point at the record — what sin have they committed? What terrible sin have they committed to the people of Saskatchewan that this Government should bring in a Bill that literally puts a noose around their necks and can, if they wish (and I predict they will) cause slow, if not fast strangulation to every one of these companies.

Now I say this to the town of Meadow Lake, the city of

Prince Albert, Hudson Bay and to the workers in those mills, that they should be concerned, that they should have meetings, they should get together, they should read this Bill and have it explained to them, and then they should demand an explanation from Premier Blakeney and from his Ministers. I ask him to go up and really do some consultation, to hold this Bill up, do the consultation not just with Simpson Timber, MacMillan-Bloedel and the little operators, and let's not forget there are a great many little operators — wood preserving plants, creosoting plants, but let them sit down with the workers and let there be two sides to it. Let the workers know both sides of this picture — what might happen under this Act, what can happen under this Act.

You ask the workers in the Prince Albert Pulp Mill, or Simpsons, or MacMillan-Bloedel whom they would sooner work for MacMillan-Bloedel, Simpson, the Pulp Mill or the Timber Board and I'll tell you the answer of 99 per cent of them right now. They would sooner work for the companies that they are presently working for because they have had (by and large) excellent wages and excellent working conditions. Give those people, if you say you are really having public discussion, an honest appraisal. I'd be glad to join any one of you on a debate between employees of the Prince Albert Pulp Mill and the management and Simpson Timber and Hudson Bay and MacMillan-Bloedel and in Meadow Lake and explain both sides of this very, very serious Bill and this question to those people whose very livelihood depends on the timber industry; who knew what it was like before under the old CCF. For the biggest resource, the biggest payroll in Northern Saskatchewan was not the timber industry but was in fact social aid. I warn those towns and I warn those workers the very base of the economy of Northern Saskatchewan is seriously at stake with this bad, bad Bill that is being presented to us. A Bill that goes farther than anything ever done in this country before.

Now the Minister, you know, took a selected year, 1972 and he says the Timber Board paid more into the Treasury than the pulp mill. Well, Mr. Speaker, I say nonsense. I say, you take a look at the whole picture of all the income from the Prince Albert Pulp Mill and compare it to all the income to this province from the Timber Board and you'll find there is absolutely no comparison. You also take another year besides 1972, because I say that anybody could have made money in the lumber business in 1972, they had to keep small boys busy just raising the prices. So I say take a longer period, taking 8 or 9 or 10 years and what will you find? You'll find that the Timber Board has been, and I will predict will continue to be, a dismal failure.

Isn't it interesting when he talks about how much the Timber Board paid into the coffers of the Province of Saskatchewan. He didn't make mention of other costs — he did in the pulp mill. We've got to take in road costs, we've got to take in these costs, didn't mention any road costs or any other costs that are attendant upon the operation of the Timber Board, that are buried in the normal processes of government. The Timber Board operates on roads mostly, and by and large that are supplied by the people of Saskatchewan — no reason why they shouldn't. The pulp mill, however, operating in areas that have never been opened up before, operates on roads that were built specifically for that company, and paid for in good measure I admit, by the people of the Province of Saskatchewan. But not

used (and I want to remind this House and the public) not used in any manner whatsoever, solely by the pulp mill. Those roads, paid for by the people of Saskatchewan, are used by a host of people, for a host of activities — for business, for tourism, for pleasure, they have opened up a great large area of Northern Saskatchewan for the benefit, not just of the pulp mill, but for the entire population who want to use them in Northern Saskatchewan. Now, all I say to the Minister is this — fairly and honestly compare the total picture for a reasonable length of time and I say if he does it honestly and I don't think he can or will, because it's not in him, but any fair-minded person goes back and looks at the records before. You just have to drive around Northern Saskatchewan — you just have to drive around Prince Albert, drive around Hudson Bay and Meadow Lake, look at the homes, look at the streets, look at the street lighting, look at the schools — you will see that those communities have come up out of the dust and dirt to where they are good, well-lit, modern, well-serviced communities, thanks in large measure to the development by the private sector of our timber industry.

They question why we encourage these private investors to come in and develop the forests. Well let me tell you why — we had watched for 20 years while those forest resources sat there and they rotted and burned and they were not developed by the Timber Board. And from 1944 to 1964 we had some of the best economic conditions that this nation has ever seen and so if they couldn't develop our forest resources and pay decent wages for that 20 year span, what gives anybody the idea that they can do it now for the next 20 years? I have no objection, nor does the liberal Party to the Government being in business. There is nothing wrong with investing a government dollar in business to create a job — there is nothing sacred about a private dollar — it depends upon the people behind those dollars, it depends on the know-how they have, it depends on the energy and enthusiasm, it depends on the markets they can find. And if the Government could do it, fine, by all means let the Government do it, but if the Government can't do it, or if they shouldn't be risking the taxpayers' money and they find private concerns with large markets, why not let them do it? Why does this Government have such a driving compulsion to say "we are going to control, to take over and run things".

So they talk about the pulp mill. Again, he only told half the truth. The whole mill picture is as I point out, for a very reasonable investment and a large guarantee and that guarantee is still there, well secured. We got a pulp mill after the former government had failed dismally for 20 years. I've told you the kind of money it pours in and it's a fact. Let him deny that the pulp mill pours \$25 million a year into our economy — let him deny the true picture of Simpson Timber or MacMillan-Bloedel. They have both expanded, they've increased their payroll, they've increased the number of employees, they have increased their investment in our provincial community, they have increased the amount of money that comes directly to the people through wages and purchases and indirectly to the people through the taxes they pay to the Federal Government and the Provincial Government. Take a look at the whole picture! The tax they pay on the trucks, the gas tax they pay, the income tax, the corporation tax, the spin-off that's generated in other businesses, grocery stores, garages and so on. Look at the whole picture and no one, no one in his right mind, no one with an honest approach, can say that the coming to this province

of the pulp mill, of MacMillan-Bloedel, of Simpson Timber and the other industries large and small that are helping us develop our forest products, have been anything but a blessing to people in Saskatchewan. And if the time has come to increase that blessing by raising stumping fees, by all means let the government face its responsibility. Renegotiate the deals. If they come back in the House and they can prove to us or to the people of Saskatchewan they tried to sit down with the companies and these companies failed and said “no sir, we’ve got an iron-clad contract and we won’t budge; you can’t have another nickel in stumping fees; we don’t care what’s happened to the timber industry; we don’t care what’s happened to prices; we don’t care what your needs as a government are, you don’t get another cent”, then I would say that we should stand up in this House and support any move the Government made to get a fair share of the value from these resources for the people of the province. But they haven’t done that, they haven’t consulted anyone. They brought this Bill in late in this Session. The people directly concerned — the leaders in the industry and the workers themselves, have had no time, no chance and no opportunity to think about, to measure the ramifications of this Bill or to honestly and meaningfully discuss it with the Government.

He says this Bill is like those in other provinces. I am told that in the Province of Quebec they put some kind of a Bill like this in and that they haven’t done anything with it. There is no other province in Canada, no other province, that has come in with a Bill that says that any contract, any permanency, any areas that are staked out, in fact anything that the Government of Saskatchewan signed its name to with anybody in the timber industry, is out the window. You had better read the Bill and the next time you bring a Bill in you had better get somebody sitting beside you who can read the Bill, not only for all contracts that are now in force, but any contract that may be signed in the future.

Well, now who is behind this deal? Who is the mastermind behind this deal? Well, of course, it’s the urge of the Premier — the Blakeney NDP Government — they said they are going to move into the timber business, they said they are going to use (what did the Premier say — every chip, every square inch of timber) and no one objects. That’s like being in favor of mother love. Of course, we should utilize the forest to its best interest and if there is room (and I think there is) for a sawmill in the Prince Albert area, let us have a sawmill in the Prince Albert area. It doesn’t make sense to pulp large logs that can be use for saw timber or even for studs. All right that plan was underway and it would be developed and if you want to develop it go to it and if you can get the private sector to do it get them — if you can’t get them, do it yourself. However, you don’t need the powers you’ve got in here. What that Bill says is that the minute it is passed (and any regulation passed in connection with that Bill) it becomes part of any contract that has already been signed and any contract that might be signed in the future. Well you won’t be signing any contracts in the future, I don’t think, with anybody with an iota of common sense, because if they read the Bill they will know that no matter what they negotiate and what they sign a Cabinet meeting on any day of any week can, by regulation, change the contract that was signed in good faith.

Again I say, you have said to the people of this province and the people of the country and the investors everywhere in

the world, Saskatchewan should be a place that you should stay away from and avoid like the plague because in this province with this Government, their word means nothing, their written contract means nothing, their signature on documents means nothing, they will make any move, any time, any place to force their will upon anybody in the province and if they don't like it they will just be pushed out of the way.

Who is behind it — well I'll tell you who the mastermind is behind this deal — it's Mike Kalmakoff. Mike Kalmakoff was the king-pin of the Timber Board. When we became the government he left; when we were defeated, back he came.

An Hon. Member: — Didn't we run him off?

Mr. Steuart: — Yes, we fired him.

An Hon. Member: — I hope.

Mr. Steuart: — The only wrong thing we did is we waited too long. We waited a month I think and we should have done it all by telephone the day we were elected. He's the man behind this; he's the man who wants to control absolutely, dictatorially, forests of Northern Saskatchewan, and you've now given him a blunt instrument to do that. If he was an efficient, successful operator, there might be some excuse, but he is not — I tell you he is not and his record proves it and his record in the future will prove it again. You've got the same gang back — you've got the same gang back in Northern Affairs, back in the DNR, only this time you've armed them with far more power.

Mr. Speaker, I think this is one of the most disturbing Bills that has ever been brought before this Legislature. The ramifications of this Bill cannot be recognized and realized by a first reading of it. Because not only what it will do to the timber industry, but what it threatens to every other industry in the province, every other individual in the province.

We've asked for the Springate Report. I should like to say right now categorically to the Premier — he's not here — that we do not have a copy of the Springate Report and we have not been given a copy.

Mr. Cody: — Why don't you get it from the Press?

Mr. Steuart: — They haven't got it either, Mr. Oil Filter king or queen, or whatever you are, or if they had they would have printed it I'm sure. Up to this point, in spite of the Attorney General, you haven't, thank God, cowed the Press of this province. I suggest if they don't watch out they'll be next.

But, Mr. Speaker, we want that Springate Report and we need it because I am told it is the blue-print for the future development of the forest industry of this province, and if it is then we have the right to examine it, to study its implications along with the very serious implications of this Bill. I regret this Bill, I regret it very seriously because what you are going to do through this Bill is exactly what you did to the people in the Meadow Lake area when you cancelled the pulp mill, you've condemned them for at least another generation, to

rotting on social aid. That's been the answer of the NDP Government, control, power grab, and if you don't like it get out of the province or go on social aid.

Mr. Speaker, this is a terrible Bill. I hope that the people of the province realize it. They have had so many shock waves hit them in the last month that they may not even recognize this as one, if not the most, serious. But I say, we on this side of the House, will keep this Bill going as long as we can to give the forces who believe in sanctity of contracts, who believe that a government should keep its word, who believe in the fact that the resources of people should be developed, not in some narrow philosophical view for the benefit of a few people, but for the benefit of all the people, to give them a chance to read it, to recognize its danger and to wake up to it.

So, Mr. Speaker, I ask leave to adjourn the debate.

Debate adjourned.

Mr. Bowerman (Minister of Northern Saskatchewan) moved second reading of **Bill No. 112 — An Act to amend The Department of Northern Saskatchewan Act, 1972 (No. 2)**.

He said: — Mr. Speaker, there is a saying that each dog has its day, or perhaps others would say each day has its dog and maybe that's a way they would think this Bill should begin.

Mr. Speaker, the Bill before us, the Bill to amend The Department of Northern Saskatchewan Act, is a Bill which expresses another move of confidence by our Government in placing emphasis on Northern Saskatchewan. The Bill before us, Mr. Speaker, also is a demonstration of the determination of our Government to be flexible in order to meet the particular unique needs of Northern Saskatchewan people. This is really what one might consider a housekeeping Bill because it deals really only with the setting up of an advance account system which is not different, which is not unique in the sense that there are advance accounts in other departments of Government, the Department of Highways, the old fire advance accounts of Natural Resources and in DNS as well.

The purpose of the proposed amendments to the Department of Northern Saskatchewan Act is to permit the establishment of three new advance accounts under the jurisdiction of the Department of Northern Saskatchewan. This really, in addition to other things which it provides, Mr. Speaker, is to provide the flexibility which is necessary with the transfer of the administration — the total administration of that Department — to LaRonge. This permit the new Department to work with considerably more flexibility and without much of the red tape which is usually associated with the budgeting and the budgeting processes that go on and does place very serious restrictions on the kind of system which we are attempting to develop in Northern Saskatchewan. By moving our headquarters to the North, and by trying to operate our administrative system from the northern area, certain difficult problems are encountered.

The first advance account being established is the Northern Construction Advance Account. This is for the purpose of the development of roads, airfields and fireguards

in the area under the jurisdiction of the Department of Northern Saskatchewan. It does, in addition, Mr. Speaker, provide that that advance account will act as a contractor for the construction of roads and fireguards which are the responsibility of the Department of Natural Resources in the fringe areas of the province.

There have been some difficulties and we recognize these difficulties would be obvious, as we moved into attempting to administer government by a geographic area rather than by the traditional administrative boundaries, which have usually been accepted and well understood. When we move to a geographical area and relate to the northern administration district line, as we do now, it means there were some overlapping responsibilities between the Department of Natural Resources and the Department of Northern Saskatchewan. So the advance account not only provides for the flexibility in the development of roads, airfields and fireguards, but it does, in addition to that, become an advance account which will become a contractor, in fact, for the construction of roads, fireguards and other works being done by the Department of Natural Resources in the fringe areas or south of the administration district line.

The provisions of this advance account will also be responsible for the purchase of equipment to be used for fire-fighting purposes, both in the area under the jurisdiction of Natural Resources and Northern Saskatchewan. I have already indicated to you that there have been some administrative problems in the overlap of the administrative boundaries simply because we have drawn that geographic boundary which does present some problem.

One of the important features of the new advance account is that it will create a capability for providing facilities to local government organizations in the North, which will mean that the construction and maintenance of streets in northern communities, while still the responsibility of the individual community, can be contracted out to the advance account.

It was our objective, Mr. Speaker, when we set up the new Department (in another Bill which is before us, not printed at this time) to provide for the establishment of local government in Northern Saskatchewan. The principle of this Bill, setting out this advance account takes care of the construction unit and the construction machinery, that local municipal bodies will contract as we move forward in our development in Northern Saskatchewan. That these local community authorities and local municipalities, as they need equipment for the development of roads and streets within their own jurisdictions, will then have a ready contractor or ready construction company in the form of a construction company now operated by the Department of Northern Saskatchewan for the purpose of doing that kind of municipal work.

It is obvious that a place like Ile-a-la-Crosse or Buffalo Narrows or Patuanak, if they were to establish for themselves a construction and maintenance unit, and certainly they have the population to do so, but they don't have a taxation base from which they could finance such as our communities and municipalities in the South. Therefore, it would not be possible for them to obtain a road patrol for the maintenance of streets or to purchase Caterpillar tractors and expensive machinery in order to be able to do the small jobs that they will be required from time to time.

This construction unit, built within the Department of Northern Saskatchewan, will become the construction unit or the contracting unit to provide that kind of service.

The advance account, Mr. Speaker, simply makes that proposal functional, makes that concept and that idea functional in the sense of being a contractor to northern communities.

It is expected that an advance from the Minister of Finance in the amount of \$3 million will be needed to finance this advance account. This will be used for the purchase of heavy construction equipment, existing facilities from the Department of Natural Resources Forest protection advance account and the Department of Highways warehouse advance account as well. The reason is that this is a matter of transfer of funds interdepartmentally and there is really nothing more than in this case a transfer of equipment between departments as a result of our objective to set up the new Department.

The second advance account is to establish the Northern Housing Advance Account. This, we have announced, as one of the major thrusts in Northern Saskatchewan, the development of housing. It is a major new program for the alleviating of very difficult situations of housing in Northern Saskatchewan. There presently exists a very critical need for housing in Northern Saskatchewan. It is the goal of the Department of Northern Saskatchewan in partnership with CMHC to expand significantly the program of constructing houses for northern residents.

The expansion of this program should, as far as is practical, seeks to use local labor and local materials and to accommodate the increased program it will be necessary to obtain from the Minister of Finance an advance of \$2.5 million to carry the province's share of the joint venture with the Central Mortgage and Housing Corporation.

This advance account will be used to pay the expenses involved in the actual construction of houses and the operation of the ancillary services such as sawmills and the financing of houses over the term of the mortgage. It is also anticipated that approximately 125 houses will be constructed annually over the next five year period. That is our goals, Mr. Speaker, and the reason why we don't proceed on a faster basis than that, is simply because we think that is as many as we can build in a summer, using northern local employment.

One of the points that I want to raise, Mr. Speaker, is relating to the comments that the Opposition have so frequently made about Northern Saskatchewan up until 1964 being a virtual waste. They suggest there was so much welfare being paid before 1964 and now again, since 1971, the introduction of the great welfare program.

Let me suggest to you that the program for the implementation of sawmills into local communities, to use some of the wood which I have been talking about earlier and to use some of that wood locally in order that people don't have to go down to Saskatoon or Meadow Lake or Prince Albert or someplace else, where they would buy from the Beaver Lumber Company, wood that is imported from Alberta or Manitoba or someplace else. Then they would have to haul that lumber back to LaLoche, Buffalo Narrows, for building a house.

That is the system that the people across the way have promoted and have suggested and in fact, fostered in their seven years of government. Yes, they went out and made deals with Nelson Homes, with the people at Lloydminster and some of the others, to purchase ready made homes and move them into the North. How ridiculous can they get? People unemployed, people wanting work, people not wanting to be on welfare, and the former Government going out and buying ready made homes and moving them in and setting them on foundations in Northern Saskatchewan.

I suggest to you that this advance account, Sir, is designed to promote the development of sawmills. And I say to you, as I have already said in the House this year, that sawmills are being developed in places like Buffalo Narrows, Patuanak and Cumberland House and LaRonge and other places. And that they will be managed and operated by local people who will be sawing lumber in order to build their homes.

I suggest to you that their logging operations have already been completed. Much of the sawing has been done, some of it has yet to begin and will continue. Therefore, the second advance account, the Northern Housing Advance Account is established for that purpose. In order that we can be flexible and in order that the Government can, from its dislocation out of the Regina area of influence to the North, administer those funds much more flexibly than they would otherwise be able to do if they had to come back through the Department of Finance.

The third advance account is to establish the Northern Saskatchewan Economic Development Advance Account. One of the primary objectives of the Department of Northern Saskatchewan is to raise the annual level of earned income of persons presently resident in Northern Saskatchewan.

The Northern Saskatchewan Economic Development Advance Account has been established as a vehicle to assist the Department to achieve this objective. It is hoped that through the legislation, through subsequent regulations, that it will be possible to develop an integrated plan for making available to northern residents, money to be used for economic development purposes.

The advance account will provide for only loan money. It will not provide grant funds. Money for grant purposes will be provided through the department of appropriations as is normal in this case. Grants will be provided through other provincial or federal programs such as the special ARDA or DREE.

The concentration in the short term will be on labor intensive industry rather than capital intensive industries.

Mr. Speaker, the principle of this Bill, therefore, sets out three major advance accounts. One for construction, in order that the people of the North can have access to a construction unit in their municipalities. The advance account amount being in the total of \$3 million. The second advance account, Mr. Speaker, a total of \$2.5 million will be asked from the Minister of Finance to establish a Northern Housing Advance Account program, so that the people in the North can work their sawmills, can do their logging in the winter time, can produce some of that much needed employment in the North and not only that, but simply cut out the hauling and handling costs that result from bringing lumber in from the South when

there is timber to be harvested and logs to be sawed in the North.

And, thirdly, Mr. Speaker, the request for the third advance account of moneys to be allocated to an Economic Development Advance Account for the assisting of people with loan funds in order to be able to establish small industries, labor intensive industries, and to be able to expand the opportunities for employment in Northern Saskatchewan.

Mr. Speaker, I find great pleasure in moving second reading of this Bill. Once again, I find that this Bill implements much of the anticipation which this Government had when setting up the Department of the North and it is now actually beginning to take place and is beginning to be seen and recognized by people in Northern Saskatchewan. This Bill, Sir, will add to their potential and that possibility.

Therefore, I move second reading of this Bill.

Some Hon. Members: — Hear, hear!

Mr. A.R. Guy: (Athabasca) — Mr. Speaker, I should like to make a few comments today on this Bill. I think the Minister was being rather naïve when he suggested to this House that this is merely a housekeeping Bill. That it shows a great deal of flexibility.

You will recall, Mr. Speaker, that last year one of the main arguments that we had when The Department of Northern Saskatchewan Act was first introduced, was the unlimited powers that it gave the Minister. We find that in this Bill we have now given him \$6 million to play with as he sees fit for almost any type of project that comes into his mind.

He keeps referring to the fact that they are going to provide local government, however, we notice that the Bill that is supposedly going to provide some form of local government hasn't even been printed yet. He didn't have any trouble to get this Bill, which gives the Minister \$6 million more to play with in the North, printed. But he is having great difficulty getting the Bill printed that supposedly provides some local government. I hope that it will provide some control over the spending of this \$6 million.

Mr. Rolfes: — You don't trust the people.

Mr. Guy: — I don't trust the Minister, I will tell you that. In fact I brought in a Bill earlier in this Session, I think I introduced it about the second day, introduced it for second reading and Members opposite wouldn't even speak on it. That is how concerned they are about providing local government for the people of Northern Saskatchewan.

I should just like to look at some of the clauses of this Bill. What we have really seen here is the North once more being cordoned off from the rest of the province. Now, last year when the Department of Northern Saskatchewan was introduced, we went along with the idea that it could be desirable to have a separate Department in the North that would co-ordinate the work of the other departments, that would shorten the lines of communication between the North and Regina, where the

administration was. But we never dreamt that the intent of the new legislation would be to put an iron wall around northern Saskatchewan. And yet this is what is happening as every day goes by.

We find here, in this legislation, what the housing corporation, Sask Oil, the Department of Industry, the Department of Highways, Government Services and Saskatchewan Forest Products are doing here in the southern part of the province. But it is not good enough to have the new Crown corporation that we established the other day for housing to proceed and operate in northern Saskatchewan. We have to have a separate one, controlled completely by the Minister. It is not enough to have a Crown corporation which is out of the direct control of the Minister. The Minister of Northern Saskatchewan wasn't satisfied to use that vehicle to build houses in northern Saskatchewan. He had to have his own little fund so that he can say, well, I will get you a house as long as I see your political blood count. You can't have a house because you happened to vote for Allan Guy. You can't have one over here because you are one of Ray Jones' supporters and we kicked him out of the Party.

Mr. Bowerman: — You administered . . .

Mr. Guy: — No, we did away with the construction advance account. We almost completely eliminated the construction advance account.

But let's see — three advance accounts — and what can he do with them? Well, the first one deals with construction service which includes, "labor, equipment, materials, supplies, engineering, supervisory administrative services, requisite for the construction, maintenance, repair, alteration, extension or improvement of roads, dams, bridges, ditches or other works of a similar nature".

In other words, under this advance account, which is in the control of the Minister, he can put every contractor, every house builder, every architect, every engineering firm, every electrician, out of business in northern Saskatchewan.

The he talks about sawmills. He says the only way we can get sawmills is to have this advance account. Well, we had sawmills in northern Saskatchewan that came in on their own volition. There were lots of them through northern Saskatchewan. We didn't have to have the Minister put up the money and say, well now, we will give you a grant to set up a sawmill, but I have always got the authority to refuse you a grant to put up a sawmill. Oh, no, we can see through this Bill very easily, Mr. Speaker.

The Minister wasn't satisfied with the control that was given to him last year when the Department was established so he brings in this Act which gives him control over the construction services as such. Now his second advance account, let's take a look at that, see what it can do.

He can operate:

logging camps, sawmills, planing mills, warehouses.

Then he can:

purchase and maintain construction, buildings, logging, milling, planing, sawing equipment and supplies required for any related purpose.

He can:

develop and maintain housing projects.

He can:

lend money to any co-operative, association or other body of a co-operative nature, person, any firm, any corporation, any local community authority for the purpose of constructing or improving one or more dwelling houses.

In other words, if he has got a friend up there who happens to be a good supporter of the NDP, he makes the decision whether that person can borrow money, because it is all under control of one man, the Minister of the North. The dictator of the North, the czar of the North. He will determine who gets money for a business, who gets it for a sawmill, who gets it for a firm, who will get the houses, who will be able to get the money for any of these, construction, planing or any of these other businesses.

So that takes care of those two areas. But that wasn't enough. So then we come to the economic development advance accounts. Let's see what he can do there.

Upon the requisition of the Minister there can be advanced out of the consolidated fund such sums of money as are required to lend money to any co-operative association or other body of a co-operative nature, any person, any firm, any corporation or local community authority carrying on or proposing to carry on a manufacturing, processing, industrial, financial or commercial business or undertaking of any nature of a business or undertaking connected with or incidental to manufacturing, processing, industrial, financial or commercial business.

You name any industry, any business that could conceivably be thought of as being viable in any part of Northern Saskatchewan, and the Minister has the power to decide whether they should be granted or loaned any money out of this advance account.

The Minister has complete and absolute control over the construction business, the industrial, the financial, the processing, the manufacturing, the whole thing is in the little hands of the (I shouldn't say the little dictator), but the big dictator from northern Saskatchewan.

Mr. Speaker, there are a lot more things that have to be said regarding this Bill. Again, I think we have to wait until the people who are involved have an opportunity to really realize what the Minister of Northern Saskatchewan is trying to do under this legislation.

Therefore, I beg leave to adjourn the debate.

Debate adjourned.

April 26, 1973

Hon. G. Snyder (Minister of Labour) moved second reading of **Bill No. 126 — An Act to amend The Labour Standards Act, 1969.**

He said: — Mr. Speaker, The Labour Standards Act is well known as a major instrument of government's labor policy inasmuch as it encompasses almost the entire spectrum of conditions under which Saskatchewan wage earners are employed.

The legislation is designed to establish fair and reasonable minimum standards relating to wages, to hours of work, public holidays, annual vacations and other working conditions. In many respects, Mr. Speaker, the provisions of The Labour Standards Act are intended to apply to employees who are not able to rely on labor unions or enlightened personnel practices to establish appropriate minimum standards.

From this point of view, the need for further legislative action is signaled by the trends in general employment practices about the province. For this reason the Department of Labour keeps both the legislation and prevailing working conditions in the province under constant review in order to ensure that the statute will continue to be effective in achieving the objectives that I have just outlined.

There is an ancient Chinese proverb, Mr. Speaker, that holds that nothing is so permanent in life as change. I suppose it should be noted that humanity has always lived with these changes, sometimes slow, sometimes fast. At this point in time, we see around us changes which appear to be progressively accelerating. And during our lifetime we are told that conditions of life have been altered more than in all of the previous two or three thousand years. Today people everywhere are living through a change in the human scene that challenges many ideas which have been inherited from other days.

We are witnessing a transformation in men's and women's awareness of their natural environment, in their relationship with other human beings and their sense of the possibilities of human life.

I think, Mr. Speaker, that these developments, these current developments are reflected in today's labor trends, one of which centres directly upon the increasing number of working women.

Accordingly the Bill which is being introduced here today, includes a section which explicitly takes into account the accelerating number and the accelerating role of women in Saskatchewan's labor force.

Over the past 20 years, Mr. Speaker, the number of women in Saskatchewan in the work force has more than doubled to its current level of 106,000. Twenty years ago female members of the labor force in Saskatchewan represented 17 per cent of the total. Female employees now make up 30 per cent of the work force in this province. This percentage has been forecasted to increase to 35 per cent by the year 1980.

Another important phenomenon in this regard, Mr. Speaker, relates to the marital status of women in the Saskatchewan work force. Twenty years ago out of every 100 women working, 32 women were married. Today, 58 out of every 100 women are married.

Despite the continued grumblings of a few male chauvinists, Mr. Speaker, that a women's place is in the home, the current structure of employment is such that if all women in Saskatchewan suddenly stopped working, much of our productive economic activity would undoubtedly grind to a halt.

One of the effects of the amendment which is before us will be to make the enforcement of equal pay provisions of The Labour Standards Act more effective by more specifically setting out the criteria to be applied in determining equal pay.

The present legislation, Mr. Speaker, is almost impossible to enforce, and in fact, since the equal pay provision requirement was introduced in Saskatchewan in the year 1953, no equal pay violation has ever been established despite that we know there is a widespread discriminatory practice which exists in a number of areas, even, I might add, in some establishments which are covered by collective bargaining agreements.

I suppose, Mr. Speaker, in some ways traditional attitudes are challenged by the amendment. Traditional attitudes continue to be held by some persons to the effect that women are not entitled to the same remuneration as men. The reasons that are advanced are many and varied.

For example, women are not usually breadwinners and therefore, they are not required to assume family burdens. They do not have as high a level of education and training as men. They need more personal facilities in the work place. Their absenteeism is higher. And it is also argued by some people, Mr. Speaker, that they must be granted more work breaks and so on.

Incredible though it is, Mr. Speaker, this attitude was embodied in a decision rendered by a Judge of the Ontario High Court in 1968 which was dealing with a claim of a policewoman for equal pay to that of the policemen. The Judge stated, and I quote from that decision:

She is not being discriminated against by the fact that she receives a different wage, different from male constables, for the fact of difference is in accord with every rule of economic civilization, family life and common sense.

This is a quotation from a judgement of a Judge of the Ontario High Court in 1968.

Now hopefully, Mr. Speaker, this outdated and erroneous point of view will be dealt with in the proposed amendment to The Labour Standards Act, 1973. It is patterned on the equal pay provisions in Ontario under which almost half a million dollars in back pay were collected by female employees last year.

We are determined, Mr. Speaker, to take the initiative to make equal pay requirements work in practice in accordance with the International Labor Organization Equal Pay Convention and the recommendations of the Royal Commission on the Status of Women.

Associated with the amendment will be the appointment of staff in the Women's Bureau of the Department of Labour who will go out into the field to make specific equal pay inspections and to evaluate job performances.

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The amendment will also make the equal pay enforcement procedures the same as those in other sections of The Labour Standards Act thereby removing the time consuming obstruction presently facing an employee with a complaint.

In addition the amendment will make it easier for the Department of Labour to prosecute offences directly with only the more difficult cases being reserved for action by the Human Rights Commission.

Mr. Speaker, in response to the present situation which sees a substantial percentage of women in the reproductive age group in employment, the Bill will also make a statutory provision for maternity leave.

In once sense it may appear to be a contradiction in terms of providing equality of pay and at the same breath establishing a benefit which will apply only to women. However, Mr. Speaker, we cannot change and, therefore, must accept the biological difference which exists between the sexes, and I for one, Mr. Speaker, echo the French in saying, "vive la difference".

In all sincerity, Mr. Speaker, the Government is concerned about the employment rights of women in the event of pregnancy. Many female employees as a matter of record have been dismissed outright as soon as it becomes known that these employees are pregnant, that they expect a family. Others are told not to return to work after childbirth, while still others may be re-employed after the birth of their child, but lose all seniority rights and we suggest that this is not only inequitable in the case of financial hardship in many quarters but it is also an inefficient use of experienced human resources.

Accordingly, Mr. Speaker, the Bill establishes the right of female employees to obtain unpaid maternity leave for up to three months before and six weeks directly following the birth of the child. To qualify, a female employee must have been employed with her employer for 12 months or more and must apply in writing for maternity leave four weeks in advance, supported by a medical certificate.

The entitlement to maternity leave will incorporate clauses which will provide for the prohibition of dismissal by reasons of pregnancy and the Bill will also provide for the re-instatement of an employee to her former job under similar circumstances without the loss of seniority or other rights.

Special provisions will be made to cover situations with particular medical problems and these will be dealt with if the Members wish when we get into Committee.

This will not be window dressing legislation, Mr. Speaker, The amendment to the Act will include mechanisms to ensure that maternity leave provisions can be effectively enforced. The legislation will be consistent with the spirit of the International Labour Organization Convention on Maternity Protection. It will be in conformity with the Canada Labour Code Maternity Leave Provisions, the recommendation of the Royal Commission on the Status of Women and the expressed request of women's groups in Saskatchewan and in other parts of Canada.

It is also in line with the growing maternity leave practices elsewhere in the work place many of them being negotiated in

current collective bargaining agreements.

In acknowledgement of its obligation to lead the way, Mr. Speaker, as the largest employer in the province, the Government of this province agreed in the fall of 1971 to provide female government employees for the first time in Saskatchewan with specifically identified maternity leave. Maternity leave is also provided in 11 of the 13 teachers' bargaining areas in the Province of Saskatchewan. It is now available at the present moment to the majority of working women in Canadian industry. We think it eminently fair that this should be included in Saskatchewan's Labour Standards legislation.

Mr. Speaker, the amendment which is before us also deals with annual vacation. Provision is made for a four week holiday for employees after 15 years of service with the same employer as of July 1st, 1973. The service requirement will be lowered each year, Mr. Speaker, to establish a four week holiday after 10 years in the work place by July 1, 1978. This too is a reflection of prevailing working conditions. The Federal Department of Labour has just reported that the majority of workers in Canadian industry now enjoy a four week vacation after somewhere between 14 and 20 years on the job.

This measure is regarded as an equitable means of paying tribute to services rendered to an enterprise by an employee of long standing.

I think there are a number of benefits, Mr. Speaker, which we may expect to result from the introduction of the longer annual vacation provision. A growing body of opinion holds that blocks of leisure as provided for in the extended vacation concept are more advantageous to the employee than, for example, a shorter work week, because he or she has an opportunity to get completely away from the work atmosphere and to relax. There is no doubt that the need for more leisure time is increasing as a result of the nature and complexity of modern society which tends to produce more fatigue and nervous tension. More than ever sufficient leisure time is necessary for rest, for education, for recuperation, it is necessary for health and well-being.

There are a number of other spin-off benefits, Mr. Speaker, which may be anticipated, which may be cited. Additional employment may be created to fill the extra week not being worked. In this manner available employment will be spread over a greater number of the Saskatchewan labor force. It may function also as an indirect job generating device in this way as the demand for leisure time goods and services tends to expand keeping pace with other requirements.

Moreover, it should be pointed out that the legislation is not likely, Mr. Speaker, to encourage an increase in moonlighting as is sometimes the risk in the case of a reduction in daily hours or days per week worked.

A longer holiday, Mr. Speaker, will likely be instrumental in boosting employee morale and will have a positive impact in the employment atmosphere and have an impact upon work performance.

In addition it might be anticipated that the four week vacation for longer service employees will encourage employment stability with less turn over of staff in the place of

employment.

The extra time for recreation, for travel, for educational activities and the pursuit of cultural and other activities will materially assist Saskatchewan wage earners to live a more balanced and rewarding life.

Mr. Speaker, one of the more significant pieces of legislation enacted during the last session of the Legislature was The Occupational Health Act. Among the provisions of this Act was a section to establish labor management occupational health committees in all places of employment with 10 employees or more. Committees which were to be in operation as of January 1, 1973, and which have largely been established in total, will play an important role in the identification and the prevention of dangerous and unhealthy working conditions in the work place.

To ensure, Mr. Speaker, that the Committees are able to function effectively, in accordance with the spirit and the intent of The Occupational Health Act it is proposed to introduce into The Labour Standards Act by virtue of the amendment which is before us, clauses to protect the rights of employees who are also committee members.

It is then stipulated that employers shall not discriminate against such employees with respect to wages or promotional opportunities. Moreover no employees shall be dismissed for activities with the Occupational Health Committees.

This Bill, Mr. Speaker, will provide job security also of a wage earner who refuses to perform a work activity which he judges to be usually or unreasonably dangerous until an investigation under The Occupational Health Act has been conducted.

Additional legislative changes embodied in the Bill are designed basically to streamline and clarify the provisions of the Act, render it more consistent with current employment procedures, remove contradictions and make the Act generally more workable.

As mentioned in this Chamber previously, Mr. Speaker, prior to 1964 Saskatchewan was regarded as the home of the most advanced labor laws in Canada. The period from 1964 to mid-1971 was one of inactivity, characterized by a deteriorating labor relations climate and an indication of stagnation in working conditions.

Last year, Mr. Speaker, the Government moved to correct this situation by means of a full program of legislative amendments applicable to one of our most important assets, our working people.

It is fair to say, Mr. Speaker, that the latest amendments to The Labour Standards Act will contribute still more to restore our province to a position of greater respect with regard to labor laws in Canada, and accordingly, Mr. Speaker, I am very pleased at this time to move second reading of this Bill.

Some Hon. Members: — Hear, hear!

Mr. D.F. MacDonald: (Moose Jaw North) — Mr. Speaker, first of all I should like to say a few words about the provision for maternity leave in this Bill.

I think the need for this amendment is very obvious. I think the role of working women in our society is changing very drastically and the Minister pointed this out, both in number of women working in our work places and the number of married women that are working. Both are increasing at a very quick rate.

I think that the role of working women in the family structure is also changing. This is good or bad. And whether it is good or bad is not the argument. It happens to be a fact that mothers, married women, are working. I don't think that this particular Bill tries to judge whether or not they should be. The fact is that they are and I think that families and the financial structure of families become dependent quite often on the ability of the married woman to work, the mother to be able to work.

I congratulate the Minister for bringing in this amendment. He has taken the lead from the Federal Liberal Government which earlier had brought in the almost identical legislation. He reacted to the urging that this side of the House gave him last year when we introduced the resolution on maternity leave. I also congratulate him on making it Government policy to write into the contract the legal right to maternity leave by the civil service. This was a common practice in the past before the fall of 1971. I think that it was a practical move to write it into the agreement.

I think the principle of equal pay for men and women has not changed by the amendment. It is said that under the wording of the previous clause, that it was impossible to enforce and this may be well so. I don't say change the amendments, change the principle involved.

The only thing that I would like to say about the whole Bill is that while the other one may be impossible to enforce, much of the new labor legislation that we have seen in the past is almost impossible to interpret. I think this is a very unfortunate situation. I think that if any legislation should be easy to read and to interpret by the ordinary person it is legislation dealing with labor, labor standards and so on. I think that it is unfortunate that our legislation, more and more, becomes so legalistic that it takes an expert to interpret and even sometimes the experts have trouble interpreting the legislation which we have been seeing.

The amendments dealing with holidays, holidays after 10 years of employment, I think have both good and bad effects. First of all there is no question that employees will enjoy four weeks holidays. I think that this is a particular objective that we all wish to see the working people achieve. I have no argument with this. They will enjoy it and they should.

There are some possible bad effects of the amendments. Of course, one of the problems will be the increased cost to the small businessman. This amendment is not going to affect the large corporations, the government or institutions. They are

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well able to handle it and in a good many occasions they already have this type of thing written into agreements. This is not going to affect them very much, if at all.

It is going to be very difficult for the small businessman. I think of people like the hotel industry which is working under fixed prices which they can charge. I am thinking of people who are working within fixed price contracts. I am thinking of people who are working on existing contracts of any kind. This could create a problem to small businessmen. I think the time to implement these changes is the important thing for them. Eventually it is not going to hurt them, they are going to be able to pass the costs along.

Of course, this comes to the other possible bad effect that this type of thing, while it will be enjoyed by the working people, is going to have the effect of increasing the costs of goods and services. It has to as it is a direct increase on the payroll. This is going to add to inflation, not to a large extent, but certainly it will be one of the things that will add to inflation.

Of course, we come right back to the people affected hardest by inflation which are senior citizens and people on fixed incomes. It is an extremely difficult situation for these people and I hope that this will be taken into account.

I think, again, as we saw with the hours of work changes and the minimum wage changes, the complain that small businessmen have is the way that these things are implemented. They must be given notice, they must be given an opportunity to have prices adjusted. Again, I come back to a couple of examples. One example of people with maintenance contract to the Government. They have a two year contract, a fixed contract and in the middle of the contract the Government imposes additional costs. I think that it is very, very difficult to maintenance companies who operate on a very, very low profit margin, to have this type of thing imposed in the middle of their contract when they are not able to increase the payment that they get for their services. I think the Government should look at this type of thing with people who have contracts with them. I think they must be willing to look at all situations, for example, the hotel men where the Government sets the prices. I think that the Government must be willing to look at the cost involved and be willing to change the profit margins involved.

These are just some of the things. The only other possibility, I think, that exists is the possibility that some employers might make it a habit of not employing people who have worked for over 10 years to avoid paying an extra weeks holidays. I certainly hope that this will not be the case, but I think that it does leave the possibility and it would be very unfortunate for people to be laid off because of this.

At this time, Mr. Speaker, I should like to beg leave to adjourn the debate.

Debate adjourned.

The Assembly recessed from 12:30 to 2:30 o'clock p.m.

Welcome to Students

Hon. J.E. Brockelbank (Saskatoon-Mayfair): — Mr. Speaker, before we get into the business of the afternoon I should just like to take this opportunity to introduce a group of students from Saskatoon, on behalf of the Attorney General (Mr. Romanow) who is unavoidably detained from the House today.

This group of students is from Buena Vista School in Saskatoon Riversdale on the Nutana side of the river. They are 83 in number and they are Grade Seven students. They are situated in the west gallery. I believe they are accompanied today by three of their teachers, Mr. Tetreault, Mr. Lozinski and Mr. Tony Allen. I know all Members join with me in welcoming these students to the Legislative Assembly, hoping that they will have a good day watching the proceedings of the Assembly and that they will have an interesting day in the city of Regina. Safe trip back to Saskatoon.

Hon. Members: — Hear, hear!

Second Readings

Hon. E.I. Wood (Minister of Municipal Affairs) moved second reading of **Bill No. 105 — An Act to amend The Urban Municipal Elections Act, 1968.**

He said: — Mr. Speaker, I should like to speak in regard to this Bill giving second reading to The Urban Municipal Elections Act.

The Urban Municipal Elections Act provides the mechanics for electing members to a city, town or village council, or for electing members to fill vacancies on such councils. In the Bill to amend The Urban Municipality Act, we are introducing the divisional system of representation on city councils and amendments to The Urban Municipal Elections Act are necessary to provide for the election of city councillors by division.

We believe that enumeration of the voters is a necessary and desirable part of the procedure for electing representatives on the councils by divisions. The Federal and Provincial Election Acts contain provisions which require a direct enumeration of voters and the preparation of a voters' list from the enumerators form by polling subdivisions.

We believe that door to door enumerations is the most practical method of compiling a list of eligible voters and it also provides an opportunity to obtain the information which is necessary to compile a voters' list, showing the street addresses of each voter.

This method of compiling a voters' list has proved acceptable for provincial election purposes and we believe the same procedure would produce the most complete voters' list for those urban municipalities that are electing their councillors by divisions. Furthermore, we thought the period of time provided, under the Provincial Elections Act, for the enumeration of voters, and the preparation of the voters' list, seem suitable for use in cities with divisions. However, over the

past two days we have been in close consultation with the mayors and the staff of the cities of Saskatoon and Regina. It was found that there was a definite feeling that there might be difficulties in regard to timing, in filling in a door to door enumeration system in the same year in which the divisional boundaries are being drawn.

As I have just said, our feeling was that there was as much time available as is usual in provincial elections, but we are quite aware that special situations could arise that could cause real difficulties. So I am thus proposing that those sections in the Bill dealing with the proposed enumeration be withheld for this year. This would leave the system to be used up to the discretion of the city concerned as at the present time and would remove any difficulty as to timing in regard to the implementation of the divisional system.

The Act was amended in 1970, to change the date to the first Wednesday in December, for holding the annual election in all urban municipalities. We have received representations requesting an earlier election date because weather conditions in December are usually not conducive to good attendance at the polls by the voters. We believe the reason is valid and we are proposing to advance the date for election from the first Wednesday in December to the fourth Wednesday in October.

Corresponding changes will be made in other related dates. Nomination day is advanced from the fourth Monday in November to the second Wednesday in October. We would have preferred to have set the second Monday in October as the nomination day, but this was not possible because of the Thanksgiving holiday.

We are proposing legislation that will require the council of a city which is divided into divisions to establish polls in any hospital or home for the aged in the municipality that has at least 50 beds. We realize that the voters in many of these polls will not require a full day in which to cast a vote and a provision is made for the Returning Officer to establish alternate polling hours.

We were made aware that many physically handicapped voters, particularly those in wheelchairs, are unable to cast their vote because their poll is inaccessible by wheelchairs. We are amending the provisions for advance polls to include physically handicapped persons. This change will allow a council to establish an advance poll in a location that is accessible by physically handicapped persons.

Other provisions of this Bill are housekeeping in nature and do not alter the principle of the respective sections of the Act. There will be other minor house amendments, Mr. Speaker, largely of an explanatory nature dealing with matters raised in our discussions with the municipal people.

I would thus move second reading of this Bill.

Some Hon. Members: — Hear, hear!

Mr. J.C. McIsaac: (Wilkie) — Mr. Speaker, Bill 105, The Urban Municipal Elections Act, is here for one reason only. It is here because the Government is introducing another Bill, Bill 104, that will implement on a compulsory basis a ward system in the two major cities.

The Minister, in his introductory remarks, told us that they were going to withhold certain clauses, there are going to be house amendments, and really I think this indicates more clearly than anything else, the kind of mess that the Government has got itself into in this hasty, ill-conceived move to step into operating the ward system this coming season.

I thin, Mr. Speaker, this is perhaps more indicative than any other measure that we have had so far, and we have had a number, indicating the haste with which this Government is seeking to grab power and grab control.

I suggest that the Bill before us, the fact that the Minister has had to amend it so drastically and has had to spend about two days talking to the city council of Saskatoon, talking to the city officials in Regina, I suggest he still doesn't have the amendments prepared because they are not prepared. There are a number of real clashes in the Bill before us. It provides for the election of a new council, the changing of the dates of the election, provides for the election of a new council sometime in October, that council to take office November 1 and nowhere does it provide for a change that the old council will go out of office before sometime in January. One of the many conflicting clauses in this Bill is the fact that under the Bill at present we'll have two councils operating in the city of Regina and the city of Saskatoon this fall.

An Hon. Member: — Clumsy.

Mr. McIsaac: — Clumsy is a mild word for the kind of moves and the hasty ill-conceived measure that are in here. There is no doubt, Mr. Speaker that if the Minister had wanted to consult with urban municipal people or even if he had given it to some of his backbenchers, they would have pointed out some serious objections. I'm not sure where the Bill came from. Obviously it didn't come from the Department of Municipal Affairs because they would never draft a Bill such as this, so incomplete, so inconsistent and it certainly didn't come as a result of any consultation with municipal officials in the cities or the Saskatchewan Urban Municipal Association or they too could very clearly have told them some of the fantastic inconsistencies that are in this Bill. Mr. Speaker, with the many provisions that are in conflict in this Bill and with the very, very brief introductory remarks given by the Minister, I'm going to ask leave to adjourn the Bill and study it further and report back some of the list of the inconsistencies in this Bill.

Debate adjourned.

Mr. Wood (Minister of Municipal Affairs) moved second reading of **Bill No. 104 — An Act to amend The Urban Municipality Act, 1970.**

He said: — Mr. Speaker, the population of all our cities but particularly Saskatoon and Regina, has increased in recent years and has resulted in each city expanding to the development of approved subdivisions in the form of neighborhood communities, for example, such as Rosemount and Whitmore Park. Each new segment of the city develops as a local community containing outlets providing adequate personal services to permit the community to be reasonably self sufficient. However, each of

these communities is dependent on the city for the supply of sewer and water utilities, police and fire protection, health and educational facilities. Because the development of neighborhood communities has occurred in all directions in the periphery of the old city core and all may have widely divergent needs, there appears to be reasonable evidence to support the principle of allocating representation on the city council to definite areas of the city containing one or more neighborhood communities.

When the election procedures were removed from the city Act and incorporated in The Urban Municipal Elections Act in 1968, the provision for election of aldermen by wards was inadvertently omitted. Corresponding provisions for establishing wards was not contained in The Urban Municipality Act which was completely revised in 1970. In 1972 the omitted provisions were brought back into the Act as it was felt that the city should continue to be allowed to opt for the ward system if they wished. Since then there has been considerable interest shown in the establishment of this system, particularly in the larger cities. However, the reinstated sections did not provide clear directions as to the procedures to be followed in establishing wards and the boundaries. To clarify this situation amendments are now being proposed to provide suitable procedures for determining the number of divisions and how the boundaries of the divisions are to be established in any city. The corresponding divisions are being proposed in amendments to The Urban Municipal Elections Act.

It is proposed to use the term "division" instead of the former term "ward". The term "division" has always been used in our rural municipalities where councillors are elected to represent an area of a municipality.

Last year the Legislature passed a Bill which appointed a commission to determine boundaries of provincial constituencies. The principle adopted by the province provides for representation in the Legislature by area and populations and this principle of representation has been in effect in this Legislature since the province was formed. This same area concept seems eminently suited to municipalities the size of our larger urban centres. In line with this concept we are proposing that the division system be implemented in cities over 100,000 population and made optional for those cities with a population under that figure. Each division will be represented by the same number of councillors but in cities of over 100,000 population the number of councillors that may be elected from a division shall not exceed one. The boundaries of each division will be determined so that the number of voters in each division will be approximately the same. It is our feeling that this sectional or area type of representation will make it easier for problem areas to be pinpointed and, hopefully, assure that each division will receive equal consideration within the overall frame work of the city government.

Mr. Speaker, I submit that this is good legislation. I believe that the divisional system of government in cities the size of Regina and Saskatoon will provide a better and more truly democratic form of representation.

Some of the benefits would be, first, more direct representation. Each councillor would be directly responsible to the people of one area and there would be less opportunity to pass

on to someone else the responsibility for any given matter.

Second, more uniform representation. It is my understanding in the city of Regina and to a lesser degree in Saskatoon, that there are large areas that are not fortunate enough to have a councillor residing in that part of the city. These amendments will do away with this situation unless the residents of an area specifically voted for a person from another part of the city to represent them.

Thirdly, it would allow people to be able to run for office . . .

(An interruption in the House — piglet enters.)

Some Hon. Members: — Hear, hear!

An Hon. Member: — One of your pigs, Sir, Mr. Messer?

An Hon. Member: — It's on your side of the House.

Mr. McIsaac: — Will the Minister of Agriculture corral the livestock here.

Mr. Messer: — I will have to point out to whoever delivered the pig, the Saskatchewan Hog Marketing Commission is not yet in effect.

Mr. Speaker: — Order! I think the Minister can proceed.

An Hon. Member: — I think those “oinks” were the best part of his speech.

Mr. Wood: — Thirdly, Mr. Speaker, these amendments would allow more people to be able to run for office. It must be immediately apparent to all that the cost of mounting a city-wide campaign must be a good deal more than that of a campaign in an area or population one-tenth of the size. This would mean that people on lower incomes could afford to run and to serve on municipal councils.

Fourthly, we would hope that more interest in municipal elections would be generated. When people are given the opportunity to vote for their own specific representative out of a much smaller slate of candidates — I don't mind being interrupted by a pig . . .

Some Hon. Members: — Hear, hear!

Mr. Wood: — . . . it is expected that voters will take more interest than where they are expected to choose ten representatives from a list of 30 or with whom they have no direct relationship.

This matter of interest in local municipal affairs is important. A record of voting in our two larger centres shows that actually voting ranges from 20 per cent to 40 per cent of those eligible to do so. We would sincerely hope that the

proposed changes would have a desirable effect upon this situation. The voting figures from rural municipalities where the division system has been in effect since the beginning of the rural municipal system would tend to indicate this.

The Government is receiving a good deal of criticism from some quarters for not requiring a plebiscite before the implementing of the divisional system. Much emphasis is placed upon the fact that the last time a plebiscite was taken here in Regina the proposal was defeated by the voters. I am certainly not saying that such a vote should or can be disregarded. I am saying, however, that no such vote can be taken as conclusive for all time. Nearly three years has elapsed since that vote was taken and many significant changes have taken place since that time.

Our proposal is not that we should not have a plebiscite on this question but rather than have one plebiscite after another we should give the voters of these two large cities an opportunity to judge at first hand as to the merits and demerits of the system, then have the vote if they desire, either at the request of the council or upon a petition from the electors. I should like also to point out in this regard that the divisional system was imposed on the rural municipalities of this province without plebiscite and with never an opportunity to hold a plebiscite. In Manitoba the ward system was imposed on the larger cities without a plebiscite and without the opportunity to hold one on a later date. The legislation proposed here is very much like that in Ontario where there is a compulsory ward system for cities over a certain size. This may be set aside by a plebiscite, providing however, that where a plebiscite is held after the change has been made the change must be left in effect until at least two elections have been held under the new system.

I should also like to point out that I am informed that this principle of trying out a system before it was voted on was used by the city of Regina with regard to the implementation of the Monday closing. I believe that the Monday closing was put into effect in July of 1957 with no plebiscite although there was a vote on a money by-law on July 3rd of that year. They had a money by-law right there but they didn't have a plebiscite. However, a plebiscite was taken later at the time of the November 6th civic election that year, after they had had an opportunity to sample Monday and Wednesday closing.

I believe at the present time the divisional or ward system is in effect in all the major cities in Canada with the exception of Regina; Saskatoon; St. John, Newfoundland; and Vancouver. In the latter city, I understand that steps are being taken to implement it there.

I think, Mr. Speaker, that our method of drawing up the boundaries of the proposed division removes all possibility of political interference. The chairman of each of the municipal boundaries commissions shall be a district court judge appointed by the Chief Justice of the Court of Queens Bench. One of the members will be the City Clerk of the city concerned. The third member will be chosen by the Principal of the Campus of the University of Saskatchewan designated by the Minister to make the nomination.

Mr. Speaker, again I submit that this is good legislation

which will be appreciated by the people of Saskatchewan and especially by the residents of these two great cities.

Some Hon. Members: — Hear, hear!

Mr. Wood: — I should like to go further, Mr. Speaker, in regard to this Bill before us. We are proposing to permit the election to fill regular vacancies to be held early in the year and to permit the successful candidates to assume their elected office immediately. We are proposing an amendment to The Urban Municipal Elections Act to advance the date for holding a regular election and in the Bill we are advancing the date from January 1st to November 1st for a successful candidate taking office. Provision is made to advance other complementary dates in a corresponding manner. We are, however, proposing to exempt the operation of this section for this year, so that those members of council who are elected for a three-year term will be able to complete the term for which they were elected. It will be made clear, however, that mayors and aldermen elected this fall will have been elected for a term of office two months shorter than at the last election.

We are removing the ceiling on the remuneration that may be paid to councillors for attending meetings of council. This will allow each council to establish the remuneration for its members. However, provision is also made that would allow councils to enforce attendance at meetings.

The Saskatchewan Urban Municipalities Association has requested that authority be granted to permit a municipality to assume a reasonable portion of the cost of providing group life insurance for the members of council. We are proposing an amendment that would allow the council to pay 50 per cent of the premium on each policy of \$5,000 or less, but every member of the council must participate.

The Saskatchewan Association of Rural Municipalities requested an increase in the maximum penalty that could be approved in the general penalty by-law under The Rural Municipality Act. One amendment will provide the same maximum in The Urban Municipality Act and retain uniformity in the two municipal statutes. The Association suggested that the present maximum of \$100 does not allow a judge sufficient scope to distinguish the severity between certain cases and this increase will provide a judge with greater latitude in assessing and levying fines for infractions of municipal by-laws passed under this Act.

Some of the smaller cities do not have sufficient need to construct a multi-story parkade and requested that they be granted authority to adopt the provisions of this Act which provides for improving ground level areas for public parking. One section of this Bill will be designated to provide that authority.

The city of Regina requested an amendment to simplify the procedures for obtaining the approval of the Local Government Board to amending debenture by-laws for a change in the interest rate, and some other rather pertinent changes occur. The Local Government Board has approved the principle proposed in this Bill which will simplify the procedures for both the city and the Local Government Board.

Some urban municipalities, for example Pilot Butte, have gravel pits within their boundaries and require legislative authority to assess and tax the plant and equipment in a gravel pit. This Bill will provide the authority to assess the plant and equipment on the same base as for rural municipalities.

There are many situations in the province, Mr. Speaker, where property is exempt from taxation by statute while used by the owner for a certain purpose. We have been requested to provide for continuing exemption for such property when leased to another person whose property is also exempt by statute while the lessee uses the property for the purpose for which he was granted an exemption by statute. We amended the Act in 1971 to provide this exemption, however, the courts have held that the legislation did not accomplish this purpose and this Bill is designed to provide the necessary authority.

The Act permits a municipality in a school district to compromise the liability of the municipality to the school district for school taxes that have been collected and not remitted to the school district. Some municipalities, if school districts wish to compromise municipal liabilities for uncollected school taxes or other forms of indebtedness, this Bill will permit such compromises with approval of the Minister.

There are other less controversial amendments which we will be able to discuss in Committee. Mr. Speaker, I now move that this Bill be now read a second time.

Some Hon. Members: — Hear, hear!

Mr. McIsaac (Wilkie) — Mr. Speaker, this Bill 104 is another in a series of Bills we have seen this Government bring in. This is nothing short of a contemptible piece of legislation that we are dealing with here. I say contemptible because it shows the contempt that the Government opposite has for the municipal structure of Saskatchewan and municipal officials. Now it is revealing I am sure to many people, but it is not necessarily that revealing to us. But it does give another demonstration of the NDP Government's dictatorial and autocratic approach to everything it has put its hands on during the course of this Session and indeed since they came into power. It is no surprise to us, Mr. Speaker, but it is one more revelation to the public in general and to the citizens of Regina and Saskatoon, the kind of power-hungry government that sits opposite.

Now, Mr. Speaker, the Minister mentions that there has been great interest, I believe he said, and a number of pressures for the implementation of this division system or the Ward System as it is called. I want to just look back and give you and for the benefit of the Members of the House, a few press clippings to indicate where those pressures have come from and who it is that has been generating some of the pressure. I've got a clipping from the Leader-Post, last May they began the campaign. It began before that but its headline, "Groups Wanted Ward System." I'll read and quote some from the release:

Some groups within the New Democratic Party apparently asked the Government to reinstate clauses in The Urban Municipality Act which would allow ward systems in civic government. George R. Bothwell, Chairman of the Civic Democratic Committee, the CVC of the NDP, said

Wednesday the group and some Regina and Saskatoon NDP constituency organizations have requested the ward system.

The article goes on to state:

Mr. Bothwell is former Regina alderman now defeated.

Another quotation from that same article:

A spokesman for the Saskatchewan Urban Municipalities Association said the association had no strong feelings one way or another about the ward system, but concurs with the proposed amendment which would allow electors to decide if they want the ward system.

It goes on to quote again and I'll quote from Mr. Bothwell, he told the Leader-Post:

The Civic Democratic Committee had made representation to the Provincial Government to reinstate the permissive legislation in 1971 and resolutions seeking it had come from Regina and Saskatoon NDP constituency organizations. He said they were going to meet Friday to look at the legislation.

Let me read another clipping from the Leader-Post, February 14, 1973. The headline here, "Whelan Urges Ward System Legislation." Another noble citizen of Regina, not al alderman, they tell me an aspiring mayor, but for the moment a reputable NDP Member for the city of Regina. So we have Ed Whelan NDP, Regina North West, speaking during the Budget Debate mentioned that, "Ward system legislation is so good for the cities." Without hesitation he said:

I urge the introduction of the division system in larger cities.

So we can see the campaign building up, starting in 1971, press releases in 1972 and another press release here, Mr. Whelan took the occasion to speak on the ward system in the course of the Budget Debate.

Here is another clipping from the Leader-Post, March 7th, 1973. The headline, "NDP Seeks Division Change."

The Regina NDP Metro Council at a meeting March 3rd unanimously adopted a resolution urging the Provincial Government to provide for a division system in cities of a population of 100,000 before the next civic elections.

Another headline from the Star-Phoenix, March 20th, 1973:

Dyck favors plebiscite following the implementation of the ward system.

And it goes on to say:

Bev Dyck, NDP Member, City Park, said Monday, a plebiscite on ward systems should not be held until the public has had some experience with such systems.

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Now these are several clippings indicating the kind of support and the kind of pressure that the Minister has had in this regard. You will note a couple of existing NDP Members, one defeated NDP alderman, one other Member who was making attempts at both civic and provincial elections with failures in all cases, but they have all been of note, I think, Mr. Speaker, connected with the NDP organization.

Now what has been happening to the municipal people themselves, the people who are now governing the municipalities of the province? Well, here is a headline from the Star-Phoenix, March 7, 1973, "Aldermen United in Opposing Legislated Ward System." I'll quote again just one paragraph from this clipping:

Mayor Sears said if the province has any intention of legislating ward systems he should at least have the courtesy to discuss the matter with the two cities expected to be directly involved.

This is the Government that believes in consultation, "participatory democracy", as my seatmate says. This is the Government that long espoused to be the friend of the little people.

Now another series of clippings, Mr. Speaker, to again indicate the kind of support that the Government has for the legislation before us is supported only from their own Party. If you want a further demonstration of that it is rather interesting, the latest edition of the Commonwealth, Mr. Speaker, that I picked up in the garbage can in the hall here on the way in. On page 2 there is a great full page devoted to promoting the ward system and it winds up by saying:

We will have a general civic election in the fall of 1973. If we are to deal effectively with current problems and if we are to develop policies and recruit suitable candidates, the time for action is now.

The whole article is devoted to the implementation of the ward system. On page 3 interestingly enough a headline, "Ward System Imposed on Regina and Saskatoon." So just in case there are some Members in their own Party that aren't convinced that they are doing the right thing they have this very nice complementary, supplementary little article promoting and plugging for the ward system that they are bringing in.

Once again I will quote from another clipping in the Leader-Post, April 18th to tell you what the elected officials of the city think of this plan. The headline here, "Sears and SUMA Head Rap the Ward System Plan." It goes on and I could quote the article, Mr. Speaker, but I will quote one paragraph. It's from Weyburn:

Mayor Hart said, I am very, very disappointed that the Government went ahead with the ward system Bill after the representation to them by Regina and Saskatoon and SUMA, which represents all municipal governments in Saskatchewan.

Now, Mr. Speaker, I think that very clearly indicates, the kind of pressures, the kind of reasons why we have this Bill before us. In this particular case the Government has decided for its own particular purposes to establish the ward system of local government for the two major cities of Saskatchewan. It is interesting to note that our other cities of the province are

given the option to decide whether or not they wish to institute the ward system. The cities of Saskatoon and Regina are not afforded the luxury of a plebiscite to decide this fact on their own, and of course we are led to wonder why we have now two classes of urban citizens in the province.

The people elected to civic office in both cities and I very clearly demonstrated that from press clippings and other series of public comments, have repeatedly stated that they themselves do not believe the ward system to be in the best interest of Saskatchewan citizens. They voice strong objection to this principle which has gone unheeded by the Members opposite. The citizens of Regina over the last number of years turned down the ward concept on three separate plebiscites. The present city councils have very clearly demonstrated their opposition to it.

Now, I want to suggest, Mr. Speaker, that if it were not for the NDP Metro Council in Regina, Metro Council in Saskatoon, we would not have this legislation before us. I harken back to comments just a few days ago, another subject where the Minister was presenting a Bill that he hadn't really put together and I am not sure who put this one together but I am very sure it wasn't him or it wasn't some of his officials.

First of all, Mr. Speaker, this legislation before us is a direct political payoff to NDP heelers, like George Bothwell in Regina, Pout MacDonald, Wally Coates and Mr. Koskie who, I believe, is now in the Premier's office, all four defeated NDP candidates and two of them defeated aldermen. These two gentlemen, I am given to understand, were on the great committee that met last Sunday night and again in the buildings here last Monday night. In the case of the city of Saskatoon, the ward system has been promoted and plugged for by the present city Member, the deputy speaker of this House (Mr. Dyck) and other NDPers from the city of Saskatoon. At least, Mr. Speaker, this Member I refer to is an elected Member and has some rights, certainly, to be heard from and I expect we will be hearing from him in this debate. The same certainly cannot be said for the Party heelers in Regina for whom we have to thank the fact that this Bill is before us.

Secondly, Mr. Speaker, this Bill is another indication, if we need one, of the complete disregard by the Blakeney Government opposite for the wishes and the concerns of municipal people in this province. Now in the Budget we had an opportunity to see how unconcerned and totally unresponsive this Government was to the needs and plight of rural and urban municipalities. No increase in grants whatever and now I say we have this legislation which demonstrates very clearly for all concerned their callous disregard for municipalities and municipal people in the province.

I think, thirdly, Mr. Speaker, this legislation demonstrates the determination of the Blakeney Government and the NDP opposite to inject partisan politics into civic government in Saskatchewan. It is another step, another obvious step, in their attempt to perpetuate themselves in power. This step is so obvious, Mr. Speaker, I predict it is going to backfire and it is going to backfire in 1975, the next provincial election.

I think, fourthly, Mr. Speaker, this Bill before us is another step in a series of Government Bills that have been

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brought in during this Session that are designed primarily for one purpose and that is namely centralizing more power and more control to the hands of the NDP opposite.

Now the Minister in his opening remarks, Mr. Speaker, could really give us no valid reason as to why the Government is proceeding in this direction. Imagine the percentage of people that turn out to vote, 25 to 40 per cent. I was talking earlier today with civic officials in Winnipeg and a couple of other cities, they have not found the ward system to bring about a greater increase of the percentage of people turning out to the polls under the ward system. So that, Mr. Speaker, is certainly no valid reason as to why he is bringing that Bill before us. I suggest again there is only one reason why they are proceeding in this direction and it certainly isn't for the greater welfare of either Regina or Saskatoon or the citizens. It is nothing more than another grab for partisan political power for the NDP opposite.

Now I suppose, Mr. Speaker, if they wish to ensure representation on city council from all areas of the city, if this is really what they are concerned about then why not make provision so that the councillor elected from that division be a resident of that division. I am not suggesting that but if this is their wish it is one way they could have accomplished that. At least it would have been consistent with their other stated objective of having good regional representation on city council. I think the whole Bill is nuts, Mr. Speaker, and Mr. Minister, so I think also that provision would be too.

I think the fact that such provisions are not contained in the Bill is additional proof of course that they are not worried at all about the cities or about the form of government that cities have, they are worried and their only concern is organizing the city politically for their own interest when it comes to a provincial election and that is the only reason we have got this Bill before us.

Mr. Speaker, there are a number of other provisions related to the change over to the ward system. I was pleased to hear the Minister say that he recognized you can't very well operate the city of Regina and the city of Saskatoon with two duly elected councils in office at the same time, so I presume there will be House amendments brought in to rectify that situation. As to some of the other provisions that might be termed housekeeping amendments I have no objection personally whatsoever to the removal of the ceilings for indemnities for council members. Some of my colleagues may but I certainly have none.

Once again, Mr. Speaker, we will oppose this Bill and we will oppose it because it is one more denial of rights in this case to about one-third of the citizens of Saskatchewan. A denial of the right to choose the form of civic government they want. We will oppose it on the grounds that it is one more step on the way to complete state power and state control by the Government opposite. Mr. Speaker, I should like the opportunity to review some of the amendments proposed by the Minister and I ask leave to adjourn debate.

Debate adjourned.

Mr. Wood (Minister of Municipal Affairs) moved second reading of **Bill No. 122 — An Act respecting the Superannuation of Certain Employees of Municipalities, Larger School Units and other institutions.**

He said: — Mr. Speaker, this Bill is in regard to The Municipal Employee Superannuation Act. The Bill now before you is a proposal to replace the existing money purchase superannuation plan under which an employee's pension is provided by way of a life annuity purchased from an insurance company, with a plan similar to the present Public Service Superannuation Plan. The change was initiated in response to requests received from the associations representing the members of the plan. These are the municipal employees throughout the province. The existing plan provides a pension based on the amount of money accumulated by an employee during his years of service. Because of inflation the amount of pension which can be purchased by the accumulated funds has steadily declined to a point where the retiring employee has no adequate financial security for his retirement years.

The pension plan proposed by the new Act involves the payment of a pension based on the average of an employee's highest six years of earnings times two per cent for each year of service. This type of pension benefit plan tends to reduce the effects of inflationary trends in the economy by paying a pension based on relatively current earnings rather than purchasing a pension with deflated dollars. Contributions and earnings accumulated under the present plan will be held to the credit of employees and will continue to earn interest. On an employee's retirement these funds will be used to purchase an annuity, the same as is done now. The pension earned for service subsequent to July 1st, 1973, the effective starting date of the new plan, will be calculated using the new benefit formula.

The Act incorporates certain provisions which are not available under the existing plan. This is the provision of a widow's pension when the employee dies after retirement. The benefit will be one-half of the employee's normal pension. The provision of a pension to widows and dependents where the employee dies before retirement after 15 years of service, again the benefit to the widow will be one-half the earned pension plus 10 per cent for each dependent child to a maximum of 25 per cent. Also, there is provision of disability allowances to employees who are disabled after serving 15 years or more.

The Act will be administered by a seven-man commission, five representing the major associations involved in the plan, one representing the urban employees and a representative of the Government of Saskatchewan to act as chairman. Executive secretary and necessary staff will be provided by the Government in addition to required office accommodation and supplies. All funds of the plan will be handled by the Department of Finance, which will be responsible for the investment portfolio of the plan.

One of the weaknesses of many pension plans has been the lack of portability of pension credits for employees who terminate their employment prior to retirement. Under the proposed new plan provision is made for the commission to enter into agreements to facilitate the transfer of pension credits and moneys between their plan and any other pension plan. The

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new plan will be available to urban municipalities which do not presently participate in the existing plan. As well, more employees of all the member organizations will be covered under the new plan; a distinct benefit to some employees who are not now able to participate. Because the proposed Municipal Employees Superannuation Act extends, broadens and improves the pension benefits to municipal employees of Saskatchewan I consider the changes are worthy of support.

I move second reading of this Bill.

Mr. McIsaac: — I must state at the outset on this occasion I am completely behind the Minister in this Bill.

The Bill is one that contains a number of improvements to what has always been a good plan. I was also in consultation with some of the people who have been handling the plan — the municipal people themselves. The changes, as I understand them, have practically all been introduced and came to the House as a result of the employees and employers themselves. I think generally they contain a number of good changes and we will certainly support the Bill wholeheartedly.

Motion agreed to and Bill read a second time.

The Assembly adjourned at 9:31 o'clock p.m.