

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fifth Session — Eighteenth Legislature

May 9, 1978

The Assembly met at 2:00 o'clock p.m.
On the Orders of the Day.

WELCOME TO STUDENTS

MR. D.H. LANGE (Bengough-Milestone): — Mr. Deputy Speaker, I would like to introduce a group of students from Crane Valley. I would like to make this introduction on behalf of Mr. Roy Nelson, the member for Assiniboia-Gravelbourg, because Crane Valley, although technically is in my constituency, many of the students in fact half of them will be from Roy's constituency as well.

They are seated in the Speaker's Gallery, 13 in number and they are Grade Eight students, accompanied by their principal, Mr. Strubble, and their bus driver, Mr. Tom Adams.

I would also like to point out that I will have some contact with Crane Valley School to quite an extent this week because I am also their guest speaker for their graduation this Friday night for the Grade Twelve students.

With the indulgence of the House, I would also like to introduce one of the students in Grade Eight with the Crane Valley group, whose name is Mr. Bruce Hesterman. He is the grandson of our Sergeant at arms, Mr. Ponto. While I acknowledge that, I hope the House will not mind if I point out to the students, since it is Bruce's grandfather, what the function of the sergeant at arms is in the House. For the students' information, it is, among other things, to keep order or help to keep order. After being in the House for a little while this afternoon they will see that that is not only very necessary but a very arduous task and one which Mr. Ponto accomplishes very well. He isn't nearly as formidable a man as he looks with his sword and various artillery. He is, on the contrary, quite a kind and gentle person, a person who is very nice to have around the Chamber and one who puts in far more time than probably anyone else in the Chamber, members and other people included. We will invite Mr. Ponto for a picture with the students afterwards and for coffee as well.

On behalf of Roy Nelson, I would like to welcome this group of students to the Chamber and assure them that, after meeting with two politicians this afternoon and the sergeant at arms and listening to the session and then hearing me speak on Friday night, they will probably have had enough of politicians this week to last them a short lifetime.

STATEMENT

Clarifying of Sub Judice Rules

MR. DEPUTY SPEAKER: — Before calling oral questions I would like to make a brief statement to clarify the sub judice rules. I assure all members that this will not be counted as part of the 25-minute oral question period.

This is not a rule in the sense of being a standing order but is rather a long-standing practice or convention that has been applied fairly strictly in this Assembly to motions, questions and returns. The convention has never, of course, been applied to bills or to

debate on bills. The sub judice convention is a restriction that parliaments have voluntarily imposed upon their own right of free speech in the interest of justice and fair play.

In the House of Commons, Ottawa, a recent report has laid the responsibility for upholding this safeguard on the shoulders of members themselves, with the final discretion left up to the Speaker — Votes and Proceedings, House of Commons. Ottawa. April 29, 1977. The filing of a statement of claim in a court is an essential part of beginning an action in the courts.

On this basis I, yesterday, ruled out certain questions. However, while the matter is at this stage, no judicial decision is being made and it is possible that no further steps may be taken to bring the case to trial or that this may not be done for months or even years. It therefore would appear to be perhaps overly restrictive of a member's right to free speech to prohibit all references to the matter at this time. However I would like to remind all members that during the oral question period the minister, of course, has the right to refuse an answer on the grounds that the matter is or is about to be before the courts. I also reserve the right of the Chair to rule out references which I feel may constitute a real and substantial danger of prejudice to the pending trial of the case.

QUESTIONS

Financial Status — Miksoo Aviation

MR. H.W. LANE (Saskatoon-Sutherland): — I have a series of questions I would like to direct to the Minister in charge of SEDCO. Today, a contingent of SEDCO officials flew to Saskatoon in a government Cheyenne for a very important meeting regarding the sale of Miksoo Aviation. Would you now announce the details of that transaction?

HON. N. VICKAR (Minister of Industry and Commerce): — I am sorry. Mr. Deputy Speaker, but I haven't any details to announce at this time.

MR. LANE (Sa-Su): — Mr. Deputy Speaker, supplementary. My first supplementary is to the same minister. I have here a financial statement for Miksoo Aviation for year end December 31, 1977. This financial statement indicates serious financial problems. Will you not admit that you and your officials had a copy of this financial statement before you advanced \$100,000 to Miksoo under debenture dated March 13, 1978? Did you have a copy of that statement?

MR. VICKAR: — Mr. Deputy Speaker, I can't at this time speak for the management of SEDCO. They may or may not have, I am not aware of one.

MR. LANE (Sa-Su): — Final supplementary, Mr. Deputy Speaker. The very day after you advanced \$100,000 in this debenture (the principal sum of \$100,000 of this debenture), Miksoo officials announced the curtailment of services and financial difficulties. Now the question is this, what other amounts of money is your department advancing or is prepared to advance or guarantee to Miksoo and/or prospective purchasers of Miksoo and is the speculation in the Saskatoon area that a range between \$400,000 and \$5 million for operating and future purchase of aircraft is the correct range of figures?

MR. VICKAR: — Mr. Deputy Speaker, I am afraid all of these speculations are in error. They have no foundation. It is very true that Miksoo has a financial problem but it is also

true that Miksoo is presently negotiating with potential purchasers of the operation and therefore, that is why SEDCO is involved.

SGIO Claim - Buildall Construction

MR. C.P. MacDONALD (Indian Head-Wolseley): — Mr. Deputy Speaker, I would like to direct a question to the Attorney General. Yesterday Mr. Kirk Milne of Calgary, the president of Buildall, made some statements to members of the press that involved some rather serious accusations against the government. I would like to make a series of questions in relation to that comment by Mr. Milne. Number one, Mr. Milne indicated that he had called the Attorney General to request a meeting with the Attorney General. Could the Attorney General please tell members of the House why he (Mr. Milne) called the Attorney General, the administrator of law in Saskatchewan and not the Minister in charge of SGIO? And could he also inform the members of the House the substance of that telephone call?

HON. R. ROMANOW (Attorney General): — Mr. Deputy Speaker, as I recall, I was telephoned some time in the first week of October, 1976, by Mr. Kirk Milne. Without getting into the details of the conversation the effect of Mr. Milne's submission to me was as I recollect that he was unable to communicate to the officials at SGIO his desire to be bonded in order to continue some work — I am not sure whether he mentioned in province or out of province — the proceeds of which might be applied to some matters which are presently before the courts. He wanted an opportunity to explain what he felt was either the inability or the unwillingness (this is a paraphrase) of SGIO to hear this point.

MR. MacDONALD: — A supplementary, Mr. Deputy Speaker, first supplementary. Two things. Number 1, why did the Attorney General refuse to meet with Mr. Milne after giving him his word that he would and second, one of the most serious insinuations of Mr. Milne is the fact that he offered SGIO a repayment schedule and SGIO or the government of Saskatchewan has not seen fit to accept that repayment schedule in order for the taxpayers of the province of Saskatchewan to recover \$1.1 million? Can the minister indicate to members of the House and to the public why he has refused to accept an offer of repayment on behalf of Buildall Construction?

MR. ROMANOW: — Well, Mr. Deputy Speaker, speaking first of all to the first part of the question. After my conversation with Mr. Milne I felt that it would be prudent on my part to get some background information and as a result of some information which I had obtained, I felt that it would be inadvisable for me to meet with Mr. Milne. I tried to communicate this to him but was unable to in Calgary and did subsequently on the Saturday immediately following the conversation. With respect to the offer for the reschedule of payments I have no knowledge of this personally. I make no statement as to whether this offer was or was not made. I simply don't know.

MR. MacDONALD: — Final supplementary, Mr. Deputy Speaker. The SGIO apparently according to Mr. Milne has refused to bond Buildall for future projects and thus really has put them out of business, thus making it extremely difficult for Buildall to earn money in the construction industry and to redeem the \$1.1 million of the taxpayers' money. Can the Attorney General tell me, in the absence of the Minister for SGIO, why the government of Saskatchewan and SGIO in particular has refused to bond Buildall for any future projects and thus subsequently, in fact, putting them out of business?

MR. ROMANOW: — Well, Mr. Speaker, first of all I would like to make the point which I

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think is obvious, that is that SGIO is not the only bonding company about in the country. There are other bonding companies which are around and if Mr. Milne, or any other individual was unable to convince SGIO to bond, presumably there are other avenues of other bonding companies open. Whether that course has been followed or not followed I don't know. That is the situation with respect to the bonding question.

The matter of why SGIO has refused to bond, I think — I have not discussed this with SGIO people to any length — but I would think the answer would obviously be evident in the fact that a statement of claim has been issued against Buildall, alleging a certain sum of money now owing. It would appear to me that to bond, again, on the situation which existed at the time, presumably existed at the time or certainly seems to exist now on the allegations, statement of claim, might be open to some questionable business practice on the part of SGIO.

SEDCO Involvement re Miksoo

MR. W. C. THATCHER (Thunder Creek): — Mr. Speaker, a question to the Minister in charge of SEDCO.

Mr. Minister, in replying to the member for Saskatoon-Sutherland's question you indicated that you are not aware of SEDCO involvement in Miksoo at this point in time. Mr. Minister, a phone call to Miksoo has indicated that the new owner is assuming control of Miksoo on Monday. Mr. Minister, do you still stand by your statement that you have no knowledge of SEDCO being involved in any purchase of Miksoo

MR. VICKAR: — Mr. Speaker, if the hon. Member will check the record, I did not say that we know nothing about Miksoo, we were talking about the financial statement that was in the other member's hands.

I am not aware, at this moment, who they are negotiating with. As I said earlier there are some potential buyers for Miksoo Aviation and I am not aware whether they are consummating the deal this afternoon or tomorrow. I am not familiar with that.

MR. THATCHER: — A supplementary question. Mr. Minister, have either you or your manager had personal dealings with the individual who is assuming ownership of Miksoo next Monday?

MR. VICKAR: — Mr. Deputy Speaker, I don't know who the fellow is that we are talking about, therefore, I can't answer that question.

MR. THATCHER: — Mr. Minister, the member for Saskatoon-Sutherland (Mr. Lane) made reference to a debenture which was filed on March 13, 1978 which consists of \$100,000 being advanced to Miksoo. Is the minister aware of this debenture, of this \$100,000? Secondly, will the minister confirm that the very day or the day after this money was advanced to Miksoo that they again said that they were going out of operation unless they received additional funds?

MR. VICKAR: — Mr. Speaker, I am well aware that there was a guarantee made of \$100,000. I am not aware, though, that the next day this transaction happened.

SGIO Claim - Buildall Construction

MR. E.F.A. MERCHANT (Regina Wascana): — Mr. Speaker, a question to the hon. the

Attorney General. The Attorney General may or may not be aware that yesterday the member for Saskatoon (Mr. Lane) said that the launching of these legal proceedings, the proceedings by SGIO wouldn't have happened in Nazi Germany, wouldn't have happened in Communist Russia, with a clear imputation that what the government has done is a scandalous thing. I ask the hon. the Attorney General whether, if that is true, how you justify not personally resigning or in the alternative what do you propose to do, if anything, about the clear castigation of the administration of justice in this province?

MR. ROMANOW: — Mr. Speaker, I want to say again with as much conviction as I can, the suggestion that this is a political lawsuit, the SGIO against Buildall, is clearly refuted by the facts on the record. I can't prevent the member for Saskatoon-Sutherland attaching any kind of colorful adjectives that he wants to the lawsuit. I can't prevent the leader of the Conservative Party making whatever description that he wants with respect to the lawsuit. I think that in the due course of the proceedings and if one examines the record, one will come to the conclusion if you are at all fair minded about the operation, that there is no other choice available SGIO. The suggestion that it is a political matter or that it would happen in Nazi Germany or in Communist Russia I think is an exaggeration which is unbecoming you or the member for Saskatoon-Sutherland.

MR. MERCHANT: — Supplementary, Mr. Speaker. Mr. Speaker, the hon. the Attorney General describes it as colorful adjectives. I say to the Attorney General that as the Chief Law Enforcement Officer to allow those kinds of adjectives to be used about the administration of justice, must lead the public either to think there is some credence in the kinds of remarks that are being made or to believe that the hon. the Attorney General is afraid or reluctant to properly handle your position and stop that kind of abuse of process of the administration of justice in the province.

MR. CHAIRMAN: — Order!

MR. ROMANOW: — Well, Mr. Speaker, that's all very fine and well for the member to say and it may sound like a good speech but I invite him to tell the House what he would do. What can I do to the statements that are made out there, what am I going to do? Take him to court on a libel and slander suit? Am I going to haul him up before some court? What can I do about it? I mean he is a politician and an elected MLA. He has got the right to make his observations, I suppose, as much as anybody else does. I deplore the suggestion, as Attorney General, that there would be the use of a legal process for political purposes. If we ever get to that position in Saskatchewan or Canadian life we are in deep trouble and I don't think that anybody out there is likely to believe that suggestion. If anybody is likely to believe that suggestion, I challenge you and I challenge the member for Saskatoon-Sutherland to put the evidence on the table right now.

SOME HON. MEMBERS:— Hear, hear!

MR. MERCHANT: — Final supplementary. Do I take it then, Mr. Deputy Speaker, from the answers of the hon. Attorney General that not as a political Cabinet minister and the top political Cabinet minister but as the man in charge of law enforcement in this province that you intend to do absolutely nothing about those remarks other than shout at me a little bit in the House? Do you intend to do anything?

MR. DEPUTY SPEAKER: — Order, Order!

MR. ROMANOW: — Mr. Deputy Speaker, I answer the member by saying the proof of

the allegation will be found at the conclusion of this matter. I am confident in the judiciary, I have confidence in our Bar, and our lawyers and the integrity and the independence of the Bar and I have confidence in the judicial system. I think that is where the proof is going to be. If the hon. member for Saskatoon-Sutherland has some evidence of which I know not, some evidence which would lend credence to that allegation, then it is his obligation to put it on the table. It is his obligation to put it on the table upon which I could presumably act, the thing that you are asking me to do. But to make a statement willy-nilly, I say, and that is about the only thing I can do, it is highly irresponsible to put it mildly.

Financial Status - Miksoo Aviation

MR. J.G. LANE (Qu'Appelle): -A phone call to Miksoo Aviation yesterday indicated that a new purchaser was taking over effective Monday, May 15. Have any of your officials met with one Barry Thomson of the Canadian Transport Commission with a view to expediting or authorizing or obtaining advance approval for the sale of the assets and liabilities of Miksoo to the new purchaser and also the transfer of the Canadian Transport Commission licences to the new purchaser?

MR. VICKAR: — Mr. Deputy Speaker, firstly I am not aware that there is a new owner taking over on the first of next week and secondly, I am not aware of any dealings that SEDCO has had with the Transport Commission.

MR. LANE (Qu'Ap): — A supplementary. Are you then saying that your officials have not in any way, any government officials or SEDCO, talked to the Canadian Transport Commission to expedite or approve in advance, the sale of Miksoo to the purchaser who, when you phone Miksoo says that it is buying it effective on Monday?

MR. VICKAR: — Mr. Deputy Speaker, I reiterate what I said a moment ago. I am not aware of any conversation that SEDCO has had with the Canadian Transport Commission.

MR. LANE (Qu'Ap): — Have you ever attempted to make yourself aware of any meetings of your officials and the Canadian Transport Commission to expedite the approval?

MR. VICKAR: — Absolutely not, Mr. Chairman.

SGIO Claim Against Buildall

MR. G.H. PENNER (Saskatoon Eastview): — Mr. Deputy Speaker, a question to the Attorney General. Can you assure us that when Mr. Halyk was engaged to undertake the case on behalf of SGIO, that all of the information that SGIO had was provided to him and that nothing whatever was held back from him?

MR. ROMANOW: — Mr. Deputy Speaker, I would have to be briefed by the minister in charge who is not here (he is at a government function over the lunch hour) to be absolutely sure. I believe that the minister has indicated to me that indeed, the entire file has been turned over to the independent counsel, Mr. Halyk, and that he would have all of the relevant information beforehand before him, on the advice that he can give to the corporation. I just can't imagine of any other conceivable position since SGIO would want to be in a position to get the best legal advice. Quite obviously it would only make sense to tell their lawyer in whom everything is privileged and confidential, all of the facts of the situation and how to get the advice. I think the answer to that is, yes.

MR. PENNER: — A supplementary, Mr. Deputy Speaker. Would it be correct to say that the attorney, in this case, Mr. Halyk, was given the file and took a look at it and made his own decision that an action was required, or would it be correct to say that SGIO had made the decision and then engaged Mr. Halyk to undertake the action?

MR. ROMANOW: — Well, Mr. Deputy Speaker. I don't want to make light of the member's question but quite obviously there would not be very much sense for SGIO or anybody else engaging a lawyer, having already pre-conceived what the legal position is. The obvious position has got to be to say, here are the facts, what are our legal rights and obligations and what course of action do you recommend?

I want to make one point if I can. I say to the members of this House that SGIO is going to be around a lot longer than I'm going to be here and a lot longer than the members opposite, including the member for Qu'Appelle, is going to be here. The credibility of SGIO depends upon its openness and honesty and above board dealings with respect to its clients. That has been the history of the operation.

To suggest that SGIO would, contrary to the general manager and the senior personnel and the board of directors and the lawyers, for political purposes, mainly at the members of the front desk, do something which everybody else (presumably on that theory) would have argued against, is certainly a specious suggestion which has no merit and no truth in the fact. So the answer to the question is quite obviously for SGIO to say to any lawyer, 'Here we want a lawsuit against the Leader of the PC Party', and for the lawyer to have agreed to that, if you can imagine the suggestion — The member for Saskatoon-Sutherland is laughing and I challenge him to say that outside the House about Mr. Halyk. To say it outside the House about him or any lawyer, to say that on the Law Society I say is a slander, not only to SGIO but to the people involved.

Miksoo Aviation Contracts

MR. G.N. WIPF (Prince Albert-Duck Lake): — Mr. Deputy Speaker, a question to the Minister of the DNS. Mr. Minister, over the past several weeks has Miksoo Aviation received any new contracts or has the DNS given Miksoo Aviation any new contracts for the next year? Are you aware of any?

HON. G.R. BOWERMAN (Minister of Northern Saskatchewan): — Mr. Deputy Speaker, the member asks the question as if the Department of Northern Saskatchewan had been involved in contracts with Miksoo. I know of no contracts that have involved the Department of Northern Saskatchewan with Miksoo and I know of no further contracts or any contracts that may have been initiated for future dealings or future contracts with Miksoo and the Department of Northern Saskatchewan.

SGIO Claim Against Buildall

MR. A.N. McMILLAN (Kindersley): — Mr. Deputy Speaker. a question to the Attorney General in the absence of the Minister of SGIO. I would like to ask the Attorney General if he is aware if SGIO has undertaken to investigate the extent of its assets held by the guarantors in the Buildall bonding matter and if, in fact, it has taken any steps to guarantee that those assets would be available, should court proceedings go in its favour?

MR. ROMANOW: — Mr. Speaker, I think a similar question was asked of me yesterday in

this area and I answered that SGIO will act on this matter on the best advice that it has tendered before it from legal and other personnel to take whatever steps are necessary to protect SGIO's interests. Quite obviously that is one of the reasons — It must be the reason that SGIO has seen fit to launch the lawsuit.

MR. McMILLAN: — One supplementary, Mr. Speaker. I would like to ask the Attorney General if SGIO or the Attorney General or anyone involved in this case has urged your legal counsel to file a court injunction to freeze the assets of the guarantors so that these assets may not be liquidated and disposed of before any court settlement is reached with respect to this matter, if you are not already too late?

MR. ROMANOW: — I cannot answer that. I do not know. I repeat again that presumably SGIO and counsel would act on the basis of the information that they see is necessary for that.

Miksoo Aviation Loan

MR. H.W. LANE (Saskatoon-Sutherland): — Some further questions to the minister in relation to this Miksoo story. When you granted the loan which is recorded by way of a debenture to be guaranteed, of \$100,000, why did you do that, knowing that the company was insolvent?

MR. VICKAR: — Mr. Speaker, it is SEDCO's position to make sure that the operation is operating properly and at that point in time Miksoo was negotiating with us. We took it upon ourselves to guarantee \$100,000 to some of his creditors to see that the operation is kept alive. Furthermore, Miksoo Aviation is providing a very needed service in northern Saskatchewan and we wanted to keep it alive.

MR. LANE (Sa-Su): — Mr. Deputy Speaker, that gives rise to some very interesting speculation. The minister just said that he granted guarantees to some of the creditors. If so, were there fraudulent preferences in favor of some over others? I wish to ask you in addition to that, have you or your Cabinet colleagues had any meetings (you say this is an important service to the North), have you had any meetings with respect to establishing contracts to keep Miksoo afloat in the future? If so, what contracts are you prepared to guarantee Miksoo?

MR. VICKAR: — We have not, to my knowledge, my Cabinet colleagues have not had any meetings with Miksoo Aviation. Personally on a person to person basis, I have had some conversation with Ed Trautman who is the owner-manager of Miksoo, but this was quite some time ago.

MR. LANE (Sa-Su): — The situation is simply this, Mr. Minister. If you are not aware of the facts perhaps I could enlighten you on some of them.

There was, in fact, \$400,000 negotiated for in the event that new blood . . .

MR. DEPUTY SPEAKER:— Order, order! Next question.

SGIO CLAIM - BUILDALL

MR. S. J. CAMERON (Regina South): — I ask the Attorney General this question. I can't understand why when Buildall got into financial trouble and SGIO had to bail out the contracts, why in those circumstances SGIO paid to Management Associates in excess

of \$75,000. Can you explain to me how that happened and why?

MR. ROMANOW: — I don't know.

MR. CAMERON: —May I ask, is the Attorney General prepared to look into that? It gets curiouser and curiouser. That is a very curious circumstance, that Management Associates would be paid that \$75,000. Now, my question to you, if you are going to look into it, can you be certain that any of those funds weren't in turn paid to some of the other defendants, including the defendant Richard L. Collver?

MR. ROMANOW: — I don't know, Mr. Speaker. I will try to get myself informed or alert the Minister in charge of SGIO to be prepared to have some answers. I am not sure he will answer or that I will answer. I don't undertake that, but I will undertake to at least acquaint myself.

RESOLUTIONS

Resolution No. 17 — National Referendum on Capital Punishment.

MR. H.W. LANE (Saskatoon-Sutherland) moved, seconded by Mr. G. N. Wipf (Prince Albert-Duck Lake):

That this Assembly urges the Government of Canada to immediately hold a national referendum on the re-institution in Canada of capital punishment in order to give the people of Canada an opportunity to express their views on this issue.

MR. H.W. LANE (Saskatoon-Sutherland): — Mr. Deputy Speaker, I am going to say only a few brief comments on this matter and then move the motion and hope that hon. members will pick up the motion and we can hear comments from all sides of the House on this, what I consider to be a very important matter and what the people of Saskatchewan consider to be a very important matter.

The motion, in essence, reads that we urge the Government of Canada to immediately hold a national referendum regarding the re-institution in Canada of capital punishment.

Mr. Speaker, let me make it clear at the outset of this debate, at the outset of this discussion, that I do not wish to go on record of being in favor in capital punishment because, quite simply, I am not. In my own heart I believe that taking of lives is never an answer to a situation in society and, therefore, I am against it and nobody at this point in time has convinced me that the taking of human lives by the government is any different than the taking of human lives by anyone else. Let me say however, Mr. Speaker, there are many people in society and I am sure many people in my caucus and in caucuses to my right and across the floor, who hold a very different view - who feel in fact, that capital punishment is a necessary moral right and duty of the government in cases of capital crimes.

Now, I don't attack those people for their views because I feel in this important matter, people have come to their views honestly and I believe it is a matter in which reasonable people can differ. I do take strong exception however, Mr. Speaker, to one very important point and that is this. During the years of Liberal government in Canada. there was on the books a matter of a discretionary exercise of power as to whether or

not capital punishment should be invoked. Now, when a government is armed with that kind of discretionary power, that means that sometimes they will, sometimes they won't, if they are exercising their discretion reasonably. Now, no member in this House can deny that the federal Liberal Cabinet, time after time after time and unanimously, always exercised their discretion to commute the death sentence, the death penalty, to life imprisonment.

Well, I see these gentlemen over here are getting a little uneasy about this topic, and I can see exactly why. I can see also that these gentlemen to my right who were so small 'l' Liberals, just a few short months ago, have sensed something different in the polls. They are people that talked this kind of thing for years and years but suddenly there is that pendulum swing . . . (inaudible interjection) there is that pendulum swing by the Liberals; they are just going to go over to the right because it serves their purposes there for a while. They know why, they know why 41 per cent of the people of Canada and Oh, does that hurt them, because they know where that 41 per cent of liberal support really is, Mr. Speaker. That's in Liberal Quebec with huge pluralities, that's where it is. So they are going to get beaten soundly. I invite them to go to the polls and I invite them to go to the polls on this issue because Pierre Elliott Trudeau has said that the door is closed. He is not prepared to listen to this matter any more, he has gone on public record as saying that, Mr. Speaker.

Now, Mr. Speaker, my suggestion is simply this. While there are those, like myself, who disagree with capital punishment, there are also many and possibly the majority right now, who believe that for capital crimes, there should be capital punishment. Now, my suggestion in this motion, Mr. Speaker, is quite simply this. This is a matter that is too important to be decided by politicians not listening to their constituencies; this is a matter that is so important that it should be referred back to the constituencies, to the people of Canada, to the voters and let them make up their own minds. I may not agree with what their decision is, but I assure you of one thing, I will do everything in my power to urge the future Conservative government of Canada, to not blatantly break the law, the way the federal Liberals did, time after time after time. That did nothing but bring disgrace on the laws of Canada.

Mr. Speaker, I am sure there are many others who wish to say a great deal and in detail on this matter and therefore, I simply open up the motion in order to allow members to make that speech. I so move this resolution.

MR. G.N. WIPF Prince Albert-Duck Lake): — Mr. Deputy Speaker, the motion introduced by my colleague today is one that contains the fundamental right of every citizen in Canada, that right of a voice on an issue which affects every citizen in this country. The idea that only the politician should vote on the retention or the abolition of capital punishment is looked at by the average citizen as that of a power of a dictator. I, along with my caucus, take a different stand than the other two parties in this Assembly. We went on record, loud and clear, that a referendum should be held and have maintained that stand.

Mr. Deputy Speaker, the reason for my stand is that the idea of capital punishment is a personal decision. As my colleague stated, though he is an abolitionist, I am not. Mr. Deputy Speaker, my personal stand on this issue is for the return of capital punishment for those who murder police officers and other peace officers in their line of duty. In fact, I believe that in cases of murder, capital punishment is the only way to make punishment equal to the crime.

I have been approached by many people asking my stand on this issue and I have always made my views known. I was very surprised when I read of the Premier of Saskatchewan's reported non-stand with the Regina jail guards on Friday, I believe it was April 28, where the report states that the Premier had ducked into his office before the demonstrators could talk to him and then sent out his deputy.

With this motion, the people of Saskatchewan should get an opportunity to see where the leader of the province stands along with all their elected officials or their elected MLAs. The attitude of having your head buried in the sand and probably the problem will go away is not acceptable today. Mr. Deputy Speaker, it is time for all members to stand up and be counted, to get our heads out of the sand and let our constituents know if we are to be their servant or to be their master.

The people of Saskatchewan have every right to expect that their elected representatives will vote in the manner which will allow each individual to have a say in this issue. And each person in Saskatchewan now wants a voice and his own opinion through a referendum.

Mr. Deputy Speaker, it is not uncommon to have in our penitentiaries across Canada and, in fact, in the Saskatchewan penitentiary, people who have taken the lives of three or four or more victims. I also believe that in cases like this it's time that our society had a look at its attitude towards law and order in our country. Let's stop mollicoddling the hardened and dangerous criminal who will viciously murder our police officers and our peace officers in this country.

The sad part about this, Mr. Deputy Speaker, is the fact that, although we had capital punishment legislation on the books for years, when the court sentenced a man to be hung it was the federal Cabinet in Ottawa that commuted his sentences to life imprisonment. This has been going on and has been raised with the past two federal governments. Mr. Deputy Speaker, this led to the criminal element realizing that there was no capital punishment for them and that they would have their sentence commuted to life and thus the general breakdown in society's attitude towards law and order. This criminal element realized that the federal Cabinet would overrule the courts and this started, as I said, the breakdown and created the general promiscuousness or the lack of respect for law and order in our country. The unfortunate part of this is that it started with the highest office in Canada, that of the office of the Prime Minister.

Today, the Prime Minister, Mr. Trudeau, who is an abolitionist, feels that that is the way it should be and he has ruled out any chance, as he says, of a national referendum on this issue. This overall attitude seems to be just another plan of Trudeau's for a just society.

Mr. Deputy Speaker, in speaking to this motion, I speak as one who believes in capital punishment and I don't attach the emotionalism to it that has been attached to many articles that I have read and many speeches that I have heard. But I try to look at it and assess it with a commonsense approach. I feel that all citizens will do the same if they are given the opportunity. We must make our laws appear fair and also be fair. We hear of those who murder and are out on the street in 18 months to two years. As society today is geared, it seems to be helping the criminal and nothing for the victims or their families. Put that in contrast with another case in my area where a rustler who stole and

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slaughtered a cow was sentenced to five years solid in the penitentiary for that. That in my opinion is not just, that in my opinion does not appear just nor does it appear fair.

Mr. Deputy Speaker, the time has come when the people of Canada are asking and demanding the right to have a say in law and order. The people of Canada have seen the breakdown in our society, with the general attitudes toward law and order and the mollicoddling of hardened criminals and they are fed up with it.

It is well known that the Prime Minister, Mr. Trudeau considers this case on the referendum closed. He made the decision for 22 million Canadians and states that his decision is final and there will not be a referendum. I urge the members of this Assembly to let the federal government know he is not our master. The Prime Minister of course is backed by all the elected Liberals across Canada and this is being done without any consideration as to the ordinary Canadian citizen's wishes or rights on this issue. Further, we know the NDP philosophy of some bleeding hearts and do gooders along with the idea that when they are elected they are the master and not the servant of the voters. This philosophy, Mr. Deputy Speaker, will allow them to sit right in bed with Mr. Trudeau and his stand on capital punishment and the referendum.

Mr. Deputy Speaker, I realize as this debate goes along we are going to have people stand up and make some very emotional pleas. I speak with some degree of feeling and probable understanding in the fact that in the community where I come from, where I was born and raised, I knew a man several years ago that had shot and killed two RCMP members. I have had ample time to try to work this out and figure it out and review the case as I understood it. I suppose if we wanted to look at this whole issue in an emotional sense it would be very simple to say that capital punishment should be abolished. However, in reviewing that case that I have mentioned and in others that I have been able to get information on, I can see absolutely no excuse for the brutal murdering of our police officers while they are doing their duty or peace officers while they are doing their duty.

These men and women in this chosen field are there to protect you and me. If you want to look at it from an emotional side, I read in the paper a while back an article written by one gentleman saying that we should consider the murderer and look at him as a brother and see how we would feel. Mr. Deputy Speaker, I believe to get everything in proper perspective, we should also look at the murder victim and maybe look at him as our brother or our sister or mother or father or however it may be and just see if in your own heart you feel that you can condone this type of rampage and senseless murdering of the seven of our policemen so far this year. There is no justification for it.

I have heard arguments that capital punishment isn't a deterrent and won't stop this. However, Mr. Deputy Speaker, I have also had occasion to speak to inmates in the penitentiary and their word to me is that capital punishment is a deterrent.

This motion asks this Assembly to call on the federal government to bring a national referendum on capital punishment immediately to the people of Canada. I believe as elected representatives in this House who are supposed to be offering a government of the people, by the people and for the people, as elected representatives in this Legislature we must listen to the dictates of the people who have elected us and give them an opportunity to speak out on this subject. I think a prime example, Mr. Deputy Speaker, of the politicians making their own decisions on this can be seen with the mover of this motion and myself. He is an abolitionist; he believes very strongly that

democracy must rule ahead of personal and emotional feelings; that the people must have a say in this. I also feel very strongly in the same way. Although I am for capital punishment, I feel very strongly that the people must have their say in this issue. If the majority of the people vote for capital punishment, I support that. If the majority of the people vote for abolition of capital punishment, Mr. Deputy Speaker, as an elected representative, my personal feelings should not be involved in this and I will be representative of the majority's wishes.

Mr. Deputy Speaker, this motion refers to the lawlessness that is on the increase, the violent times that we are living in, the murdering of police officers in the discharge of their duties and the growing demand on the part of every concerned citizen that steps be taken immediately to try to rectify this situation that is becoming worse with each passing day. I refer to the need for a referendum on capital punishment that is being demanded by the people of Canada.

We have witnessed, as I have said earlier, the growing unrest, the disorder and the lawlessness of the land and the people want action from their governments. The people want a positive say, a voice in the direction of where, we as a country, are going and feel that especially with capital punishment the pros and the cons are far too important to be left exclusively in the hands of the politicians.

So, as I said earlier, it was the politicians in the federal cabinet who commuted the death sentence to life imprisonment overruling the highest courts in the land. Regardless of one's personal views on this subject, I insist that the people of this country must be given the right to determine for themselves and to spell out in a national message, loud and clear, their views on this important subject.

Mr. Deputy Speaker, I am proud that we, in the Progressive Conservative Party of Saskatchewan have this week introduced into this Legislature this motion urging the federal government to have a referendum on capital punishment. It is our position that for democratic government to be truly representative it must represent the views of all the people. The people have every right to be heard. It is they who must spell out the direction this country must move, or should move. They are the only majority and they demand, today, in no uncertain terms a referendum that we ask for in this motion.

In closing, Mr. Deputy Speaker, I say that the people and the people alone, must have the final word on this issue. I urge every responsible member of this Assembly to vote for this motion. By voting for this motion you are allowing the voters of Saskatchewan and Canada a voice on a serious issue. By voting against this issue you are saying, loud and clear, and make no mistake about it, you are saying to your constituents that Trudeau and the federal Liberals have settled this matter once and for all and the ordinary citizens of Canada do not count and that you are in favor of that type of dictatorial government.

I would hope that no MLA, today, will see fit to adjourn debate to stall this motion off the order paper as it will only again prove to the voters of Saskatchewan that their politicians want to be their masters and not their servants.

Mr. Deputy Speaker, I do not believe in this type of a dictatorship and, therefore, will be supporting this motion.

SOME HON. MEMBERS:— Hear, hear!

MR. S.J. CAMERON (Regina South): — Mr. Deputy Speaker, may I say that we do intend to support this resolution, but let me, in addressing myself to it, quickly dissociate myself and our caucus from some of the remarks made by, particularly, the last speaker and some of those as well by the speaker who moved the resolution.

I don't think it really advances the question, which is a serious question, by sort of dealing with some of the politics and the ways in which it has already been done.

Let me only say to my friend who just spoke that we all know there was a free vote in Parliament when capital punishment was abolished a couple of years ago. Those people who stood with the Prime Minister in voting to abolish capital punishment included one Ray Hnatyshyn in Saskatoon, who is a Conservative MP. It included Joe Clark, now the Leader of the Conservative Party; it included Flora MacDonald, who rose in the House of Commons and voted to abolish too, and she was a leadership candidate for the Conservative Party. And it included Robert Stanfield, who also stood in his chair and voted to abolish capital punishment. If one was going to descend to those arguments, that vote so close in the House of Commons, had those Conservatives voted to retain capital punishment it would have been retained. Would I like a list? I know what that list included. So for you to make the political argument that somehow the Conservatives are in favor of retention and the Liberals are in favor of abolition, as an official position is a lot of nonsense.

MR. BERNTSON: — . . . will of the people.

MR. CAMERON: — Well, he talks about the will of the people. Whose will was Joe Clark expressing when he voted to abolish? Whose vote was Bob Stanfield casting when he voted? Was he casting Trudeau-s vote or his own? If I were you I would be ashamed to admit he was casting anything but his own vote. The fact of the matter is that it was his view at the time that capital punishment ought to have been abolished.

Then there is a second question here, which we should address ourselves to, before we get into the main issue here. The question before the House is not whether one agrees with the restoration of capital punishment or not whether one agrees with that or doesn't agree with it. The question is, and it is a serious question which we all have to face in the country, as to whether or not the circumstances are such and time is such, that we can reasonably justify a referendum in this situation. Now, let's not delude ourselves into thinking that referenda are necessarily and in every circumstance the right thing. There are circumstances clearly in which they are not.

The history of referenda are these. In a democratic society, particularly in a federalist state such as ours, referenda have generally been thought to be applicable only to questions of constitutional change. That is to say that an issue had to be as fundamental as the constitution to justify a referendum. However, there are some precedents on the other side of that. We had a referendum on conscription in Canada. Newfoundland had two referenda on whether to join Canada. Britain had a referendum on whether to join the European Common Market and so did France. There are lots of examples in addition to those where governments did have referenda in respect to a question which was not a constitutional question. Therefore the issue here is whether or not this question has reached the importance to justify a referendum. My own view is and the view of our caucus is that it has, not because it is big enough in itself to justify a referendum but because it has associated with it additional questions which make it large enough. Those are these, in the first place, all laws must reflect the general consensus of the people, failing which, of course, they won't be respected. If our

criminal law in not having, not providing for capital punishment, is in contradiction to the will of the people, it is not long before the people will lose respect for it. That's a very real question which we all have to face.

The second question we have to face is, how long, if in fact the will of the people is for the restoration of capital punishment, how long can Parliament thwart the will of the people before itself coming in for a great deal of disrespect? That is a particularly important question at a time when Parliament and our Legislatures are in for increasing scepticism. So that's the second sort of broad importance, it seems to me, that attaches indirectly to this question, that people currently are seeing Parliament as standing in their way in respect of this issue, and they are losing respect for Parliament in consequence.

My question there is, how long can members of Parliament who doubt the value of capital punishment substitute their judgment for the judgment of millions of other adult Canadians who think it is valuable without, (a) creating a great deal of disrespect for the institution itself, and (b) exposing the law to a good deal of disrespect as well. That in my view is the kind of importance which justifies in these circumstances a referendum.

There is a second reason why I think a referendum may well be justified here too, and that is, that the people of the country currently don't have the traditional means by which to make a choice in terms of this question. I believe that the official policy of the NDP federally is opposed to capital punishment. The official policy, I believe, of the Creditiste is to favor capital punishment. The Liberal Party and the Conservative Party nationally are as divided as many people themselves are divided on the question. It is not Conservative Party policy to restore capital punishment, nor is it Conservative Party policy to abolish it. They are divided, the parties are divided. That was clearly reflected when you saw the likes of the Prime Minister voting to abolish, people like Iona Campanola voting to retain it. Some Liberal members of Parliament voted to retain; some voted to abolish. On the Conservative side the exact same thing happened, Clark, Stanfield, Flora Macdonald, Hnatyshyn and company, voted to abolish. Many other voted to retain it. What I am saying is that the parties don't offer people a clear political choice in respect of this question. Therefore the way in which people traditionally exercise their will in respect of these questions is not available to them, unless they choose either between the NDP, as I understand it whose official policy is abolition, or the Creditistes who are on the other side of the question. But nationally that choice isn't open to them. The serious question as to how does a person express his will, if he wants capital punishment restored when he doesn't have a choice between one or the other parties?

Then, I think, there is another question here too on the question of the referendum, and that is, whether or not capital punishment is essentially a moral issue? I don't think you can have a referendum in respect of a moral issue. You can have a referendum in terms of expressing a will but you can't have a binding referendum in terms of a moral issue, that is to say that members of Parliament are going to have to be prepared in the event there is a referendum to abide its result. They are therefore going to have to say, those who are abolitionists will have to commit themselves to vote to retain or to restore capital punishment. if they are going to be bound by a referendum. Otherwise the referendum wouldn't work. You can do that in respect of a non-moral issue but you can't do it in respect of a moral issue, because no man is prepared to sell out a moral principle. That's why I say I don't think capital punishment is a moral question. The question is not whether or not it is morally right for the state to take a life any more than I

believe it is morally wrong for someone to kill in self-defence or, for the state to authorize killing in defending itself. That's why I say it is not a moral issue. The theory of capital punishment is to kill in order to be certain innocent persons are not killed. That's its theoretical purpose. And as a moral purpose, there is nothing wrong in that. The state has that moral right in the same way each one of us has the right to kill if someone is about to kill us. Or, indeed, the state has the moral right to ask us to kill in defending the state. Therefore I think it is important to distinguish between moral issues and non-moral issues and I view this one as a straight practical issue, the question being whether or not capital punishment is an effective instrument in the criminal law of the country. Now that is where you get the difficult question. Is it a deterrent or isn't it a deterrent? The thing is that in these circumstances, there is no objective evidence that anyone can bring to bear on that question. All we have always is statistical evidence. We have opinion. It is a highly subjective area as to whether or not it is in fact an effective deterrent. That is why I said earlier that I can't, in all those circumstances, understand how a member of parliament can substitute his judgment for that of the great majority in a question that is not a moral question and in respect to an issue, proof of which on either side, isn't fair.

It is our view, Mr. Deputy Speaker, as I say, that the issue of capital punishment in itself, together with the related questions, respect for the law and respect for parliament, is now assuming an importance sufficient to justify in the country, a referendum.

I took a look at the constitutional referendum legislation that is now before parliament and it is just a little interesting aside, the way in which these referenda are in fact, set up. There is a 40-day campaign period on a referendum. The vote is taken along electoral boundaries in the way in which all votes are taken. I think The Election Expenses Act applies. I think that people who contribute to one side of a question or another can get a tax credit in respect to the contribution they make on the issue. So what it contemplates is a 40-day period in which the pro capital punishment people take their argument to people and in which the anti capital punishment people take their argument to the people, just as in an election, and then the people cast a ballot.

One of the important things we will all understand is, that you can have a referendum in Canada but it is not binding. There is no way that anyone can commit the member of parliament to accept a referendum except by way of constitutional change, so how do you get around that dilemma, with a referendum? What happened in Britain was that the government committed itself to be bound to the referendum, irrespective of the result. It said that it would introduce the measure in accordance with the referendum result and it would put on its party whips and the usual discipline of government would apply in the Commons, but short of that it could give no guarantee. We have to look for some guarantee, it seems to me, in respect to the referendum we are urging upon the federal government and the guarantee in our view, has to be that the federal government would undertake to be bound by the result of the referendum. Otherwise it is an exercise which at very best is persuasive, and we are looking, I think, for something a little firmer than that.

Mr. Speaker, we want to support the resolution, subject to an amendment. I move, seconded by Mr. Stodalka, that we add the following words: 'and that the government of Canada undertake to abide the result of the referendum'.

SOME HON. MEMBERS:— Hear, hear!

MR. E.A. BERNTSON (Souris-Cannington): — Before you rule on whether the

amendment is in order or not. I am not a constitutional expert as perhaps the member who just spoke is, but I would ask you to consider, Mr. Deputy Speaker, that by definition 'referendum' is a principle or practice of submitting to popular vote, a measure to be passed upon, and by definition, 'referendum' would make the amendment sort of redundant.

MR. CAMERON: — Mr. Deputy Speaker, if I may just address a comment or two to that, that is one of the problems with referenda in our system, that you cannot compel, by way of a referendum, an individual member of parliament to vote any which way. He has the end result and the end power to vote as he will. There is no question. That is the proper order in . . .

MR. DEPUTY SPEAKER: — Order! Order please.

Debate continues on the motion and amendment.

HON. R. ROMANOW (Attorney General): — Mr. Deputy Speaker, I want to say to the members of the House that at the conclusion of my remarks, which will be very short, I will be moving that we adjourn the debate on this issue.

Mr. Deputy Speaker, I want to say that this matter is a very important matter which deserves a very careful and thoughtful debate.

I think what it does not deserve, Mr. Deputy Speaker, is an attempt by any political party to politicize the issue. I believe that there is an attempt by some members in this House unfortunately, to politicize the issue. I note for example, that the mover of the motion, who says he's an abolitionist, gave probably a one minute speech in defence of his position of abolition, but that his seconder of the same party, gave a 15 minute or 20 minute defence of the point of view of his position, which is for retention and Mr. Deputy Speaker, I regret, in the course of the debate, references to Trudeau and federal Liberals being laced throughout this speech in any partisan terms. I am not here to defend the Trudeau Liberals, but I think it is common knowledge that this matter has cut across all party lines, with members of all parties holding views for capital punishment and against capital punishment. When one attempts subtly to draw up the issue into party lines, one is politicizing an issue which is far too important for all of the people of the province of Saskatchewan.

Finally, Mr. Deputy Speaker, I want to say that it is important and incumbent upon all of us that the debate be carried out in unemotional terms, while recognizing that this is obviously, a very emotional subject matter.

In Saskatchewan at the present time, most citizens, rightly so, feel very enraged at the developments in the Saskatoon area the last few days. I believe that the Saskatoon Star-Phoenix editorially articulated a sound position a few days ago, when it said that 'The issue of capital punishment must be debated and resolved in the whole law and order scheme of things, but needs to be debated and resolved without political parties or politicians trying to, in effect, gain some advantage as a result of the untimely and tragic circumstances of the death of Constable King of the RCMP'. I think that would be a disservice to the RCMP and to the memory of the constable himself.

Mr. Deputy Speaker, I personally find it distasteful when I see political candidates in the forthcoming federal election, virtually immediately, upon the events in Saskatoon,

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issuing a press release taking the position that they are for capital punishment. Not that the position is a right one or a wrong one, that is for people to decide, but I think that what is wrong about it is, that it tends to in my judgment, seek to gain political advantage for a candidate or for a political party, at the expense of a man and of an institution which has done so much for the maintenance of law and order in the province of Saskatchewan.

Mr. Speaker, I think the remarks made by all of the speakers today are very worthwhile and very good remarks which require some further consideration. I want to personally consider the arguments. I am sure that there will be others who will want to do the same and consider their further statements and therefore, Mr. Deputy Speaker, I beg leave to adjourn the debate.

Debate adjourned.

Resolution No. 18 — Reduction of Cost of Energy to Consumers.

MR. R.E. NELSON (Assiniboia-Gravelbourg) moved, seconded by Mr. A.N. McMillan (Kindersley):

That this Assembly urges the government of Saskatchewan to immediately reduce the costs of energy to consumers in Saskatchewan to assist those hurt by the recent huge increases in electricity and natural gas rates, particularly those on fixed or low incomes.

He said: Well, Mr. Deputy Speaker, the people of Saskatchewan have been used as pawns by the government of this province as far as energy rates are concerned.

SOME HON. MEMBERS:— Hear, hear!

MR. NELSON (As-Gr): — Since 1975, increases in power rates have been 57.2 percent. In the past four years, natural gas rates have increased 101.7 percent. The government has completely ignored consumers of this province and especially ignored the elderly on low or fixed incomes.

SOME HON. MEMBERS:— Hear, hear!

MR. NELSON (As-Gr): — In gouging Saskatchewan people on energy prices, the NDP government has been stacking up huge surpluses in the Saskatchewan Power Corporation. During just the last two financial years the Saskatchewan Power Corporation — a profit of \$20.5 million was accrued in 1976 and \$22.3 million in 1977, for a total of \$42.8 million in just two years. This corporation was designed to give the citizens of our province energy at cost. It has made a profit of nearly \$43 million in the last two years. During the same period not only did the government fail to return that profit to the consumers in the form of reduced rates but they have the nerve to continue increasing costs to all homeowners in our province. Shameful as it is, the NDP government stripped \$18.4 million from Saskatchewan Crown corporations and transferred it to the Department of Revenue of the province of Saskatchewan in just the last two years. This money in the hands of the Minister of Revenue did nothing more than reduce the deficit of our province by \$18.4 million on the backs of the homeowners and the domestic energy users of our province.

The corporation has finally given some lip service to the citizens by establishing a rate

stabilization reserve in which \$6 million has been set aside. The entire \$42.8 million profit over the last two years should have been in this stabilization reserve and much of it already returned by reducing home rates in our province. The province has ignored any guidelines in increases that they forced on these consumers. They have completely ignored low income families and senior citizens in our province. The huge increases in rates of natural gas and electricity have badly hurt families on low incomes and certainly our pioneers who have retired and attempted to live on their savings. No consideration has been given to these people. The only answer the government gives us is that we should be happy in getting fleeced because we are supposed to have the cheapest energy in Canada and certainly with free medicare we shouldn't be looking for something better, they claim.

Well, Mr. Deputy Speaker, these arguments just don't stand up. In Saskatchewan heating your home with natural gas, according to the Saskatchewan Power Corporation office I called, using the average home bill of 50 units of gas, the cost would be \$76.63 per month. On calling Alberta, for the same 50 units average home gas consumption. I found the monthly cost to be \$23.86 or \$53 a month cheaper in the province to the West than in Saskatchewan. I wonder if this doesn't offset that cost of medicare they keep throwing up and if it doesn't, I wonder if the extra \$1,000 or \$2,000 income tax we pay more than the citizens to the West wouldn't make that difference. Then, Mr. Deputy Speaker, let us not forget the 19 cents the Saskatchewan citizens pay per gallon of gasoline that they use in their car more than the citizens in the province to the West.

Certainly we have different circumstances but why doesn't the minister stop throwing up a smoke screen and concentrate on our problem. However, he mouths off about some other area. Let's talk about Saskatchewan, Saskatchewan people and Saskatchewan problems. I say to you, Mr. Deputy Speaker, this government and this Minister of SPC have long ago evacuated the position of that Sask Power Corporation. I want to quote briefly from Hansard of this Assembly some 25 years ago. I quote from page 4, item 5 of Hansard, part 1, 1953, in reply to Liberal W.A. Tucker that power services ought to be given at cost. Premier Douglas said and I quote:

Mr. Speaker, that is precisely what the Minister in charge of the Power Corporation has said repeatedly that we are endeavoring to do. At the present time if the Power Corporation surplus remaining, after debt retirement and depreciation are provided for, was returned to the power consumers the customer would get one-fifth of one cent per kilowatt. Therefore, we are operating as close to cost as it is arithmetically possible.

Now, on page 5 of Hansard, part 1, 1973, regarding natural gas and natural gas for the city of Saskatoon, Premier Douglas said, 'We propose to operate the provincial integrated system that insofar as it is possible to give the people of Saskatchewan the service at cost.'

Yes, Mr. Deputy Speaker, service at cost, is what Premier Douglas advocated. But not today. The Minister of SPC wants huge profits in that monopoly. Yes, \$42.8 million profit in the last two years. No consideration given to consumers: no consideration given to those on low incomes; no consideration given to the elderly in our province.

I am giving the government an opportunity to reconsider their position by placing the following motion and I urge all fair-minded MLAs to fully support it. I so move, seconded by the member for Kindersley (Mr. McMillan).

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The debate continues on the motion.

MR. A.N. McMILLAN (Kindersley): — Mr. Deputy Speaker, it gives me great pleasure to participate in this debate, to hopefully shed some light on the question of gas rates in Saskatchewan and as well, hopefully, to bring some pressure on this government to reconsider the approach it undertakes with respect to Sask Power Corporation.

There are two basic questions raised when we speak about natural gas rates and in fact energy rates in Saskatchewan.

1. The question of residential rates and, 2. The question of industrial rates.

With respect to residential rates it has long been a feeling on this side of the House that the rates in Saskatchewan have been increased far faster than was necessary in view of the increasing energy costs to the Saskatchewan Power Corporation. In fact, we have gone so far on occasion to have suggested that Sask Power Corporation was using their monopoly position in the energy supply field as a means of taxing indirectly those people in Saskatchewan to try and help the government of Saskatchewan pay for some of its unwarranted programs. Mr. Deputy Speaker, \$44 million profit in two years; \$22 per person, per year, profit or roughly \$88 a year per family in profits to SPC. I haven't been around that long but I well recall the First Minister's comments on television the day he announced the reduction or the removal of a medicare fee in Saskatchewan. At that time I believe the medicare fee was \$75 per family in Saskatchewan for those that had to pay it. They removed the medicare fee, hospitalization fee and turned right around and replaced it in excess with indirect taxation from SPC. How do you justify that?

Saskatchewan Power Corporation is a good corporation. It has served the people of Saskatchewan well. It has the monopoly position in Saskatchewan and because of that privileged position it must take great care in seeing that it doesn't abuse its monopoly position to the detriment of the people of Saskatchewan.

Excessive power rates in Saskatchewan, as a form of indirect taxation is a serious abuse of the monopoly position that SPC enjoys in this province. Eighty-eight dollars per family, per year, in profits — not in charges, but in profit, is a serious abuse of the monopoly position that SPC is in.

There are as well, aside from this very glaring inequity with respect to SPC's position in Saskatchewan, some very cruel anomalies with respect to the application of policy by SPC. I would like to remind the minister responsible for SPC of one of these peculiar anomalies.

It happens to be with respect to the Maple Creek/Medicine Hat areas of Saskatchewan and Alberta. SPC happens to own a gas field in Alberta. That gas field supplies gas to the city of Medicine Hat, under a contract that was entered into by Tommy Douglas when he was the Premier of Saskatchewan in 1957 and that contract supplies natural gas to the citizens of Medicine Hat for 16 cents per unit.

MR. NELSON: — How much?

MR. McMILLAN: — 16 cents per unit. Now the city of Medicine Hat processes the supply of gas to the residents of the city of Medicine Hat and charges its own rates. I

want to explain to the Minister responsible for SPC what the result is of our Crown corporation selling gas to the city of Medicine Hat.

Medicine Hat charges the people in Medicine Hat \$1.85 for the first two units of natural gas used in a month and 42 cents a unit for every unit used over two units. A home in Medicine Hat which would use 50 units of natural gas in a cold, winter month, which might be an average, would have a total natural gas bill of \$23.86 a month. 50 units of natural gas; 50 units of Saskatchewan natural gas; 50 units of SPC natural gas. \$23.86 a month. Now 60 miles away, in the town of Maple Creek, SPC supplies the natural gas there as well, good Saskatchewan natural gas, whether it is brought in from Alberta or not. SPC owns it.

Now they will sell to the city of Medicine Hat for 16 cents a thousand. How do the prices compare to those that SPC passes on to the people of Maple Creek? Saskatchewan citizens, not Alberta citizens.

If you look at the rates provided by this government as of August of 1977 which are the most recent rates we have, the first three units supplied to Maple Creek are \$2.82 a unit, not \$1.85 for the first two units, or roughly 90 cents, as supplied to the city of Medicine Hat but \$2.82. Then extra units are \$2.01 and the next 144 units are \$1.51.

Remember, in the city of Medicine Hat, a resident using the Saskatchewan natural gas, 50 units of it, pays \$23.86 in the winter months. Residents of Maple Creek, using gas from the same company and being Saskatchewan citizens would pay \$80.93 for the same service from the province of Saskatchewan. Is that reasonable?

The minister gets on his feet and has previously suggested that it is a situation that cannot be avoided because governments previously entered into long-term contracts with the city of Medicine Hat to supply gas at 16 cents an mcf or a unit.

That minister has been involved in the tearing up of contracts in practically every industry in Saskatchewan, from the timber industry to the mining industry to the petroleum industry. It has been no sacred cow to him that his government should enter into a contract with any individual company. They have not hesitated to tear those contracts up and resettle them. It has been something that they expect everyone to take for granted, yet they still supply gas to the city of Medicine Hat according to Tommy Douglas's 16 cent formula and end up charging their own people in Saskatchewan, 60 miles away at least three and a half times as much for the same natural gas as they charge Medicine Hat. Is that fair? Is that a reasonable way for SPC to exercise its monopoly on the people of Saskatchewan? I say it is not. I say this minister and this government is negligent in not removing that inequity that the people of Saskatchewan are faced with.

Now I have a pretty good idea why the Minister responsible for SPC has been reluctant to go in and change that gas contract. I am not sure he has ever made an attempt to even negotiate it with the city of Medicine Hat. I would like to think he has. I am sure that if the minister did he might find some interesting things and perhaps he has already. He might find that the city of Medicine Hat put some pressure on the Alberta government not to grant removal permits for SPC gas in Alberta to Saskatchewan. Maybe they threaten the minister and say, if you try to renegotiate that contract with Medicine Hat we will not give you any more permits to export gas to Saskatchewan. I do not know.

I would like to know the answers, and I am sure that when the minister responds to this

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debate he will be more than happy to give me those answers because the people in Maple Creek really wonder what the answers are.

Let me just remind you once again. People in Medicine Hat, buying SPC gas, are paying \$23.86 a month and people in Maple Creek, Saskatchewan citizens, pay \$80.93 a month. They really wonder what is going on. People in Regina pay \$79.59, not \$23.86 and they really wonder what is going on. They wonder why a Saskatchewan Crown corporation, one of the stellar members of our family of Crown corporations, would sell natural gas to Alberta residents so much cheaper than it would sell it Saskatchewan residents, and I do not blame them for asking that question. I would like to hear the answer too.

Now there is another problem in Saskatchewan with respect to our natural gas rates and it is a problem that no one has been able to get a handle on and that is the question of industrial gas rates. In fact, our industries in Saskatchewan charge cost or less than cost for their natural gas and is that loss to Sask Power on that particular sale made up by the residents in Saskatchewan or people who use gas to heat their residence? A pretty good question. I came under a bit of an attack the other day from the Sask Power Corporation and 'The Minister Messer Defends Rate Philosophy', it is entitled. I came under attack from the minister as a result of the figures that I used. Now the minister criticizes me for not being accurate with my figures. Well, I will tell you something, I am not convinced I was completely accurate with my figures but then neither is anyone else in Saskatchewan because you people have consistently refused to tell anyone in Saskatchewan what you charge industry for natural gas prices.

SOME HON. MEMBERS:— Hear, hear!

MR. McMILLAN: — Let me let you in on a little secret. Just a little secret. You might want to talk to the Minister responsible for Sask Minerals Corporation. It has long been a source of curiosity to me what SPC charges industry in Saskatchewan for natural gas. That question is a natural question to pop into someone's mind when we are trying to understand the implications of inflated SPC rates to private residents. We want to know if, in fact, you do the same to the industry in Saskatchewan. No one has ever been able to tell us before: the government has refused saying it isn't in the best interest. So this year in Crown Corporations I asked the minister, the quick witted Minister for Sask Minerals, in a weak moment I asked him what Sask Minerals pays for natural gas in Saskatchewan because Saskatchewan Minerals is an industry. The minister, quick as a wit responded, \$1.40 a thousand cubic feet. I said, 'Mr. Minister, is that a subsidized rate?' He said, 'No.' And he conferred with his officials. He said, 'That rate probably represents the industry average in Saskatchewan.' I didn't get that information from the manager for the Kalium Potash Mine and I didn't get it from the manager of IPSCO, I got that from one of the government managers. One of the ministers who runs a government corporation who supposedly pays the industrial gas rate in Saskatchewan. Now, I know there are a host of different industrial gas rates in Saskatchewan from what the minister tells us. He says, how can we give anyone an industrial gas rate when they are all different? Well that is fine, I would be interested in the average. I assume that the Minister responsible for Sask Minerals when he referred to it as the industrial gas rate in Saskatchewan was referring to the industry average. Now, the minister told me, the minister who sits in Cabinet with the Minister responsible for SPC, told me that he paid a \$1.40 for his industry and that was the industry average. I checked those figures against the figures that were charged against those individuals in residence in Saskatchewan, roughly \$2.56 for the first three units of gas, \$2.00 and I think two

cents or \$2.01 for the next unit and so on down the line. And I compared those and I came to the conclusion that those rates were not fair. If, in fact that was the case, those rates were not fair.

Now here is where I got my figures. The first set of figures on the industrial gas rate I got from the government. The second set of figures, excuse me that I got, I got from SPC who answers to the government. The third figure that I was interested in, because there was a very great difference in the rates applied to industry and the rate applied to residential users, was what does it cost SPC to provide gas to the people of Saskatchewan? Now I suggested to the minister before in this House, as has the member for Assiniboia-Gravelbourg, that the rates in Saskatchewan have been going up much too quickly and you know what the Minister responsible for SPC, do you know what his justification was, that they imported over 70 per cent of their gas from Alberta and that Alberta has just jacked the rates up to over \$1.80 a thousand or \$1.80 a unit. Those are the rates the minister gave me.

Now the minister said in his press release, Saskatchewan pays \$1.36 per mcf for gas from Alberta private producers, not \$1.80 or so as suggested by the hon. member, referring to me — the same minister who some weeks ago told me he did pay \$1.80 for gas and that was the justification for the prices to the Saskatchewan user. And I'm still a little confused about what your answer is. You say Saskatchewan pays \$1.36 to the private producer in Alberta. What do you then pay in an Alberta royalty to get the gas across the Alberta border? What do you pay in transmission cost to get that gas to the Saskatchewan user? I'd like to know that. I'll tell you one thing, when you add that final price up it's a darn sight higher than \$1.36. How does that compare and even if it were \$1.36, how does that compare? It says here it's a \$1.36 when purchased from the Alberta private producers. The minister responsible for Sask Mineral says, I pay \$1.40 for my gas, at that 4 cents more than SPC's cost in Alberta at the private producer's pump. So we have to assume that if SPC is even going to break even on their gas rates that they import that gas, transmission costs, generating costs, they pay the Alberta royalty, and all those costs work out to 4 cents a thousand. I doubt that very much. I suggest that the total price that SPC incurs in order to provide gas to industry in Saskatchewan and to the residents, is probably a little higher than \$1.40 and it may in fact be close to the \$1.80 that the minister initially suggested to me it was. If that's the case, what conclusion can the people of Saskatchewan come to but that SPC sells gas to the industries in Saskatchewan at below their cost and sells it to residents in Saskatchewan at far, far greater than their cost. There are a lot of questions to be answered with respect to this. I don't say I'm right, it has been an interesting thing though. When I stood up in this House and used the figures that the government had given me, it brought an immediate blush to the face of the Minister responsible for SPC. In fact it is the first time since I've been a member of this Legislature that that government was prepared to say anything about their industrial gas rates in Saskatchewan. I hope the attitude of that government is changing. I hope SPC is prepared to come clean with the people of Saskatchewan. I hope that in the future you will decide to table your industrial rates for the people of Saskatchewan to see because obviously you have nothing to hide. You don't sell gas to industry in Saskatchewan at below your cost. What possible reason could you have to try to hide these rates from the people of Saskatchewan? According to you, none. I expect to see these rates in the near future. Perhaps as early as tomorrow when we discuss it again in Crown Corporations.

Now there are some other things that have been brought up with respect to this debate. One of them is in this press release that 'Sack Power and Messer defends Rate

Philosophy', which was sent out. One of the things that they quoted here or referred to was that:

The revenue from these major gas users (referring to the industrial users) provides the corporation with their return on rate base that is considered fair and reasonable and is consistent with the practice followed by major utilities in Canada and the United States.

I have had discussions with people in SPC who tell me that there may be some adjustments in the industrial rate because Saskatchewan's rate to industrial users is below the national average. And if that's a fact there had better be a darned good explanation for that, because I suggest to you that with respect to the amount that you pay for gas our residential users pay a far higher rate per unit than other people in Canada do.

This has raised, as I say, some interesting questions. One further question needs to be answered. When I got up in this House and very innocently prodded the Minister responsible for SPC about gas rates and I suggested that the possibility existed that industries in Saskatchewan bought their gas from SPC at below cost and that residential users were required to subsidize them I referred to it as 'fleecing' the public — the minister's defence was: of course we have to sell gas at below our cost or below the rate sold to residential users because we have to be competitive with Alberta and surrounding provinces in attracting industry. I tell you, you have got your wires crossed my friend. It is not the role of SPC to attract new industry to Saskatchewan nor to keep industry that's here. It is the responsibility of the Department of Industry and Commerce and your government, as a whole, not SPC. If you find that you have to subsidize industry in some way to remain competitive with other provinces, do it through the general finance office, through your general treasury. Put that burden on the taxpayers of Saskatchewan, as a whole, not on those people on low and fixed incomes who must have that natural gas to heat their homes. I say if that's your only defence for having charged a lower rate to industry than to residential users, you don't have a leg to stand on, politically, rationally or otherwise.

I am going to be asking you some of these questions in Crown Corporations and I hope somehow you can clear up the discrepancies in your own figures, the figures that your government has provided me with. Let me repeat them once more. One of your Cabinet Ministers has told me that the industrial gas rate in Saskatchewan is \$ 1.40 a unit. You have told me on other occasions that the cost of gas to you from Alberta is \$1.80 a unit. Now there is a real discrepancy right there. You compound the discrepancy by outlining in your own press release that the cost of gas from Alberta is \$1.36 a unit but you don't go on to mention whether that includes Alberta royalties paid for export permits, whether it includes transmission costs or what it includes. You have the opportunity to clear up those discrepancies tomorrow. You state again that you have to subsidize industry in Saskatchewan to be competitive. I say that is garbage and I will be interested in hearing your defence of that in Crown Corporations tomorrow.

Mr. Deputy Speaker, I don't think anyone in this Legislature could, on the basis of the information supplied by that government, be the least little bit satisfied that the way SPC is handling the gas sales in Saskatchewan is rational. The whole problem goes a little further. If you look at SPC's annual report, financial statements, operating expenses, the cost of gas sold in Saskatchewan, either produced or purchased — now I assume when it says, the cost of gas sold, that it is determined at the delivery point, the time that the consumer receives that gas. The expenses associated with that,

according to the Consolidated Statement of Income and Retained Income from SPC, are \$69,452,000. All right, there are your government figures again, let's assume that is the cost of your gas. Let's see what you charge for that gas. Up here in the income section you have got gas sales. How much was the income from the gas sales? It was \$125,192,000 or approximately a 100 per cent mark up over your cost. If that's true. That's a 100 per cent net profit or net mark up on the sale of gas in Saskatchewan. If that is true, I would be interested to hear your explanation for that.

Now my point to you is, you have some responsibility to the people of Saskatchewan to supply them with the answers. In the past you haven't done that. You have been shirking your responsibility. I say that as a result of you shirking your responsibility, you have created a situation, with a little bit of my help, where no one really knows what the rates are in Saskatchewan for industry or what SPC pays for gas and what they charge the industrial user in Saskatchewan.

You will have the opportunity to clarify that but on the basis of the information you have been prepared to give us to date, it looks like a very bad situation indeed, and every member of this House would only be doing the right thing to condemn the government for its handling to this date, and I expect you all to support the motion.

SOME HON. MEMBERS:— Hear, hear!

MR. LARTER: — Mr. Deputy Speaker, I would like to also make a few comments on the motion. It is difficult and almost impossible to judge a comparative performance of a monopoly utility when there are no other provincial competitors. Ultimately, it has to be compared with other utilities in the adjoining provinces and they have to stand the primary and fundamental test of how much for how much. Another yardstick includes service but not only, under true competition we get a minimum of cost and a maximum of service. Sask Power, therefore, must be compared to utilities in sister provinces and for that reason I have used comparison utilities to Nova Scotia, to Alberta, to Manitoba.

The Saskatchewan Power Corporation has been the single supplier of energy to Saskatchewan consumers for over 26 years. It has had ample time and opportunity to involve good management techniques, using socialist philosophy. As a supposedly superior utility serving the province it must be able to take the scrutiny, comparison and criticism. In addition to the supreme advantage of a complete monopoly of all consumer sales of natural gas and electricity, the corporation has no municipal tax or federal or provincial tax to pay. It also has virtually unlimited credit through the ability of the province to borrow and it has borrowed over \$1.76 billion or over \$1,000 per man, woman and child, over \$2,000 per taxpayer. Of that total of \$866 million, \$151 million is a long term debt.

The danger signals are showing in money devoted to repayment and in 1968, \$59,573,000 was applied against the total liabilities of \$586,249,000, or 10 per cent paid back in 1968. In 1977, only \$30,313,000 was available against total liabilities of \$1,076,000,000 or 2.5 per cent, one-quarter as much money was available. Repayment will take another 35 years with no new borrowing at all, assuming stability of the dollar at 10.4 per cent, repayment of interest.

The future worth of the lending of the \$1 billion to SPC and to the foreign investor is over \$33 for every dollar lent, with annual compounding or through repayment, it becomes \$33 billion, or \$33, 000 for every man, woman and child who survives the

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next 35 years. If this debt were transferred to Alberta at least the jobs created would flow back to the Canadian people and not further into foreign debt and worsening the balance of payments for Canada.

The Calgary power, a public share company, electrical rates are regulated by the Public Utilities Board, recognizing the full return of the corporate income taxes to the consumer user, unlike Saskatchewan where profits are siphoned to the government treasury. The Utility Board in Alberta, allowed a rate of return of 15 per cent on the book value of the common shares, similar to the returns allowed to the gas utilities, which also refund 100 per cent of corporate tax. Last year the refund in Alberta was \$33.6 million for Alberta residents. That was in 1977. That was constituting a 7.7 to 12.5 per cent utility reduction. This is totally based on a refund of corporate taxes in an agreement between Alberta and Ottawa. This happens when two diverse governments agree to refund the consumer users.

When is the provincial government going to allow the consumer, 100 per cent captive by Saskatchewan Power Corporation, a partial rebate of this excessive fuel cost, for instance, over \$500 a year in Regina as compared to \$250 a year in Edmonton on home heating. These rates were purchased from private companies. Particularly when huge profits, and we say 400 per cent, gross margin on sales of domestic gas is continuing to be realized by Saskatchewan Power Corporation. The cost of furnace fuel oil, principally due to taxes of 83 cents a gallon or \$100 per month average year round — \$1,200 per year for an average farmer isolated in east central Saskatchewan, and continuing to rise, will ultimately drive the farmer out of the province in a way similar to that of the oil industry. When will the province recognize the critical facts of survival for the farmers and stop taxing fuel oil and propane?

The annual report does not separate gas assets nor gas customers from electrical, so it is hard to analyse the profitability. Is it not a fact that the large natural gas profits are principally due to the margin afforded by cheap Saskatchewan gas at 25 to 40 per cents for resale and close to \$2 to the residential customers. Why is this practice to only show a rate of return on consolidated basis and prop up the rip off gas as an inefficient electrical system?

There is no way of telling when the gas system is going to be paid off. We understand, even though it is 20 years old, there has only been 40 per cent of this gas system paid off. What is really the true picture?

Most profit is shown by the natural gas sales as shown on the financial statement. Why is this subsidizing the electrical end? These should not be consolidated in future reports. Or does the gross sales market on purchase of Saskatchewan gas — 40 cents versus \$1.31 overall. It is about 300 per cent. How much on Alberta gas? How much on Saskatchewan gas? These are questions we are going to be asking in Crown Corporations as well. This compared to the Canadian Western or Union gas cost — \$1.35 a million cubic feet on sales, or \$1.79 a million cubic feet at 32.5 per cent gross margin. This is one-tenth as large as Saskatchewan Power Corporation margin.

The monopoly power here is keeping the Saskatchewan producer down to one-quarter of the fair market price received by the Alberta producer and yet looking at the other side of the coin, a natural gas resident user is paying close to \$ 2 per million cubic feet and double what an Edmonton user, in a more northerly latitude is paying, \$250 annually compared to \$500 annually in Regina, as I mentioned earlier. That is an expensive sacred cow we have clutched to our bosom.

The worst record showing in Canada, that is SPC. They have the largest gross margin on gas sales. They have the highest overhead. They have the highest amount for depreciation on their financial statement; the highest interest based on gross sales; they have the worst for taxes, they don't pay any dividends to consumers, none; the worst electrical record of profit and the worst debt-to-assets ratio and even while showing a net income on gas sales of \$16,864,000 after all high general inefficiency costs, there are still no dividends to gas users, nor a reduction of rates or even holding of rates.

Contrary to the philosophy of service at cost, which even Nova Scotia's light and power, another sister government utility espouser, even in the face of a \$9 million loss in 1977. The closest possible comparison to SPC is Calgary Power where the two earned \$11,649,000 of total electrical revenue versus \$156,964,000 for Saskatchewan Power Corporation.

Calgary Power had a \$48,017,000 total overhead in operating costs versus \$105,674,000 for Sask Power. Calgary Power serves 65 percent of Alberta needs and is the largest investor owned utility in Canada. Its electrical service area covers 75,000 square miles from the US border to 115 miles north of Edmonton, an equivalent of Saskatchewan Power's coverage. It has 1000 per cent more net income, even after income tax, than Sask Power. \$56,995,000 versus the Sask Power figure of \$5,474,000 and Sask Power does not pay income tax. Calgary Power manages to have 60 per cent less overhead and 40 per cent debt-to-asset ratio after passing on rate reductions of corporate tax refunds of 7.7 per cent to 12.5 percent. The company also managed to pay substantial dividends in cash to its shareholders. Although the electrical energy is presently from hydro, with capital costs, the company has managed to keep its debt ratio better than Saskatchewan Power.

In the final analysis, the comparison on electrical rates to the consumer is also favorable to Calgary Power compared to Saskatchewan Power with 25 to 30 per cent differential existing between the two.

The comparison of a similar size gas system is difficult; however we must not be galled by the marvelous fact that Saskatchewan, a seemingly gas-deficient province, pays less for its total gas than any utility in Canada including a prime Alberta utility, Alberta Western Natural Gas Limited, serving in Calgary and Edmonton. Thus the corporation managed to be profitable on its gas operations principally because it achieved 400 per cent gross margin on the purchase and sale of Saskatchewan producer-owned gas. This gas supply constituted close to 50 per cent of the total two years ago and now has dropped to 40 per cent mainly because of the poor pricing to the producer.

A fair market value for wellhead gas to the producer has been agreed on by the federal government and Alberta to be near \$2 per million cubic feet and \$12 a barrel for oil compared to 40 cents a million cubic feet in Saskatchewan on high volume gas because Saskatchewan refuses to recognize Canadian fair market price concepts.

This strange fact has crept out under analysis of other figures than those provided. However, close scrutiny of the 1977 annual statement says that Saskatchewan Power Corporation bought gas, representing 56 per cent of total sales at \$80,216,000 or an average of 74 cents a million cubic feet.

The next cheapest buy went to Can West Natural Gas in Alberta at 89 cents per million

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cubic feet for 57 percent of the sales. How could Saskatchewan Power buy gas that low or lower than Alberta? The answer is due mainly to the blending of 46 per cent of Saskatchewan gas at from 25 to 29 per cent million cubic feet, over 40 billion cubic feet, which brought down the average price to 74 cents per million cubic feet.

How nice, you say, for the people. Well, the deal is so good that the little gas companies wholly situated in the province are going out of business.

The facts are that Sask Power wants to continue to shore and to take over 400 percent gross margin on the backs of the little producers so it can shore up its overall operation which is the worst in Canada if you consider the potential that was available to the corporation and if they nurtured the industry that really found the natural gas originally and continued to find it, even if given a Canadian price.

Union Gas of Ontario, who have to pay \$1.35 for their gas and resell at \$1.79, roughly a 30 per cent mark-up, managed to show a \$24,283,000 profit on three times the gross revenue compared to \$16,864,000 for Sask Power. There has to be something out of whack here and it appears that the \$61,014,000 labelled other operations and maintenance and administration, otherwise known as overhead, is 38.8 per cent of the electrical operations gross revenue, a scandalous percentage to compare anywhere in Canada.

The Calgary Power total operations plus overhead, including fuel and several steaming plants, constitute 22.68 per cent of gross electrical revenue, while for Sask Power the figure is 38.8 per cent pure other operations. Maintenance and administration added to the fuel make a 67 per cent cost of our system, which has both hydro and steam in our province, double that of Calgary Power.

If hydro is so much cheaper than thermo why are we continuing to promote cheap coal when the facts are that coal is not cheap in health, environment or operation? I submit that Sask Power is ingrown, fat, inefficient and has a lot of unproductive management, who drags down the majority of the hard-working staff.

An overall criticism of the 1977 annual report is that it appears to be designed to keep the uninformed customer uninformed. There is no record of performance in the cost of energy to the average John or Joe Doe. It is a mishmash of colored pictures and half-truths, all glorifying the fact that we are continuing to be served electrically and from a heating standpoint with no explanation of past versus present performance or performance as compared to other systems in Canada.

There is no adequate separation of gas and electrical assets to show the relative cost of these assets, nor the respective dead structure, as well as performance on these two separate systems. Let's face it, electrical heating will not be economical for quite a few years, if ever.

If Sask Power were truly the shining principal diamond of the Crown corporations, it would show the ultimate bottom line in the relative cost of energy to the consumer compared to the other energy rich provinces. It does not do that in this report and that is why we will be supporting this motion, Mr. Minister.

HON. J.R. MESSER (Minister of Mineral Resources): — Well, Mr. Deputy Speaker, it is interesting to note that when we opened the cage this afternoon, the member for Assiniboia-Gravelbourg followed by the member for Kindersley, came charging out

criticizing and chastising the Saskatchewan Power Corporation in its endeavors to provide service and energy to the people of Saskatchewan. I don't know who the member for Assiniboia-Gravelbourg's speech writer is, but he certainly delivered it with some vigor. The content, Mr. Deputy Speaker, certainly didn't relate to anything factual contained in the annual report or any of the information that I or other officials of the Saskatchewan Power Corporation have undertaken to convey to him, Mr. Deputy Speaker.

He undertakes, Mr. Deputy Speaker, to suggest in a holier than thou attitude, that this corporation, the Saskatchewan Power Corporation in the province of Saskatchewan, has been using the consumers here as pawns.

MR. MERCHANT: — Abusing.

MR. MESSER: — Well, Mr. Deputy Speaker, the member for Wascana says abusing. But Mr. Deputy Speaker, I would suggest that those members who sit to your left undertake to compare the costs of gas and electricity in the province of Saskatchewan today with other jurisdictions in Canada. I would ask them, Mr. Deputy Speaker, to undertake to compare the increases, the recent increases (the last six months, a year, even 18 months) in that period of time in the province of Saskatchewan to other jurisdictions in Canada.

MR. NELSON (As-Gr): — That's a smoke screen.

MR. MESSER: — The member for Assiniboia-Gravelbourg says, but oh, that's a smoke screen. He tries to confuse the members of this Legislature along with his colleague for Kindersley with a bunch of statistics and costs of generating electricity and the cost per mcf of gas from the producer and the cost that we have to pay in order to get it from the province of Alberta. I am not saying all irrelevant, but to confuse the members of this Assembly. Then when I say that they should undertake to take the final costs, the final increases over the past 18 months and compare them to other jurisdictions in Canada, that is a smoke screen!

He says that for one reason, Mr. Deputy Speaker, he says that for one reason — because in almost all the instances they will find out that the cost for electricity and for natural gas are higher in those other jurisdictions than they are in the province of Saskatchewan. He will find out that the increases over the past 18 months have been far greater in provinces other than in the province of Saskatchewan. Look at British Columbia. Look at Manitoba. Look at Ontario. Look at the Maritimes where it wasn't bad enough to increase the cost of electricity by some 47 per cent but the government there, the power corporation there had the gall to increase that retroactively, Mr. Deputy Speaker, retroactively increase electrical costs. Well, Mr. Deputy Speaker, he wants to convince us, he wants to convince us that these facts are in fact a smoke screen and we know very well that they are not.

Now, Mr. Deputy Speaker, he makes a plea for those who are on fixed incomes and in particular, pensioners. He undertakes to say that when power and energy costs go up, it is a charge and a responsibility of the Saskatchewan Power Corporation to see that we somehow recognize those who are, yes, in that unfortunate position of having to rely on a fixed income and provide them with some special considerations or some special rates. And I say, Mr. Deputy Speaker, that that will not work.

We have undertaken as a government to recognize the problems of those people on

fixed incomes and that is why, Mr. Deputy Speaker, in the last Budget, we increased the Saskatchewan Income Plan benefits, increased them substantially, so that we could add another 2,500 beneficiaries (as far as that plan is concerned) in the province of Saskatchewan. We increased, Mr. Deputy Speaker, the Senior Citizen Home Repair program from \$500 to \$650. We increased the eligibility limits per grant to senior citizens so that instead of 2,000 people eligible, we will have 8,500 eligible. Many of them, Mr. Deputy Speaker, will undertake to take advantage of that program to improve to their houses so that they might be able to get better mileage out of dollars spent on energy.

Mr. Deputy Speaker, we also introduced a program called Warm-up Saskatchewan . . . the member for Assiniboia-Gravelbourg laughs. I wouldn't laugh if he was sitting in a Liberal caucus. Because the federal program, as it pertains to encouraging people to recognize the benefits of conservation and to recognize the need to improve the standards of their homes so that they can get better mileage for money spent on energy, was a total dismal failure, Mr. Deputy Speaker. When they first introduced that program only houses built prior to 1921 were eligible for those grants that the federal government was going to make available. That wasn't bad enough, Mr. Deputy Speaker, but the money that was provided to those people was also considered as taxable income. That wasn't bad enough, Mr. Speaker, but the program was going to be totally administrated and run from Montreal, Canada. There was going to be no decentralization so that people, if they required information and/or assistance could contact somebody, never mind in their community but in their own province, they would have to communicate with a centralized operation, head office located in eastern Canada.

MR. BAILEY: — Shameful!

MR. MESSER: — . . . And the member is saying that it is shameful. I am sure that the citizens of Saskatchewan agree with that.

Mr. Deputy Speaker, the performance of the federal Liberal government has been an utter disaster in regard to coping with rising energy costs. That same situation is duplicated at the provincial level with both Liberal and Conservative governments in most provinces of Canada today.

Now, Mr. Deputy Speaker, to go on to comment on why we think it is not the place for the Saskatchewan Power Corporation to undertake to give special consideration to those people on fixed incomes but that it should be by a program of government, we have to recognize certain factors. If we were to undertake to make the adjustment in the cost of energy, as the member for Assiniboia-Gravelbourg proposes, there would be some jurisdictions in the province of Saskatchewan who would not attain a benefit. There are jurisdictions which deliver their own power and gas in this province. To mention two, the community of Swift Current, the member is here representing the Conservative Party. If we undertake to make an adjustment in SPC rates there is no guarantee that those independent jurisdictions would pass on a similar benefit to those people who are fixed incomes in those areas, in that community, Swift Current. There is also the community, Mr. Deputy Speaker, of Saskatoon where they also are in charge of setting rates for the energy consumed there. Simply because we may make an adjustment in the energy that we provide to other citizens in the province of Saskatchewan which will be able to give them some assistance in meeting those rising energy costs, there is no guarantee that those people who are on fixed incomes in the

city of Saskatoon will get that same consideration. That is an argument for a department of government undertaking to identify those people and across the board, across the province, undertake to give them the consideration that is needed in order to meet rising energy costs.

I think the point also has to be made, Mr. Deputy Speaker, that there are a number of old age pensioners or people who are on fixed incomes who rely on energy other than electricity or natural gas — propane, heating oil. I think that in order to give adequate recognition to all of those, it has to be done by some other jurisdiction, rather than the Saskatchewan Power Corporation because it is not going to be able to adequately and fairly deal with them all.

Mr. Deputy Speaker, one other point I want to make is that many of these people are in rented dwellings and the costs of energy are part of the rent that they pay. If we were again, as a corporation, to undertake to single out those people and provide some consideration to them. I think that it would be humanly impossible for us to be able to identify those people who are in those rented facilities and that there would be a disparity there as well.

Now, Mr. Deputy Speaker, the member for Kindersley — and I am sorry to see that he is not in his seat at this particular point in time — undertook to say that I said, ‘Industrial users of natural gas in Saskatchewan were charged less than cost for natural gas supplied by the Saskatchewan Power Corporation.’ Mr. Speaker, I challenge the member to find where that statement was made because at no time have I said that the industrial users of natural gas in Saskatchewan are subsidized or are charged something less than the cost of that natural gas, the cost to the Saskatchewan Power Corporation. In fact, Mr. Deputy Speaker, their return on gas consumed by industrial customers is twice the return that is enjoyed by gas used by residential customers.

MR. CAMERON: — What’s the per unit cost?

MR. MESSER: — Now, Mr. Deputy Speaker, the member ask, ‘What’s the per unit cost?’ He knows full well that there are classifications in regard to per unit cost and that the best we can do is undertake to take the average to find out who is really paying a profit to the Saskatchewan Power Corporation as a consumer of natural gas in this province.

Now, Mr. Deputy Speaker, there are a variety of costs that have to be taken into consideration when we arrive at an end price for natural gas consumed in the province. Not only do we have to consider what the cost is of the gas that is produced in Saskatchewan for consumption in Saskatchewan but the cost of gas, that 60 per cent, 65 per cent or 70 per cent which is imported from the province of Alberta, the cost of the producers there and the other charges related to acquiring that gas for removal to the province of Saskatchewan — royalties and other dues and taxes that the province of Alberta may assess against their gas.

There is also the transmission charge, both in Alberta and in the province of Saskatchewan. When we compare those costs, those needed costs, in order to supply gas to the people of Saskatchewan, I think it is only reasonable that that cost should be expected to be something higher than it is in the province of Alberta where they are sitting on vast quantities of gas and don’t have the transmission problems that we have.

We also have to take into consideration that the Alberta government has decided that it

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would sell gas cheaper because of the volumes that they have there, cheaper to consumers in the province of Alberta than they would to other jurisdictions and there is nothing wrong with that. But we can't compete with that, Mr. Deputy Speaker, because we don't have, we don't have those volumes of gas that the province of Alberta has.

MR. MERCHANT: — The Medicine Hat deal . . .

MR. MESSER: — Now, the member for Wascana says, 'The Medicine Hat deal', which we made and that's correct. But, Mr. Speaker, we may not have had to make that Medicine Hat deal had the former Liberal government not sold the Hatton Gas field for literally pennies . . .

AN HON. MEMBER: — What do you mean sold, they . . .

MR. MESSER: — . . . billions of cubic feet of gas as the hon. Minister in charge of PCS says, literally gave it away under the Thatcher government, when we would have been able to now take advantage of a very significant field of gas which at one time was ours. Now we have to negotiate to buy that back in order to meet our demands.

MR. McMILLAN: — What's that got to do . . .

MR. MESSER: — The member for Kindersley says, 'What's that got to do with the situation now.' The fact is, his former colleagues, as the Liberal government in this province of Saskatchewan, gave those billions of cubic feet of gas away and we now have to negotiate to buy them back in order to provide gas to Saskatchewan consumers. That's the difference, Mr. Deputy Speaker . . . (interjection) . . . They don't like the October, 1967; they would like to forget all about that because that's the standard position for the new Liberals and the new Conservatives of Saskatchewan today. They say, don't tell us about any of the bad things that Liberals have done or Conservatives have done in the past; don't tell us about any of the bad things that Liberals today or Conservatives today do in other jurisdictions because we don't have any truck or trade with them. When we look to see whether there is something good that they have achieved, and on rare occasions we find it, then they say, that's us, those are the Conservatives in Manitoba, those are the Conservatives of Ontario or those are the Liberals of God knows where because there aren't very many of them left provincially.

Now, Mr. Deputy Speaker, the members are saying, 16 cents, the cost of some of the gas that is consumed by the city of Medicine Hat. Yes, Mr. Speaker, SPC does have to provide a percentage of the gas that is extracted from that field to the city of Medicine Hat. We have to provide that, Mr. Deputy Speaker, in order to obtain an export permit from the government of Alberta. The member says, ah ha, and he knows full well because I conveyed that to him in Crown Corporations last year. Mr. Speaker, the question here is, in the net result is it better for us to be undertaking to remove gas from the province of Alberta which we developed, which yes, we have to have special consideration to the city of Medicine Hat in order to acquire some. Is it better in the net result is it cheaper in the net result than it would be to depend on private developers and suppliers in the province of Alberta? The answer to that question, Mr. Deputy Speaker, is that it is in the best interests of Saskatchewan consumers because the net cost is cheaper than it would be if we had to rely on private producers in the province of Alberta.

Now, Mr. Speaker, none of that may have

been necessary had not that former Liberal government sold that Hatton gas field. None of that, Mr. Deputy Speaker, may have been necessary, if they would have instigated, if they would have instigated during those seven long lean years that they were in power an aggressive exploration and development program for natural gas, as did we when we were elected into office in 1971. So they can give all the convoluted figures that they want, Mr. Deputy Speaker, but what really counts is does the consumer get gas cheaper in the province of Saskatchewan than in almost any other jurisdiction in Canada? And the answer to that is yes.

Now, Mr. Deputy Speaker, I listened to one opposition member say, the Liberals, Oh my goodness, Saskatchewan Power Corporation is drawing too significant a profit. We are over-charging the consumers for power, gas and electricity in the province of Saskatchewan and enjoying too high a profit. They don't undertake to make a note of the fact that the electric corporation for the last two fiscal years lost money, lost money by providing electricity to consumers in the province of Saskatchewan cheaper than in most other jurisdictions.

AN HON. MEMBER: — The highest in North America.

MR. MESSER: — And a member says the highest in North America and he knows that if he wanted to take the time to take a look at what the increases were and I'll help him, in Manitoba, the percentage increases over the last several years have been significantly higher there than they have been in the province of Saskatchewan and they have. They have that cheap renewable electric generating capacity, hydro, which we don't have in the province of Saskatchewan. If you wanted to take a look at the increases, wanted to take a look at the increases in Ontario where they also have significant hydro power that the increases on a percentage basis have been higher there. He can look at some of the maritime provinces, all of them I would suggest, excluding Newfoundland, and find out that the increase on a percentage basis is higher there and if we were to look at natural gas in every jurisdiction other than in the province of Alberta, the increases have been higher there than they have in the province of Saskatchewan.

Now, Mr. Deputy Speaker, as I started to say, Liberals say we have not too much profit in the Saskatchewan Power Corporation. I listened to the member for Estevan, sorry he is not here. He is saying that we have got too much debt; we are borrowing too much money, our debt ratio is too high.

MR. McMILLAN: — He doesn't know what he is talking about.

MR. MESSER: — The member for Kindersley says he doesn't know what he is talking about. I can tell you, Mr. Deputy Speaker, sitting on this side of the House listening to both of them neither one of them know what they are talking about. Neither one of them know what they are talking about. You can't have it both ways; one is saying we have got too much profit; the other is saying that we don't have enough profit and our debt ratio is increasing. We have got to have some middle ground. The profit on a percentage basis for the Saskatchewan Power Corporation is very very modest, give or take a few points; it's somewhere around 2 per cent, 2 per cent on total investment. That's modest by comparison to any other utility that you may want to use. But we do have to have some profit, Mr. Deputy Speaker, to contribute to replacing some of this equipment that wears out, to contribute to paying for the new generation that is required and historically the Saskatchewan Power Corporation through its profits has been able to pay for 30 per cent of those costs, 30 per cent of those costs and I think that that's a good balance, Mr. Speaker. Certainly our debt ratio is increasing as we have very significant increases and demands on electricity, very significant. And we can't ignore

some of the problems that we are confronted with. Not to say the least, Mr. Deputy Speaker, inflation.

In 1977 when we put the Boundary Dam turbine into place, the cost of that turbine was \$8.5 million. We are putting almost the same turbine in place in Poplar River, the cost today — 1978 is \$15.7 million, more than twice as much, Mr. Deputy Speaker. When we put the Boundary Dam boiler into place the cost was \$6 million, that's in 1977. 1978 when we put our boiler in place, virtually the same, in Poplar River, the cost is going to be \$10 million. We can't do anything about those increasing costs. We have to undertake to meet them, Mr. Deputy Speaker. Our interest rates, if we go back to the early 1970's or late 1960's, as far back as the 1950's, we were borrowing money for 4 per cent and in some instances for less than 4 per cent. Our average interest rate now is 9.25 per cent.

Mr. Deputy Speaker, these are increasing costs that we cannot ignore no matter how holy your attitude is. Those costs somehow have to be passed on. Our fuel costs in 1971 to the corporation were \$8 million. In 1976, five years later, \$44.6 million. In five years it went from \$8 million to \$44.6 million. I think that is something around eight or nine times as much in seven years. We cannot ignore those factors. If the members opposite were being honest and credible, they would talk about the problems of inflation and increased interest costs, fuel costs and natural gas costs as well. What really counts, as I have said and I repeat again, Mr. Deputy Speaker, is what is the end cost. What is the end cost to the consumer of electricity and natural gas in Saskatchewan? They can use figures of \$1.40 per mcf or \$1.80 per mcf or \$1.36 per mcf to try and confuse people, and we will get into Crown Corporations tomorrow morning, I would suggest. But what really counts is the service in Saskatchewan and the cost of that service. I want to again convey to the members of this House and put on the records of this House the cost of electricity and gas in some other jurisdictions of Canada compared to those in the province of Saskatchewan. Certainly in some areas in some communities those costs will be somewhat less than they will be in Saskatchewan. But on an average, if we want to take electricity, for every 500 kilowatt hours of electricity sold, on an average across Canada, Saskatchewan's price is just under \$ 2.00 less than the Canadian average. That is what counts, Mr. Deputy Speaker; for every 500 kilowatt hours on an average, Saskatchewan consumers pay just a few pennies less than \$2.00 by comparison to any other consumer in this country.

Let me give you some specific examples. In Vancouver, for natural gas, 185 mcf in the city of Vancouver — and British Columbia has far greater quantities of natural gas than we have in Saskatchewan — the cost is \$418. In Calgary, 185 mcf is \$228 and they have more natural gas than any other jurisdiction in North America. In Winnipeg, 185 mcf is \$404. In Toronto, 185 mcf is \$517. But in Regina, comparing larger urban centres, that 185 mcf is \$318 which is cheaper than all of those with the exception of Calgary sitting on a wealth of natural gas. I say to you, Mr. Deputy Speaker, that that's what the people of Saskatchewan are concerned about, the hidden cost for that energy they consume.

Let me give you some examples of electricity. In Vancouver, again a province that is endowed with incredible potential for hydro-electric power, a renewable resource to produce electricity; far more than all three of the prairie provinces put together and multiplied by four or five. What do they pay for 500 kilowatt hours of electricity in that city? Well, Mr. Speaker, they pay \$20. In Grande Prairie, Alberta, again a province that is richer in energy resources than any other area in North America, they pay \$23.71. In Winnipeg, again a province which enjoys significant hydro potential, for that 500

kilowatt hours they pay \$15.89. In Halifax they pay \$23.25. In Prince Albert they pay \$14.96. In all instances, Mr. Deputy Speaker, the cost is less in the province of Saskatchewan and that is what consumers are concerned about.

Let me give you some farm rates because we are concerned about the farming industry in this province. SPC charges for 1,000 kilowatt hours. \$33.29 on an average. In Alberta, that energy rich province, they pay \$42.70, a very significant difference, Mr. Deputy Speaker, and the farmer in Alberta contributes a much more significant cost towards the service of electricity of a farm which is not the case in the province of Saskatchewan. In Manitoba it is modestly higher at \$34.83 for 1,000 kilowatt hours.

One other last example, Mr. Deputy Speaker. Let's talk about a higher consumer of electricity, especially as it relates to farms because they are getting more dependent on electricity to meet their requirements. For those who use 5,000 kilowatt hours, the average in Saskatchewan is \$125. In Manitoba it is \$155 and in that energy rich province of Alberta it is \$176 and I can see the member for Prince Albert-Duck Lake wanting to wind it up. I think that I would want to wind it up too if I was sitting over there, after listening to the remarks of the member for Estevan completely ignoring the real relevant facts in relation to the benefits that a consumer of electricity and natural gas in the province of Saskatchewan gets, compared to anywhere else in Canada, Mr. Deputy Speaker.

Now, having made those remarks, I would like to undertake to amend the motion passed by the member for Assiniboia-Gravelbourg. I want to amend it, Mr. Deputy Speaker, by deleting all of the words after 'that', and substituting the following:

This Assembly commends the government of Saskatchewan for its efforts to provide a secure supply of electrical power and natural gas to Saskatchewan consumers at a reasonable cost, and commends the government for surpassing the record of all of those other provinces in this regard, and further, that this Assembly commends the Saskatchewan Power Corporation for the establishment of a rate stabilization fund to curb the impact of future increases.

I so move, Mr. Deputy Speaker, seconded by my colleague, the Attorney General, the member for Riversdale.

HON. R. ROMANOW (Attorney General): — Mr. Deputy Speaker, I beg leave to adjourn the debate.

Debate adjourned.

SECOND READINGS

MR. E.F.A. MERCHANT (Regina Wascana) moved second reading of Bill No. 20 — **An Act to amend The Saskatchewan Human Rights Commission Act, 1972.**

He said: Mr. Deputy Speaker. I do not propose to do more than say a couple of words and then move the bill. I maintained the Saskatchewan Human Rights Commission Act and the following act, the Public Service Superannuation Act and addressed myself to the essence of that legislation when I spoke some weeks ago. It was about a month ago, Mr. Deputy Speaker, and I asked then that the government consider whether they were

prepared to deal with the amendments, the amendments to fair accommodation practices and the amendments to Bill of Rights. The amendments do two things, the amendments in this package of bills, three things really. They make marital status a matter prescribed and, therefore, a matter that is protected from discrimination. They do the same thing for handicapped people. I suggest this is important legislation. The most important part of the legislation of the various acts, however, — and Mr. Deputy Speaker, I believe the reason the government is refusing to address themselves to the question is the portion of the legislation which seeks to make it a discriminatory practice to hire someone because of age. It deals with the compulsory retirement question and I suggest, Mr. Deputy Speaker, the compulsory retirement question creates somewhat of a problem for the NDP. They get good support from older people, they know that older people are tired of being told that they are no good and useless because they have suddenly become 65 years of age. They know that the trade union movement is split on whether this kind of legislation should come into effect or not. They probably are aware that 13 American states have brought this legislation into effect. And, Mr. Deputy Speaker, I rise now to address myself to this one act as a means of getting the attention of the House to remind members that this legislation is before you and to remind the government that they cannot just ignore the legislation and do nothing with it. If they do that, I think that people will look on, that older people particularly will look on and say, 'well then, the government of Saskatchewan opposes that legislation.' Now, you say what will be the damage to us? I do not know. I hope that in the next election, the next provincial election, the senior citizens' groups take a close look at this kind of thing. I hope that at that time they come back to you with your majority and say, why did you ignore that legislation. Why did you refuse to even take a stand on that legislation? Why did you refuse to even speak on it?

Mr. Deputy Speaker, I move second reading of Bill 20. In doing so I say to the government, where do you stand on the three questions — marital status, rights of the handicapped, but most important, where do you stand on the question of age — compulsory retirement and discrimination against people because of age? Discrimination in hiring? Discrimination of people over 45? That is the area that this legislation looks at.

Mr. Deputy Speaker, I hope that members of the House and members of the public, if the government just rises and says — supposing the Attorney General gets up and says, I beg leave to adjourn debate — I hope the members of the public view that as a clear indication that the government doesn't need time to think about it, but that in fact the government has thought, very much, about all three areas and has decided that it is not prepared to protect women who are discriminated against because of marital status; not prepared to protect the handicapped or assist the handicapped and, thirdly, not prepared to do anything to protect the middle aged who find job discrimination exists and those who are 65 who are not just discriminated against, but worse than that, sort of cast aside because they have reached the age of 65.

This legislation has been introduced in the American Congress and is considered likely to pass. As I have said, it has passed in the United States. Thirteen states have the support of a large number of groups in Canada. It is something that the government should do something about.

There is an act that follows regarding the Public Service Superannuation Act, Mr. Deputy Speaker. I suspect next week I may be making the same speech again. I hope not. I hope that today or next week we will hear from the government about their position. They can't say that they need more than six or eight weeks to think about it and

that is the kind of time that they have had.

Mr. Deputy Speaker, with those remarks I move second reading of Bill No. 20. It contains other things which I have previously described which I think are good things including a direct report by the Human Rights Commission to the Legislature rather than to a minister, designed to elevate the Human Rights Commission to something analogous to the Ombudsman and give to the Human Rights Commission the protection of a direct report. Those things I have discussed before.

MR. ROMANOW: — I beg leave to adjourn debate.

Debate adjourned.

MR. E.F.A. MERCHANT (Regina Wascana) moved second reading of Bill No. 66 — **An Act to amend The Married Women's Property Act (No. 2).**

He said: Mr. Deputy Speaker, it is relatively simple; all that it does is change the name of the act from The Married Women's Property Act to The Married Person's Property Act. The legislation, unbeknown to many people I think, is designed to cut both ways and it was not intended to set up a prejudice in favor of women against men. It is a change which I think would be a very useful change in the perceptions that the act has. Members of the Court of Queen's Bench have mentioned to me that they find the very name of the act to be misleading and to cause problems for the court. I understand and hope that it is the case that the Attorney General is prepared to give support to this change; I understand that is what he has indicated in the House and I am very pleased to hear that and hope that the act may be passed.

Motion agreed to and bill read a second time.

MR. D.M. HAM (Swift Current) moved second reading of Bill No. 67 — **An Act to amend The Public Libraries Act, 1969.**

He said: Mr. Deputy Speaker, before explaining the reasons for this minor amendment, I would like to comment briefly on the Saskatchewan Provincial Library. The Saskatchewan Provincial Library is the co-ordinating agency for the developmental, financial and service needs of the province's public libraries. Inter-library loans, biographic reference, cataloging, direct mailing and consultant services are centralized, while face-to-face book services are decentralized. This is accomplished through the concept of regional libraries, as outlined in the Library Inquiry Committee Report of 1967. The provincial library co-ordinates the large public libraries, the regional libraries, the university and the technical school libraries and special libraries, to give library services to all residents of Saskatchewan.

To quote directly from the Library Inquiry Committee report:

The provision of adequate library services in Saskatchewan can be achieved only by co-operative action. Libraries must co-operate in regional systems, in the establishment of reference centres, in the acquisition of materials, in the use of books and the extension of services.

A provincial library should provide leadership and development of avenues of co-operation between all types of libraries.

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The provincial library employs about 69 people including 20 librarians. It has a budget of more than \$5 million and administers over \$600,000 in grants to municipal and regional libraries.

The extensive public library system in Saskatchewan has developed because of a long history of co-operation and co-operative movements in the province. Provincial library personnel have worked continuously with interested people in the province to make the provincial library service what it is today. They, along with other provincial library workers, know the value of co-operation in providing an adequate standard of service in a sparsely populated, financially limited province.

Library development in the province has not been noticeably affected by changes in the administration. Rather it has remained a main political concern and has received support of both government and opposition parties over the years. Everyone has seen the need for libraries and progress has been made at an encouraging steady pace.

The provincial library's prime responsibility is to ensure that this pace will be maintained.

Mr. Deputy Speaker, presently the libraries cannot prepare their budgets for legislative consideration in time to meet budget allocations. The amendment simply allows library branches adequate time to prepare their budgets for presentation at the Legislature.

With those remarks, I move second reading of the bill.

HON. D.L. FARIS (Minister of Education): — Mr. Deputy Speaker, I am afraid I must oppose this bill because I do not know whether the member actually intends what he has in the bill here. He is intending to amend apparently section 28, in which the boards of the municipal libraries makes their estimates known to local government, to the councils of the two municipalities concerned, which are the cities of Regina and Saskatoon. This has nothing at all to do with the regional library system throughout the province but only the two municipal libraries.

When I look at the proposed amendment I am not sure what the member's intention was but it is certainly not carried out by this section of the act.

There is right now a study undertaken on revision of the legislation with regard to the libraries of the province and we will be looking at this sort of matter. Certainly I think it is not a good idea to have this sort of piecemeal amendment of the act. There is no doubt that the whole of the library's legislation must be looked at and we will look at this matter at that time. But quite clearly, the member's intention is not carried out by the amendment he is proposing to the bill so we must oppose it at this time.

Motion for second reading negatived.

COMMITTEE OF THE WHOLE

BILL NO. 66 — An Act to amend The Married Women's Property Act (No. 2).

Chapter 340, agreed.

Clause (2) New Title, agreed.

Clause (3) Section 1 amended, agreed.

Clause (4) Coming into Force, agreed.

Motion agreed to and bill read a third time.

COMMITTEE OF FINANCE — CONTINUING EDUCATION — VOTE 5

MR. ROMANOW: — Mr. Chairman, we were going to move with Saskatchewan Research Council but the officials left. They got tired of waiting around. So we are going to call Continuing Education and if they show up at 7:00 o'clock p.m. we will revert back to Saskatchewan Research Council and then Finance . . . (interjection) . . . oh, no, this won't take too long, just do it very quickly, seven minutes, eight minutes, let it go, Continuing Education.

Items 18 to 23 agreed.

Items 24 and 25 agreed to.

Revert back to Item 15

MR. FARIS: — Mr. Chairman, the hon. member asked some information concerning the enrolment situation in diploma nursing and I can send the information over. We have comparison rates here with Kelsey and sort of a historical analysis.

Item 15 agreed to.

MR. BAILEY: — Mr. Chairman, I thank the minister for the information. I don't intend to pursue any questions any further on item 15 at this time. I want to thank the minister and his group. I don't think we were too long and I think we got a lot of information. I recognize that your advisors were in the building for a long time today so I would trust that they found the afternoon much more enjoyable than I did. I would thank them very much for being here and as far as we are concerned, we are finished with Continuing Education.

MR. STODALKA: — Mr. Chairman, I would like to make a couple of remarks. First of all I would like to say we appreciated the fact that the member for Rosetown-Elrose (Mr. Bailey) got back and became involved in the estimates. If my memory is correct, and of course the Hansard will verify it, but I think Hansard will show that the Conservative critic never asked one question in the entire estimates for the Department of Education and the Department of Continuing Education; that there was no question asked by that member and I think also it will show that this about — if I remember correctly — around \$370 million. That total the province is spending amounts to about 19 or 20 per cent of the entire Budget. So it was good to have the member for Rosetown-Elrose come back and enjoy us and at least take part in some of the discussion and some of the budgetary estimates that were considered.

Finally, I would like to congratulate the minister and his staff on the budget that they have presented and the way they have defended their position during the last day or two. While we disagreed in a couple of areas, I don't know if it had any effect on the minister. We just hope that in those areas that we gave him some advice that he will start following.

MR. LARTER: — Mr. Chairman, just for the record, it's indeed strange to note that the two superintendents and the members to my right missed most of the other estimates; they just happen to be here for this one.

MR. ROMANOW: — Mr. Chairman, I wonder if there is any feeling that we can do Provincial Library in a minute's time and free the people who are going to come back at 7:00 o'clock; so let's do it, call Provincial Library. Is there anything about Saskatchewan Research Council, free him too, Dr. Leon Katz, any questions? I don't think there are. O.K. Provincial Library, let's do it right now.

PROVINCIAL LIBRARY — Vote 29

MR. BAILEY: — Just one question to the minister. I would like you to state for me the policy of the provincial libraries in regard to the acquisition of books and what books we placed on the shelf. Maybe, I have not worded that properly. From time to time it is drawn to my attention certain books on the shelf which are sensible and available for the younger students. And I'm thinking in particular *The Girls For Sex* and *The Boys For Sex*. All I want to know is the policy at the provincial level. I'm not interested in anything else, just your policy in the placing of those books there. It's the only question I ask.

MR. FARIS: — If you are asking about regional libraries the books that are on the shelves in regional libraries, the boards of each individual region of the library draw up their own policy and it is their responsibility suitable to the value systems of the communities they serve.

MR. BAILEY: — That's not quite the answer; I appreciate that answer. From the provincial level do you have a screening or a censorship at that level? That's my question.

MR. FARIS: — In regard to the books that go on regional library shelves, the answer is no.

Item 1 agreed.

Items 2 to 4 agreed.

ITEM 5

MR. J. WIEBE (Morse): — It is my understanding that before grants are made available to the libraries that a full budget must be submitted by the libraries before the grant is allocated. Is this correct?

HON. D.L. FARIS (Minister of Education/Continuing Education): — No.

MR. WIEBE: — So the budget does not have to be drawn up prior to the allocation of the funds then?

MR. FARIS: — It has to be approved by their own board, which is normally prior.

MR. WIEBE: — What is the date of that approval? Or what is the deadline of that approval?

MR. FARIS: — They must have their annual meetings before the end of March.

MR. WIEBE: — Mr. Chairman, is there any possibility of having that date extended from the end of March, say, till . . .

MR. FARIS: — Yes, that is being actively considered along with a rather thoroughgoing study of all of the library legislation. We are having a look at the whole area and that is one of the points that we are actively considering.

MR. WIEBE: — So then we could possibly be looking at legislation in the fall.

MR. FARIS: — I think that is probably too soon to for the legislation. We want to actively involve the library trustees and people in the field in this and I think that is too short a time frame.

MR. WIEBE: — Well, next spring then? O.K.?

Items 5 and 6 agreed.

Provincial Library Vote 29 agreed.

SASKATCHEWAN RESEARCH COUNCIL — VOTE 35

ITEM 1

MR. G.N. WIPF (Prince Albert-Duck Lake): — Mr. Chairman, is it correct that the Saskatchewan Research Council will be considering the Bayda Inquiry Report and making recommendations on it to the government?

MR. VICKAR: — To my knowledge, the Saskatchewan Research Council has not been asked. It is strictly a government matter.

Item 1 agreed.

Vote 35 agreed.

MR. ROMANOW: — I don't know if there is any way that we can agree to come back at 7:15 p.m. but I would like to suggest that because the boys have to give them some extra minutes. Could you get some advice from the First Clerk's Assistant there and find out if we can be back at 7:15?

The Assembly recessed until 7:15 o'clock p.m.