

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Second Session — Fifteenth Legislature
25th Day

Monday, March 14, 1966

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

WELCOME TO STUDENTS

Mrs. Sally Merchant (Saskatoon City): — Mr. Speaker, before the Orders of the Day, may I draw to your attention that we have again today two groups of students from the city of Saskatoon in the Speaker's Gallery. They are from the Bishop Murray School. They are down here today visiting the city of Regina, and the assembly. They are under the direction of Mr. Michayluk and Mr. Hepp. In the west gallery, Mr. Speaker, I would like to draw to your attention students from Mayfair School. They're here under the direction of Mr. Heal. I know that members will join with me in welcoming them here and hoping that they will enjoy their day very much.

Hon. Members: — Hear, hear!

Mr. A.E. Blakeney (Regina West): — Mr. Speaker, I would like to draw to the attention of hon. members and on your behalf to extend a greeting to a group of students who are in the east gallery from the Herchmer School in the Regina West constituency. They come from a school which bears a name which is rich in the history of Regina. They are a group of grade eight students, about 50 in number, led by the vice-principal of the school, Mr. Davidson, and their teacher, Mr. Mayer, and they are here as part of their Social Studies course. I know that we cannot offer them in this house this afternoon, perhaps, quite the stimulating afternoon that they might have if they were in the House of Commons at Ottawa, but I know that nonetheless all of us would like to extend to them a warm welcome and express the hope that they have an interesting and instructive afternoon.

Hon. Members: — Hear, hear!

CORRECTION OF NEWSPAPER ITEM, MARCH 12, 1966

STATEMENT NO. 1 BY MR. SPEAKER

I wish to correct a statement appearing in the Leader Post of March 12, 1966, under the heading "Speaker Reverses Ruling". The ruling was that the hon. member for Regina East (Mr. Smishek), withdraw the words "despicable conduct" used in reference to the Minister of Welfare while at the same time requesting his resignation. I did not reverse my ruling in regard to the words "despicable conduct"; these were abusive words and I said that I deprecated them, but I did make it clear that the hon. member was within his rights in requesting the resignation of the minister and I apologized for my hasty action.

As the rulings of the Chair are set out word for word in the Votes and Proceedings, it seems reasonable to ask that they should be reported accurately, and in this instance, that the press should make the necessary correction.

STATEMENT BY MR. SPEAKER (NO. 2)

On Tuesday last I undertook to look at the transcript of the speech made by the hon. member for Athabasca (Mr. Guy), to see whether it had transgressed the rules of order governing debate.

When I was first asked about the hon. member's speech, I drew a distinction between general accusations about the orientation of one group or another toward a particular philosophy on the one hand and any personal imputations on the other. I find support for this distinction in Erskine May (17th Edition, p. 456) which states:

Expressions which are unparliamentary when applied to individuals are not always considered so when applied to a whole party.

It is not the function of the Chair to consider the accuracy or otherwise of statements or accusations made by one member about other members, but to decide in the first instance whether they are singular and personal or broad and general. In my view the statements of the hon. member were not singular and directed against any specific member but broad and general.

QUESTION RE BANK OF CANADA INTEREST RATES

Mr. J.H. Brockelbank (Kelsey): — Mr. Speaker, before Orders of the Day, I would like to ask the Premier, in view of the decision of the Bank of Canada to increase their rate of interest from 4 3/4 to 5 1/4 per cent, the interest rate charged to chartered banks when they borrow from the Bank of Canada, the effect that this change of rate will undoubtedly have on interest rates generally — I find that at least one such company in Regina will take a term deposit, the term being one year now at 5 1/2 per cent interest — if this is changed in view of this, and this has a tendency to increase industry, does the Premier intend to take any action in regard to the Saskatchewan Savings Bonds.

Hon. W. Ross Thatcher (Premier): — Well, Mr. Speaker, as the hon. member knows there are still many people who buy our savings bonds because they can be turned into liquid cash immediately. That isn't always the case with the certificates . . .

Mr. Brockelbank: — . . . after six months.

Mr. Thatcher: — Yes, after six months. But nevertheless, in view of circumstances generally we contemplate no change in the interest rate on savings bonds.

Mr. M. Pederson (Arm River): — Mr. Speaker, before the Orders of the Day, I wonder if I could direct a question either to the Premier or the appropriate minister. Could they indicate to the legislature if they have any idea of when the Friesan Commission on Surface Rights would be able to submit a report? Is there an interim report available?

Hon. A.C. Cameron (Maple Creek): — No, the Friesan Commission is still meeting, still holding hearings. It will be late in the summer we anticipate before

they submit their first interim report, and it will be some months before they submit their final report.

SECOND READINGS

Hon. W. Ross Thatcher moved second reading of **Bill No. 53 — An Act respecting Interprovincial Steel and Pipe Corporation Ltd.**

He said: Mr. Speaker, the purpose of this bill in a nutshell, is to amend and tidy up the financial structure of IPSCO. This action will permit a major expansion in the city of Regina. This, we think, is a fairly important bill. It was, of course, asked for by the company.

The first part of the bill is required to ratify and confirm: (1) the province's outstanding guarantee on the 4 1/2 per cent first mortgager serial bonds on which the principal amount outstanding is \$750,000, (2) the 5 1/2 per cent first mortgage sinking fund bonds in the principal amount of \$5,000,000, which are due December 1st, 1973.

We have been advised that this legislation is considered necessary to remove any doubt or question about the power of the government of Saskatchewan to ratify and confirm its continued liability as guarantor of the original issue of bonds. This doubt or question has been raised by virtue of the refinancing program approved by the government which included the issue of additional debentures in the principal amount of approximately \$4,200,000 in Canadian dollars which is not guaranteed by the province.

The proceeds of the series "B" and "C" bonds were used; first to retire IPSCO's ten year term bank loan in the amount of \$2,125,000; two, to reduce the working capital loan by \$1,500,000; three, to retire outstanding general mortgage bonds of \$300,000; and four, to repay outstanding loan made by the Industrial Development Fund of \$180,000. The Royal Bank of Canada agreed to release the province of Saskatchewan's guarantee on the \$2,125,000 long term bank loan, and the \$3,175,000 working capital loan. At the same time the government's option to purchase all uncommitted shares at \$2 per share and other prices was eliminated. The refinancing program was approved subject to three conditions. First, with the release of the share options IPSCO would raise an additional \$2,000,000 for plant expansion. IPSCO sold 125,000 — \$1.20 cumulative redeemable convertible preference shares at \$21.30 per share. The net proceeds totalling \$2,500,000 have been used to finance a \$2,000,000 plant expansion program, and to retire \$550,000 six per cent unsecured notes.

The expansion program will increase the manufacturing capacity of the pipe mill by 50 per cent. It will double the ingot capacity of the steel mill and extend the company's product range. This refinancing program should place the company in a position to increase its sales and profits and provide the establishment of 400 new jobs in the next five years.

I may say, Mr. Speaker, that the mill today is operating on three eight hour shifts at full capacity. It has huge orders that it probably can't fill this year, so that the company as a whole does seem to have a very optimistic future, at least for the next year or so.

The government also obtained an agreement that, as long as

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its existing guarantee is outstanding, the directors of the company may not sell assets or shares of the company which would result in the transfer of effective ownership to any party not approved by the government. In return the government agreed not to sell its shares without first giving the directors of IPSCO an opportunity to buy or arrange disposal of the shares at an equally favourable price.

Third, IPSCO would issue share options to the government entitling it to purchase 60,000 common shares at a fixed price of \$5 per share up to December 1st, 1973.

The second part of the proposed bill will authorize the Provincial Treasurer to acquire a total of 515,000 common shares of IPSCO. The government presently owns 455,000 shares of IPSCO. Of this number the Provincial Treasurer owns 280,000 shares. This represents 180,000 shares of Interprovincial Steel Corporation originally purchased in 1958 by the government. It was converted to 280,000 IPSCO shares in 1960 when Prairie Pipe Company bought Interprovincial Steel Company and the name was changed to Interprovincial Steel and Pipe Corporation.

The industrial Development Fund owns 175,000 shares. Fifty-five thousand shares were purchased in 1962 to assist in the financing of an expansion program. In 1964 the Industrial Development Fund obtained 120,000 common shares in settlement of the 10 per cent fee for guaranteeing the \$2,825,000 construction bank loan with interest at 2 per cent on the amount guaranteed for the period of November 16th, 1962 to November 16, 1963.

It is the government's intention to close out IDF. This proposed legislation authorizes the Provincial Treasurer to acquire the 175,000 shares owned by IDF as well as to exercise the option to purchase an additional 60,000 shares at \$5 per share anytime up to December, 1973.

I realize, Mr. Speaker, that this bill is perhaps a bit technical, I think I can answer questions in detail when we reach the committee stage. I may say that the Treasury Department, together with the Attorney General's department went over IPSCO's request from top to bottom. We sought some advice from outside consulting firms as to whether it was a good agreement for the people of Saskatchewan. We think it is, and as I say, we feel that this financial agreement will permit the company to go out and obtain the funds that it needs for expansion, and ultimately over a period of a few years, employ roughly 500 more people than are employed out there at the present time.

So I commend the legislation to the house, and would beg leave of the assembly to move second reading of this bill.

WELCOME TO CLERK OF THE HOUSE — MR. KOESTER

Mr. A.E. Blakeney (Regina West): — I would like to address a few remarks to the house with respect to this bill. May I first, Mr. Speaker, digress for a moment to express a welcome on behalf of all members of the house to the Clerk of the House, Mr. Koester, who is taking his seat at the table. We are all very, very pleased to see him with us again.

Hon. Members: — Hear, hear!

Mr. Blakeney: — With respect to the bill

itself, Mr. Speaker, the bill falls into two parts, firstly, that part which confirms the guarantee on bonds of Interprovincial Steel Corporation Limited, and secondly, the portion which deals with the purchase of shares of IPSCO. I cannot help but recall in listening to the Premier's remarks some other remarks by the same gentleman about this company which have been a good deal less complimentary, in past years.

This is a company which started its career in Saskatchewan as a pipe company, Prairie Pipe Company, and obtained a mortgage loan of some \$900,000 from the Industrial Development Fund. It, at the same time, issued a series of general mortgage bonds to which reference was made by the Premier. Later a steel company was established, and in order to assist that steel company, the government of Saskatchewan guaranteed \$10,000,000 of bonds of Interprovincial Steel Corporation, as it then was. during the first couple of three years of the company's existence when initial start-up difficulties were encountered, the government guaranteed certain working capital loans.

The Premier has indicated that of the \$10,000,000 in bonds which were originally guaranteed by the government, some \$4,250,000 have now been paid back, leaving outstanding \$5,750,000 . . .

Mr. Thatcher: — It will be paid back when this legislation is passed. They haven't been up to this point.

Mr. Blakeney: — I am not sure that the Premier is right on this. I think that as of last December we will find that the amount outstanding on those bonds is \$5,750,000 . . .

Mr. Thatcher: — It is assuming that this legislation will pass.

Mr. Blakeney: — Well, that could be. But the trust deed as I stood was one that, as I recall it, would have provided, if payments were met, for the repayment of those amounts.

Now with respect to confirmation of the guarantee contained in this section (2) of the bill, there can be no objection. The government of Saskatchewan originally guaranteed this \$10,000,000 in bonds. The fact that the company in order to further its progress made an arrangement with Prairie Pipe, back in about 1960 or 1961, caused the government to confirm the guarantee at that time. This further arrangement for the refinancing of the amalgamated company Interprovincial Steel and pipe Corporation Limited, should not in any way cause the government to draw back from the guarantee which it has already given. Certainly the government's security is better than it was in the beginning, far better, and the guarantee commits the government to nothing that it is not already committed to.

The other portion of the bill dealing with the purchase of shares is a little bit more troublesome. The government of Saskatchewan had the right to buy a very substantial block of shares in IPSCO for prices ranging from \$2 up to about \$5.00, if my memory serves me. A realization of those options would have provided the government with a very large profit. I am the first to admit that with respect to some of the options, they were taken, not with a view to providing the government with a means

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of making a profit, but rather to providing the government with the means of being assured that control of the company did not pass to a group outside of Saskatchewan who might have closed down the plant. That was a fear at one time and it was dealt with by the issue of options. However, even if those options were laid aside, my recollection is that other options, which were taken as part of the remuneration to the government for providing the working capital guarantees, would have provided the government with a larger profit, or a larger shareholding than the provisions set out in section three of the bill.

Mr. Speaker, because of the technical nature of the bill and because of the detailed nature of the Premier's remarks in introducing the bill, more particularly with respect to the shareholdings, I would like to have an opportunity to study the Premier's remarks in this connection and I, therefore, beg leave of the assembly to move second reading of this bill.

Debate Adjourned.

Hon. W. Ross Thatcher (Premier) moved second reading of **Bill No. 54, An Act to amend the Treasury Department Act.**

He said: Mr. Speaker, I think that this bill is not a contentious one, an Act to amend the Treasury Department Act. This bill contains two amendments: first, the legislature will be asked to increase the salary of the Provincial Auditor, from \$15,5000 to \$16,000 retroactive to October 1st, 1965; second, the section dealing with the investment powers of the Provincial Treasurer was amended to authorize the Provincial Treasurer to invest in certificates of deposit, or investment certificates of new trust companies which have been authorized to carry on business in Saskatchewan under the provisions of the recently proclaimed New Trustee Act.

The Attorney General's department advised the Treasury Department that there is some doubt whether under the present section 34 of The Treasury Department Act, the Provincial Treasurer is authorized to invest in deposit certificates and investment certificates of trust companies approved under the new section 3(g) of the Trustee Act. Reference to The Treasury Department Act is made to the old section 4 of the Trustee Act, which was repealed at the last session of the legislature. Unless the proposed amendment is made, new trust companies authorized to carry on business in Saskatchewan under the new Trustee Act are precluded from offering short term securities to the Provincial Treasurer for investment. It is understood, of course, that this amendment will not serve to guarantee that the Treasury Department will invest in the securities offered by any newly established trust company, or any other trust company.

The amendment also serves to remove any doubt concerning investment powers of the Treasury Department in securities of trust and loan companies. With the large amount of surplus cash in the Consolidated Fund it is important that the Treasury Department has sufficient investment powers to maximize its earnings in the short term money market relative to the risks of the securities purchased. Mr. Speaker, I would, therefore, beg leave of the assembly to move second reading of this bill.

Motion agreed to a bill read a second time.

Mr. D.G. MacLennan (Last Mountain) moved second reading of **Bill No. 50, An Act to amend The Liquor Act.**

He said: Mr. Speaker, this bill amends the Liquor Act. The proposed changes are to increase the number of special liquor vendors from 20 to 50, to allow one person to make application for a special occasion permit on behalf of himself as an individual, on behalf of an organization as one of its officers. It also proposes to amend various subsections pertaining to the application and issue of permits by the board to include store vendors and special liquor vendors. It also provides for the issue of permits at liquor stores throughout the province, to allow the board to remove the quota on quantities of liquor purchased if deemed advisable, to allow permit holders to purchase the liquor required at a special liquor vendor outlet as well as at a Liquor Board Store. It makes the provision for an application for a recount in the case of a vote on appointing a special liquor vendor or a liquor store consistent with the Election Act.

There are other minor amendments included in this bill, only to clarify existing clauses. These changes are in accord with the government policy of providing better service for the public and keeping in mind the need of careful government scrutiny and control of the sale of liquor in the province.

Mr. Speaker, I, therefore, beg leave of the assembly to move second reading of Bill No. 50.

Mr. E.I. Wood (Swift Current): — Mr. Speaker, I would beg leave of the assembly to adjourn the debate.

Debate adjourned.

Hon. W. Ross Thatcher (Premier) moved second reading of **Bill No. 55, An Act respecting the Public Administration Foundation Act.**

He said: Mr. Speaker, this Foundation was set up a number of years ago. The government has reviewed the efforts of the Saskatchewan Public Administration Foundation to maintain and advance high standards of efficiency and effectiveness in the public service of Saskatchewan. We commend the contributions made by the members of the board to establish a research and scholarship program and several special projects. Some of the research projects including the Saskatchewan Public Accounts Committee — a study in responsible government, decision-making procedures of the Hospital Rate Board, provided useful and valuable information.

However, most of the research projects in our opinion are of academic concern and are more remotely applicable to the realities of public administration. Research grants have been used primarily to assist students and civil servants to complete their M.A. and PhD academic programs. Now the government has agreed to honor all commitments made by the Foundation with one exception. The board has agreed to support the establishment of an Institute of local Government on the Regina campus over a three year period. The total grant approved by the board is \$72,000. I have been informed that this project was awarded top priority by the board because of its concern to improve the calibre of local government administration. The government is currently reviewing the merits of this project and a decision will be made

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shortly. If we can be convinced that this has value to our people it will be proceeded with.

We believe that there are more effective ways of spending public funds to improve the effectiveness of the public service, such as the hiring of university academic staff on a consulting basis to carry our research projects for government departments.

In order to more effectively control the spending of public funds for the purpose of improving the efficiency of public service, we propose to abolish the Saskatchewan Public Administration Fund and to transfer the balance of its assets to the Consolidated Fund.

Mr. Speaker, as you no doubt realize \$1,000,000 was set aside by the legislature some years ago and this fund has been using the interest on that \$1,000,000. We think there are some weaknesses in that procedure, because legislature and the departments which are involved have no control on the way this money is spent. Some of the programs we may proceed with, but we intend to proceed with them in the normal way through the various departments. We believe that that kind of procedure will permit better control and scrutiny in the spending of public funds, Mr. Speaker, I would now beg leave of the assembly to move second reading of this bill.

Mr. J.H. Brockelbank (Kelsey): — Mr. Speaker, this act was passed at the session of 1963, just three years ago. At that time I gave to the house the reasons for setting up this kind of foundation to provide for studies in this field. It is true that government is becoming, has become, more of a complicated business and will in the future become more complicated. Government occupies a more important position in the life of every citizen than it did some years ago. This trend, I think, is going to continue.

For example, we are going to have in Canada, a government-sponsored health insurance program which will be operated by the government or an agency of the government. We have had promises from our government here that they are going to extend certain other programs; for example, our medical care program to be extended into the field of drugs. All of these extensions of government activities mean that government occupies a more important place in the life of the citizen now than in the past. This is the reason that it becomes very important, indeed, the governments and the federal level be of the best quality, in all fields and in the field of administration. More and more people are going to be engaged as civil servants. As these programs of service expand, there is no other answer but to have more civil servants. More people in Canada must become interested in the business of government and should become expert in the business of government. It was for the purpose of encouraging studies in this line that this Foundation was set up three years ago. I submit to the house that in three years this sort of program has not had a chance to prove its value. I would suggest that it would be much better to give this foundation another three or five or seven years to see what can be done. It isn't set up with a big budget, the interest in \$1,000,000, approximately \$50,000 a year. This isn't very much.

Now, I know that some of the members who were in the opposition in 1963 did take rather violent positions in regard to this organization. One member of the legislature said:

It is my personal opinion that this particular piece of legislation is being enacted at this time in order to take \$1,000,000 from the hard-pressed taxpayers of our province in order to provide five nice well-padded seats for five defeated NDP candidates after this federal election.

That was said. I must continue,

And also to secure a staff of people who will be in a position to write the next NDP platform for the next provincial election, all at the expense of the people of Saskatchewan.

This member said:

It is quite significant that if a vacancy occurs on this board regardless of where the vacancy comes from, if it is someone who was appointed by the university or someone who was appointed from the Institute of Public Administration, the government is going to fill that vacancy.

Now, Mr. Speaker, I want to refer the house to the first annual report of the Foundation for the calendar year, 1963, just to show how wrong that member was in suggesting that this was purely a political organization. It was nothing of the kind. The Foundation chairman, Norman W. Ward, professor of political science of the University of Saskatchewan, he was the nominee of the University of Saskatchewan. The vice-chairman was Albert W. Johnson, Deputy Provincial Treasurer in the government of Saskatchewan at that time. Board members, Roger H. Stanton, Deputy Minister, Department of Provincial Revenue, province of Quebec; Mr. Speaker, is this coming out the way the member suggested it would come out? I don't think so. Mr. Stanton was the nominee of the Institute of Public Administration of Canada. One such nomination is provided for by the act. When he was nominated I remember I had correspondence with the Premier of Quebec to ask his permission that Mr. Stanton could sit on this board. Another board member was Frederick W. Anderson, professor of political science at the University of Saskatchewan, Regina. Roy E. Dean, mayor of North Battleford; William L. Haney, chairman of the Local Government Board, Regina; and Robert D. Lindberg, production manager, International Minerals and Chemicals Corporation, Esterhazy.

So I would like to emphasize that this was the Foundation set up for the desirable purpose of encouraging the study of government at different levels. Now the idea that this \$1,000,000 taken from the hard-pressed taxpayer was being wasted in this respect, I think, is wrong. It has two uses. First it produces revenue to carry on this board, to make the studies, to give the bursaries or scholarships as it sees fit. And the beauty of it is, it is a completely independent board, without any government interference whatsoever. This \$1,000,000 is also used to buy securities; municipal, local government securities and provincial government securities. So the \$1,000,000 was serving the people of Saskatchewan in two ways.

Now, with the bringing to an end of this Foundation what the Provincial Treasurer is doing is in fact emptying the back pockets of the government. This comes out of this fund and goes into the Consolidated Revenue Fund and the budget, of course, proposes some other items in the same way. You can't go on doing this forever, finding funds and taking the money out of these

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funds for the purpose of making a budget look good. If it wasn't for this bill, the budget would have a deficit of about \$750,000 rather than a surplus. I think it is completely unfair to the people who were appointed in this foundation to disband them, to do away with them at this time. They should have a fair chance of several years to see what they can do in bringing about good results in the way of government service in the province of Saskatchewan. I will have to oppose this bill.

Some Hon. Members: — Hear, hear!

Mr. W.S. Lloyd (Leader of the Opposition): — Mr. Speaker, may I support the argument which has been put before the house by the member for Kelsey (Mr. Brockelbank). There are many people not only in this house but outside of this house, not only inside this province but outside of this province, who are going to be deeply and keenly disappointed if the government proceeds with the bill which will remove as an entity the Public Administration Foundation.

My seatmate, the member for Kelsey (Mr. Brockelbank) has indicated something of the scope and something of the hope of this bill when it was introduced just a few years ago. He has indicated some of the ways in which we are going to lose if we no longer continue this particular operation. I know that the Premier has assured us that the research which might have been done, which could be done, and which would have been done, will be undertaken by government departments. I'm afraid, Mr. Speaker, I have to be more than a little bit skeptical with respect to that particular remark. I have not seen any real evidence on the part of the government that now sits opposite of any real interest in the whole matter of research. We have seen too much evidence to the contrary already. He has suggested that the research which has been done has been too academic in nature. My fear is that if it proceeds as he has suggested the research will not be too academic in nature but will be just too limited in nature.

This bill, I submit, is just a symptom of what I consider to be a very serious lack on the part of the government, namely a lack of interest in the whole field of research generally.

Now, even though it were undertaken by the government, Mr. Speaker, and as I have said, I must be skeptical with regard to that particular possibility, I doubt whether this kind of research can be and indeed whether much of it ought to be undertaken by direct government auspices. My seatmate has given an outline of the kind of people who were prepared to interest themselves in planning and directing the research. People from the university, people from other fields of government, other than the provincial one, including local government, people from industry. There is a great deal of value, I submit, in having the interest which can be obtained as a result of having these persons from other fields interested in the many and increasing, and of increasing complexity, problems of local government.

There are some other values that can be obtained from the activities of this foundation in addition to just research on specific problems. I submit, Sir, that it is good to have this kind of tie-up with university personnel because this in itself will do something to encourage and stimulate the thinking of people in universities about the whole field of public administration.

I submit that we had had all too little concern of this

kind on the part of too many universities.

Secondly, I think we need to do better than we have to interest students in public administration as a career. We have not done enough about this. I admit that the reputation of public services generally, and of working in the public service, is increasing. More students are becoming interested in it but this was one device whereby we could extend and intensify the interest of students in the whole field of public administration. This we need and this we need badly. There will be no way of doing that sort of job which was being done and which would undoubtedly have been extended had the Public Administration Foundation continued in activity, because of the chance it gives to do more research. I was pleased to hear the Minister of Municipal Affairs (Mr. McIsaac) in his speech on another occasion in this house indicate the need for more research with regard to those areas under his responsibility. I would hope that at least if they will not listen to the request and the pleas to reconsideration they would give consent to the program which I understand is still under consideration, namely the development of an institute of local government studies on the campus of the Regina University. We have here an excellent opportunity to tie our respective governmental activities together. We have an excellent opportunity to assist in solving many of the problems of local government, those of which can be solved by the administrative process. With the University in Regina, developing as it is, with its interest directed as it is, with the head offices, if you will, of our local government organization entirely or at least largely in this city of Regina, there is an excellent opportunity for fostering that sort of thing. That will need some help from the provincial government and I would plead with the government not to overlook at least this one very real possibility, because it does something in the field of research which cannot and I am sure will not be done by the government, because it does something to interest universities and students generally in the whole field of preparation for public administration. I must oppose and oppose as strongly as I can, Mr. Speaker, the passage of this bill which would do away with one of the finer, one of the more imaginative institutions which has developed in this province in recent years.

Some Hon. Members: — Hear, hear!

Mr. A.E. Blakeney (Regina West): — Mr. Speaker, I simply want to add a brief word to those of my leader and of the member for Kelsey (Mr. J.H. Brockelbank) in support of their stand against the passage of this bill.

I thought the Premier in his remarks in introducing the second reading of the bill gave a very excellent reason why the bill should not be passed. He referred to some studies in the decision-making process of the rate board under the Saskatchewan Hospital Services Plan. Surely with a board that spends \$50,000,000 a year, any assistance which can be derived, any assistance which can be given to the board in order to make its decision-making process better or more effective should be sought and sought wherever it can be found. His second point, the second instance of the work of the Foundation, was that it had done a study of the work of the Public Account Committee of this legislature. I had occasion at the last session of this legislature to comment on the study which had been done on the Public Accounts Committee. Other members had a similar occasion. All, I think without exception, commended the excellent study and generally speaking commended the recommendations brought forward.

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The third project mentioned by the Premier which the Foundation had been engaged on, was a centre for local government study. I think that the efficiency of all government depends to a very large extent on the quality of the staff it can attract to its ranks. That is almost a truism. Any company, any newspaper, any private organization, any public organization, can be measured in its efficiency over any long term of time by the quality of the staff that it attracts. And this has really been one of the problems of local government in Saskatchewan. Local governments have had difficulty obtaining top flight staff. This is not surprising. Small organizations habitually have this problem. The task is to raise and confirm the professional status of local government administrators. This can be done if the quality of the work done by the administrators and the quality of the professional assistance available to them is improved.

We have under consideration, a Foundation which attempted to blend the ideas of persons appointed by the university, appointed by the national organization of public servants. The Institute of Public Administration of Canada, persons appointed by the government of Saskatchewan, persons representing local government in Saskatchewan and persons representing industry in Saskatchewan. If we are to find ideas, to seek out ideas, that might assist in public administration in Saskatchewan I would find it difficult to find a group who would be better able to give advice and to provide consultation.

It has been said many times before that the research dollar is the dollar which gives us our best value, and there is no reason to believe that this is not true in the field of public administration. Certainly many small organizations find it difficult to invest in research because the returns are of a long-term nature. But a government is peculiarly able to afford to defer the benefits which come from research and to engage in research in the full knowledge that the long-term benefits will repay every penny of investment.

When I think of a board which included men like Norman Ward and Red Anderson from the University of Saskatchewan, whose very presence on the board is likely to encourage students at the university to look to a career in public service and from which studies the government of Saskatchewan could not help but benefit; when I think of a board which included a man like Mr. Stanton who was a distinguished representative of another public service and had been himself a National President of the Institute of Public Administration of Canada, knowing that he would encourage an interchange of public servants between governments of Canada from which interchange the government of Saskatchewan could not help but benefit; and when I think of a board which included a distinguished municipal statesman in the person of Mr. Roy Dean, the mayor of North Battleford, and when I think to the other persons who have been mentioned, I think that a board was created which, had it been given the chance, could have provided great benefit of the people of Saskatchewan.

The Premier mentioned that some of the work of the Foundation had been to encourage public servants to pursue higher degrees. Well, all I can say is that if that was a function of the Foundation, it was a very worthy function. The public services of almost all of the provinces in Canada have found that they have benefited immeasurably by attracting to their ranks people who had good academic qualifications. There has been some problem in attracting good people to public service in Canada.

There always has been and presumably always will be. People tend to fear becoming associated with a municipal and in some cases a provincial public service because the opportunities for advancement may be limited. However, this fear drops away when these people are possessors of academic degrees, academic degrees which gives them a high degree of mobility. It is quite possible for the government of Saskatchewan to retain a person who has a doctorate in public administration because he knows full well that if his career becomes blocked here, if his road to promotion and advancement becomes blocked, he can easily transfer to another public service. It is only because he has this measure of mobility that he is prepared to stay here at all in this relatively small public service. Therefore, if we are to further the growth in quantity and quality of our public service, more particularly the quality in the higher brackets of the public service, we should be seeking out the people with masters and doctors degrees. These are the people who in many cases have imagination, resourcefulness, and who because of their contacts across Canada are able to bring new ideas, new points of view to our public service. There are, Mr. Speaker, a good number of other arguments which could be advanced in support of retaining the Public Administration Foundation. I think that most of them would fall under the general category of those advanced either by my leader or by the member for Kelsey. All the arguments would, I think, lead to the conclusion that it was in the highest degree unwise to disband the Public Administration Foundation. I think the arguments all favor retaining the foundation and giving it a chance to provide the benefits for the people of Saskatchewan which I feel sure it can provide. Therefore, I would beg leave of the assembly to move, seconded by the hon. Leader of the Opposition (Mr. Lloyd), the following amendment to the bill:

That the word "now" be deleted and the words "six months hence" be added to the motion.

Some Hon. Members: — Hear, hear!

Amendment negatived.

Hon. W. Ross Thatcher: — Mr. Speaker, I will only take a minute. The government would agree with some of the remarks made by the member for Kelsey (Mr. Brockelbank), the Leader of the Opposition (Mr. Lloyd) and the member for Regina West (Mr. Blakeney). There are some things which the foundation did in the past few years that are no doubt useful. But I feel very strongly on perusing the various reports that there were also some things which were not particularly useful and I want to give one example.

In the past year a grant of \$4,700 was paid to Dr. M.N. Agnew to assist him in undertaking a study to determine whether a method of decision making can be applied to the field of public administration in Saskatchewan institutions. Well, Dr. Agnew, came and interviewed me, maybe I was a poor case, I don't know, but what on earth he was trying to do I don't know. While his findings might have had some use, I feel they weren't very useful to the taxpayers of Saskatchewan and I was particularly concerned when I found he had also gone to the Leader of the Opposition. Then I knew this didn't have very much use.

There was another one that I must take a little exception to. A research grant of \$2,500 was awarded to Mr. C.B. Koester to assist him in undertaking a proposed research project on

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parliamentary representation of the North West Territories, 1887 to 1905. Now, again I have the highest regard for our clerk, but I wish the Foundation had given him something else to do a little research on than that particular subject. I think it is always bad policy, Mr. Speaker, to clutter up your estimates with a lot of boards and agencies and commissions when the spending isn't under the control of the legislature.

Now, let's not kid ourselves today. Back in 1963 my hon. friends opposite were the government. They had some huge surpluses to hide and so somebody, I think it was Al Johnson, got the bright idea, well we'll let the interest do these various things. I don't think it is good for the people of Saskatchewan to have an outside group spending the taxpayers money without any control by the legislature. And that is what we are trying to do today.

Now, the programs which are useful we will try and continue. The one the Leader of the Opposition mentioned he hopes that we would continue, the establishment of an Institute of Local Government on the Regina campus over a three year period, well, we are certainly examining that. We're certainly asking the university people to express whether or not they think it would be useful and if they decide it would be, well we'll go ahead with it. But surely an institute of that kind should be controlled either by the university or by the Department of Education, not by a group of individuals who have no responsibility to the taxpayers. So I say that I think we can do most of the things envisaged by this act that are useful and still leave control of the spending within this legislature.

Some Hon. Members: — Hear, hear!

The motion was agreed to on the following recorded division.

Yeas — 29

Messieurs

Thatcher	Loken	Radloff
Howes	MacDougall	Romuld
McFarlane	Grant	Weatherald
Boldt	Coderre	MacLennan
Cameron	Bjarnason	Larochelle
Steuart	Cuelenaere	Hooker
Heald	McIsaac	Coupland
Gardiner (Melville)	MacDonald	Gardner (Moosomin)
Guy	Breker	Mitchell
Merchant (Mrs.)	Leith	

Nays — 23

Messieurs

Lloyd	Willis	Snyder
Cooper (Mrs.)	Whelan	Broten
Wood	Dewhurst	Larson
Nollet	Berezowsky	Robbins
Brockelbank (Kelsey)	Michayluk	Pepper
Blakeney	Smishek	Brockelbank (Skt. City)
Davies	Link	Pederson
Thibault	Baker	

Hon. W. Ross Thatcher (Premier) moved second reading of **Bill No. 59 — An Act to amend The Insurance Premiums Tax Act.**

He said: Mr. Speaker, I believe that this bill is more or less of the housekeeping variety. Provinces have generally agreed to amend their respective Insurance Premiums Acts to uniformly alter the base upon which the 2 per cent insurance premiums tax is levied. This amendment has the support of practically all the insurance companies. We have been informed that five of the ten provinces have already passed the necessary legislation and two others have agreed to introduce similar legislation during the 1966 session. We are advised that the earliest implementation will be effective January 1st, 1967, covering business transacted in the 1967 calendar year.

The proposed amendment will eliminate the difficulties encountered in previous years, of determining whether re-insurance ceded to corporations is licensed in the province or outside the province. The present insurance premiums tax is calculated on the following base:

Gross premiums, other than considerations for annuities and marine premiums, both written directly and assumed from other insurance corporations less

1. premiums returned
2. cash value of dividends paid or credited to policy holders, and
3. premiums paid in respect of re-insurance ceded to insurance corporations licensed to transact business in the particular province.

The proposed amendment will alter the tax base so that the premium tax would be based on gross premiums written directly by the corporation and would exclude re-insurance assumed and ceded.

The proposed amendment would result in the premium tax being calculated on the following base:

Gross premiums, other than considerations for annuities and marine premiums, written directly by the corporation less

1. premiums returned
2. cash value of dividends paid or credited to policy holders.

The proposed amendment will not result in any loss of tax and there may possibly be even some gain in tax revenue due to the possibility of errors and omissions in the calculations or premiums paid in respect of re-insurance ceded to insurance corporations licensed to transact business in the province.

The estimated yield in 1966-67 of this tax is \$1,100,000.

Motion agreed to and bill read a second time.

Hon. J.C. McIsaac (Minister of Municipal Affairs) moved second reading of **Bill No. 44 — An Act respecting Public Housing.**

He said: Mr. Speaker, this is an act called the Housing and Urban Renewal Act, 1966. First, perhaps

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I should mention a bit of the background of housing generally in the province.

The Department of Welfare at the present time administers the Housing and Special Care Homes Act which essentially is concerned with housing for the geriatric centres and low rental housing. The Indian and Metis Branch also administers a housing program and in addition there is a housing program for the north administered by the Department of Natural Resources. As a result of these various programs the province is involved substantially in the field of housing. However, Central Mortgage and Housing Corporation under the National Housing Act provides assistance not only for housing as such but also for land assembly and urban renewal projects. In order that municipalities may be permitted to take full advantage of all of the assistance offered under the National Housing Act, it is felt that a comprehensive act outlining the powers of the province and the powers of the municipalities in the field of housing and urban renewals should be enacted. It is intended that there will basically be one agency of government eventually dealing with all housing and urban renewal matters with the exception, of course, of the Department of Welfare which will continue to administer the special care homes, geriatric centres, and other housing, strictly, shall we say, of a welfare nature, or relative to that department.

Now it is evident that in order to attract industry to the communities of our province an effort must be made to provide adequate housing for the workers who will be coming. Public housing in this province, therefore, is no longer a welfare need as such. The urban centres must have adequate housing for people concerned with various industries. Often additional housing is needed and needed perhaps in a hurry. Accordingly urban centres will have to be properly informed of the assistance and the programs available to permit them to realize this need, at least cost to them.

In addition to the housing needs of our community, it is becoming more evident that some of the older areas of some urban centres, especially the older cities, are in need of face lifting or in some extreme cases, of complete renovation. Urban renewal is a comparatively new idea to this province. However, it is a recognized means of improving urban centres.

The National Housing Act provides substantial assistance for urban renewal programs. Accordingly the proposed new act will compliment the federal act by setting out clearly the authority for such urban renewal schemes. I might say that the proposed bill follows fairly closely the legislation in other provinces dealing with housing, urban renewal and land assembly, made up essentially of three parts. The first part following the definition section deals with housing. It sets out the authority for the province and for municipalities to enter into agreements for housing purposes under part six of the National Housing Act. These include land assembly purposes, construction of housing projects or housing accommodation of a hostel or dormitory type for sale or rent; the acquisition, improvement and conversion of existing buildings for housing. The province may, of course, assist municipalities in undertaking any of these purposes where an agreement has been entered into. Municipalities are given certain additional powers under the part of the act relating to housing, and the last provision relates to the incorporation of housing authorities for housing purposes.

The last provision is similar to the one which permits the

incorporation of housing authorities under our existing Housing and Special Care Homes Act. These authorities would be incorporated, of course, to operate housing projects that are constructed subsequent to various sections of this act.

The urban renewal part of the act, I believe, Mr. Speaker, is largely self-explanatory. The province may contribute to urban renewal programs, urban renewal studies, and thereby lower the cost to municipalities in undertaking urban renewal programs, due to the fact, of course, also that the federal government pays a substantial portion of the cost of both the scheme and the study.

The final part of the act relates to maintenance standard bylaws which may be passed by municipalities in respect to an urban renewal area and areas declared as such. These provisions, are similar to what is being permitted in other provinces under such legislation. The object of such a bylaw in an urban renewal area is to permit the city to maintain the state of the buildings once a project has been declared and completed.

As I said in the beginning of my remarks, the main object of the bill at this time is primarily to centralize housing, urban renewal, both the studies and projects, and land assembly legislation under one department as is being done generally in other provinces. The Central Mortgage and Housing officials have been consulted about the drafting of this act and it has been endorsed in principle as well by the Saskatchewan Urban Municipal Association.

I think that there is a real need for housing and such legislation, in order that the communities in our province be given a full opportunity to take full advantage of the federal aid that is available. Accordingly, I would beg leave of the assembly to move second reading of this bill.

Mr. W.S. Lloyd (Leader of the Opposition): — Mr. Speaker, before the minister takes his seat, will he permit one question?

I understand you to say that this renewal authority will also take over the responsibility for northern housing of the Indians and the Metis.

Mr. McIsaac: — It would certainly be the intention eventually to correlate it under this branch.

Mrs. Marjorie Cooper (Regina West): — Mr. Speaker, I was very pleased when I saw this bill on the Order Paper. I have been hoping something like this would happen for some time. It seems to me that we have here the framework for a great deal more flexibility in our housing program. We have something which is not only I would say a framework, but it is a challenge to the government to meet some of the very pressing housing problems that we see in Saskatchewan and for that matter all across Canada today.

I was very pleased to note that the minister intends to set up a housing authority or a housing entity or whatever term you call it by, but I feel that this is such a very important matter that it is urgent that you are able to have capable staff to

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handle this, a staff of experts so that whoever is in charge should have adequate assistance because there is a tremendous job to be done.

I was a little concerned when I looked at the estimates because I couldn't see anything there, and you can correct me if I am wrong, that showed that there was sufficient money to accept this challenge. As I say it is an opportunity and a challenge. It didn't seem to me there was enough money in the estimates that the minister could accept the great challenge that is before him. We will come to that later when we discuss some of the sections of the act.

But I did want to say at this point something further on the whole question of housing because I have felt for a long time that it was a tremendously important thing, a thing that has been neglected somewhat in Canada.

One of the greatest areas of unmet need in Canada is in the field of housing, slum clearance and urban renewal. I don't need to go on and talk about the social effects of bad housing. Slum conditions create a cancerous growth in society and the time is long past due when greater consideration should be given by all governments to this particular need. According to the Annual Review of the Economic Council of Canada, the population is expected to rise to 22,000,000 in the next five years. In order to keep in pace with the needs of our expanding population and at the same time catch up with the backlog of housing needs, and I am speaking especially for low and moderate income groups, there must be a massive program of public housing and slum clearance and urban redevelopment undertaken co-operatively all across Canada and in Saskatchewan.

Now, in addition to the rising population which I mentioned, the increasing trend to urban living and the fact that people are living longer, have placed an added strain on our stock of housing. It is true to say, I think, that both in Canada and in Saskatchewan, we were never in a better economic position to tackle this problem and eliminate blight and decay and find new means of providing adequate housing accommodation for moderate and low income groups.

According to a survey in depth on Canada's housing needs by Professor Murray, the estimates are that by 1981 Canada will need 1,000,000 new dwelling units for low income families and an additional 1,000,000 dwelling units for moderate income families. (By moderate income we are talking about people with incomes of from \$3,000 to 4,000, 4,800).

I had the pleasure of attending the symposium held here last fall when the hon. Mr. Nicholson was talking on the subject of housing. He stated a few very pertinent facts which I am sure the minister has already perhaps taken note of, that Canada will need in the foreseeable future, each year and every year for many years to come, 195,000 new housing units in order to keep pace with present housing needs. 1964 saw the largest increase yet and that was 165,000 housing units. Of course this falls far below the desired target and unless drastic action is taken in Canada and in Saskatchewan the situation is going to get progressively worse.

While the CMHC policy of insured loans has been very successful in stimulating the house building industry in enabling

families in the upper income groups to acquire good homes, federal policy has failed very badly in providing homes for low or even moderate income groups. This was admitted by Mr. Nicholson who deplored the fact that this situation existed. The average income of persons securing NHA loans in 1965 was \$6,179, which of course is far above the national average income. Only an insignificant 10 per cent of housing activity has been specifically directed to benefit people in the lower income groups, and these are the people who most need assistance and these are the people who haven't got such assistance. Professor Murray puts it this way: "Present housing policy has been Socialism for the rich and private enterprise for the poor". And that is a pretty good statement.

Now, the hon. Mr. Nicholson stated that 100,000 Canadians are living under housing conditions which are really appalling. We think this is a conservative estimate and, of course, we have our share of people in this category in Saskatchewan. Speaking in terms of Saskatchewan, we don't have any reason for complacency. We have our share and perhaps a little more of it of substandard housing in both rural and urban areas, and we sometimes forget the rural areas. In some cases in rural areas, in small towns, housing conditions are even worse than they are in some of our substandard city areas.

Now, I feel, and I feel very keenly, that Saskatchewan should immediately take advantage of favourable federal legislation and launch an aggressive housing program on several fronts and we are at present in a good economic position to do so. Of course, housing is specifically designated as a provincial responsibility. Recent amendments, that is the 1964 amendments in the National Housing Act, provide that provinces and municipalities designated by provinces may create and own housing projects. This is something that in this house I asked by way of resolution a few years ago, that provinces be allowed to enter directly, and we have had two or three resolutions from this side of the house to this effect. Until these amendments were passed it was impossible for the province to enter in this way as an entity in the creation of housing.

The federal government through CMHC will provide long term assistance in the form of loans and capital grants for such projects. I understand 90 per cent loans are available for housing projects either new or used for low income families who are not eligible for public housing but still find it impossible to find suitable accommodation at rents they can pay. This is a field we should enter. Such loans are available to finance not only self-contained units but hostels, dormitories, and any combination of accommodation.

I also was very interested in these sections in the act and again I think we can do something here. Loans are available to universities, colleges, co-operatives, charitable organizations

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to construct, acquire or convert accommodations for university students and their families, and \$150,000,000 has been designated for this purpose. Saskatchewan could have some of that. The federal government has set aside increased funds for loans and grants up to \$3,600,000,000, \$2,500,000,000 to be taken from consolidated funds. But action — this is a point we must consider — action to provide such houses must be initiated at the provincial and municipal level and in spite of much good housing legislation and increased federal assistance, there are still some very major road blocks preventing necessary action by the provinces and the municipalities. I want to list some of these.

The high cost of housing, particularly in the province like Saskatchewan has discouraged the provinces and the municipalities and individuals from entering on any extensive housing program. The initial expense of low rental housing and urban renewal is often beyond the financial capacity of municipal governments and increased federal aid which is provided for in the new amendment, will help the provinces and the municipalities if they are prepared to go ahead with this.

The second point is high interest rates, 6 3/4 per cent at present, on insured loans seems unreasonable to me. The high interest rates are the greatest single contributing factor in the high cost of housing. Some action to remedy this situation is necessary before any real progress will be made in low rental housing or in home ownership for lower income groups. I wanted to note at this point that the province of Quebec subsidized interest rates for low income families. I don't know whether the province of Saskatchewan could look into this for the province of Saskatchewan because certainly interest rates, high interest rates, are one of the biggest deterrents on building materials. This is an added burden.

Another important thing all across Canada, and certainly in our city and in our province, is land speculation which is responsible for greatly increased cost. The cost of building lots rose from \$2,785 in 1963 to \$2,973 in 1964. I can give you an example right in the city of Regina where the city owned lots on the golf course, land that had been a golf course, were opened up for housing. Lots were purchased, and I have knowledge of this, in that area for \$500, sold by the city for \$500 but other lots that were not owned by the city in that area are selling for over \$3,000 today. That is what land speculation does.

So I have a few recommendations that I would like to pass on to the minister in this connection. If you are going ahead, and I hope you are, under this new act with an adequate, dynamic and challenging housing program, I would like to suggest first that the province of Saskatchewan should buy up land on the periphery of urban centres and resell it at cost to municipalities as new housing areas to develop. Such land is expensive now but it will be a great deal more expensive as our cities expand. Remember this, not only will this affect individual homes, but municipalities will have to purchase land for schools and parks and so on. There aren't very many municipalities that have sufficient borrowing power to purchase large blocks of land. I do believe that this is a suggestion that the minister should look into. I think this is something very helpful that the province could do; and I think it would save not only the buyer, but also municipalities a tremendous amount of money if something like this could be done.

Secondly, in connection with the housing authority which

you would plan to set up, a housing entity I think you would call it, we are glad that you are going to set one up. We do want to emphasize that it must be staffed by competent people to co-ordinate all housing activities and to work in co-operation with municipalities and federal authorities. I would like to say some of the things I think this housing authority should do and I am sure the minister has thought of many. Such a body should be responsible for surveys of housing needs on a continuous basis. It should be responsible for research into alternative and less expensive types of housing, multiple housing, rural housing and so on. It should also make a study of cheaper and more efficient building methods and there should be research into the legal forms of ownership, in multiple housing, that is apartments and so on, research into the legal ownerships of co-operatives which build apartments and buy into those apartments. Something needs to be looked into there.

And I think of another important thing that this authority could do. I'll preface this by saying that one of the reasons we haven't made more progress in housing across Canada and in Saskatchewan is that we need more public understanding, more public education to make people realize the necessity of it. If you have a comfortable home of your own, you are apt not to look around the corner and see the problems there, so we say that such an authority should undertake an educational program. This should be spearheaded by the government to make the public more aware of the housing needs and the social effects of bad housing.

Again, there is more flexibility in the new amendments, which can be of assistance to co-operatives. We think that the provincial government could give some assistance and encouragement to co-operatives that enter the housing field. In many countries of the world, such as in Sweden and Denmark, co-operatives have played a major role. I feel that they have a great role that could be played here with a little help from a government in the light of these new amendments passed in 1964.

Possibly loans and grants could be made available to dependable people with low incomes to assist with down payments where necessary. Of course we do stress, and I know the government understands, the continuing need for more housing, and for nursing homes for senior citizens; and, of course, we cannot overlook the housing needs of Indians and Metis. This should have top priority. All of these things, I think, with a competent staff, with not only a competent head, but a competent staff, with sufficient money, which does not seem to being the estimates, could do a tremendous job in the whole province.

An adequate supply of low, moderate rental homes seems to be to me, in my investigations, the greatest need at present. No family should pay more than 20 per cent, 25 at the utmost, of its income for unheated accommodation, because if it does, the family suffers, and this is particularly true in low and moderate income groups. But it is virtually impossible in this city and in many places in the province to find a decent home where the rent does not exceed 25 per cent of the income. Look at what is left to a man who earns \$200 or \$300 a month but pays 25 per cent for unheated accommodation, and then has to pay for utilities. Try to bring up a family, feed a family on possibly \$200 a month, clothe them etc., it is just impossible. So the great need here is for the government, with the municipalities, to enter into some kind of a program for low rental homes.

Private enterprise never has, and never will, and admit

they can't, fill this desperate housing need. You will find this statement in the Bruce Report. They say that providing housing for low and moderate income people is not their responsibility and shouldn't be left to them. But it is somebody's responsibility. So there is where governments have to take over. With increasing industrialization and the introduction of automation our work force is getting increasingly mobile, it is going to get more mobile yet. So we suggest that the housing authority should investigate the possibility of building homes for rent that can be easily moved from one location to the other, which might be a very practical way of getting good housing when new developments arise as they did in the potash field and in other fields.

These are just a few suggestions I wanted to make when we bring in this bill. Again, I would say I am very pleased that the bill is in but I do hope it is not just a framework. It won't get us anywhere if we don't take advantage of federal legislation. I hope we are going to do something with it when this bill is passed, now that we have the authority to do it.

Some Hon. Members: — Hear, hear!

Hon. J.M. Cuelenaere (Minister of Natural Resources): — Mr. Speaker, I am not going to speak at any length on the bill, but there may be some misunderstanding as to the effect this bill will have on the northern administration program. As a matter of fact, a question was asked. Now this does not and there is no intention of repealing section 91 of the Northern Administration Act. It places northern administration district administration in the same position as municipal government. I think if the act is looked at it will be noticed that on a number of occasions in the new act, the Minister of Natural Resources is named as having the same authority or is placed in the same position as a municipality. He is referred to in the definition of a by-law, and the definition of a municipality.

This act will serve to supplement section 91 of the Northern Administration Act which already provides that the Northern Administration District can enter into an agreement with the government of Canada, or with the provincial government to provide housing in the north.

In other words, in the future the Northern Administration District will continue to provide houses under the Northern Administration Act and will continue to build houses, to make grants, and to assist people in the northern area in the housing program.

Some Hon. Members: — Hear, hear!

Mr. W.G. Davies (Moose Jaw City): — Mr. Speaker, I only want to add very briefly to the excellent presentation of the lady member from Regina (Mrs. Cooper). She has given all of the reasons in depth why this legislation will be useful. We know the legislation before us is made possible by changes at the federal level just recently. I would, with her, hope that sufficient funds would be made available so that these changes can be made most fully effectual in the future.

It seems to me that we are in a position in Saskatchewan where to a large extent we can avoid the enormous mistakes that have been made in the large cities of eastern Canada, and in other

parts of the United States where everything grew up in a hodgepodge, hit-and-miss way; where there was no urban planning, very little government assistance, where tenements and slums grew up very close to good housing areas. The land was not available for housing in many cases and so on. I know that members are aware of these facts, I don't want to belabor them except to say that we have an opportunity now with our fast-growing urban society in Saskatchewan, to do those things that will make for better living for all residents, not only in the cities but in those areas which will be part of a much larger urban complex in the very near future. We have all seen how quickly cities like Saskatoon and Regina, in particular, have grown over the past ten years. This should be the signal for us to move as rapidly as possible to avoid the dangers and the evils that we know come from a lack of planning, through a lack of research, and a lack of activity and assistance in all of the terms that the lady member from Regina (Mrs. Cooper) has told us.

I can recall some 15 years ago being associated with the first public housing development in the province when I was on the city council at Moose Jaw. I watched those 75 homes which were built on a subsidized low rental basis in that time. I have watched some of the families that have been part of that 75 units. I know from my own observation how much the 75 units have meant to those people, who otherwise would have been living in most sub-standard accommodation indeed.

You know, there seems to be among some sections of the public an impression that housing costs money rather than housing being an investment which is, generally speaking, a self-liquidating proposition. Insofar as those units in Moose Jaw are concerned, or the units in Prince Albert, Regina, and some other cities in the province that could be mentioned, every one of this type of housing projects was self-paying. It is not an expense or cost in terms of spending money that will not be secure, and which will not be paid back in terms of a social dividend over a period of time.

I would hope that we could lean very heavily on the authority that is granted by the changes in the way of getting land for future housing. This has been urged by the lady member from Regina (Mrs. Cooper) and in the planning and research end. It seems to me that unless we look well ahead into the future that events will catch up with us and many of the mistakes and many of the errors that I have referred to that have been made in older urban areas of North America will be repeated here. There is no expectation that those will not be made unless the public authority, or the public authorities, both local and provincial, with the co-operation of the federal government, step into the breach and provide the needed leadership. We can discover on a future occasion when we discuss the estimates how much indeed will be done in practice during the time ahead. At least, however, there are some means delineated in the legislation for what appears to be improvement. For that reason I find myself in support of the bill in hope that the most will be done by the minister and the government during the period ahead to see that there is the fullest realization of the promise that these sections seem to portend.

Hon. J.C. McIsaac (Minister of Municipal Affairs): — Mr. Speaker, may I say at the beginning of my closing remarks, if that is a good phrase, that I would like to thank the lady member for Regina (Mrs. Cooper) for her remarks on this

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bill. Quite frankly, we, in my department, have not yet got around to considering all the ambitious objectives that she has outlined to us, largely because we just had the act drafted. It was developed as the result of an interdepartment committee study. We just have it finalized since the session opened. I would point out that there is provision in the estimates of the Department of Welfare for a number of the projects that are underway now, and projects that are known to us. For example, there are nine or ten land assembly projects currently being investigated. I am sure as she very well pointed out, the federal people are taking quite major steps in this field. They are holding seminars throughout this province and elsewhere promoting the various housing projects and acquainting municipalities and others with the new changes in the new federal provisions. I am sure that we will eventually be promoting, or be in a position to promote, many of the ideas contained in the remarks of the lady member from Regina (Mrs. Cooper).

Motion agreed to and bill read a second time.

Hon. J.C. McIsaac (Minister of Municipal Affairs) moved second reading of **Bill No. 41 — An Act to amend The Superannuation (Supplementary Provisions) Act.**

He said: Mr. Speaker, with respect to this bill, I am informed by the clerk, there was possibly some misunderstanding when I gave it first reading, it did not get the Crown recommendation. Therefore, I beg to inform the assembly that His Honour the Lieutenant Governor, having been informed of the subject matter of this bill, recommends it to the consideration of the assembly.

This bill is an act to amend an act that was passed last year as most members will probably recall, known as The Superannuation (Supplementary Provisions) Act. In this act provision was made for amending existing pensions of superannuates and widows, granted pensions from five different acts: The Public Service Superannuation Act to April 4th, 1951, the Power Corporation Superannuation Act to April 4th, 1951, the Liquor Board Superannuation Act to April 4th, 1951, the Government Telephones Superannuation Act to March 31st, 1955, the Workmen's Compensation Board Superannuation to March 31st, 1958. Now the dates referred to, Mr. Speaker, are the dates when the basis of calculation of pension was changed from a career average to a basis of the best 10 consecutive years, which resulted in higher pensions.

This amendment before the house today covers an additional group of superannuates and widows, something over 100 in number, whose pensions were granted between April 5th, 1951 and April 1st, 1954. As explained, it will adjust those pensions, all pensions under \$2,400 per year. The adjustment consists of \$10 per year for each year of service up to a maximum of 35 years; if a widow, of course, one-half of that amount.

This amendment affects pensioners and widows in three acts only, the Liquor Board, the Power Corporation, and Public Service Superannuation Acts, because the other two acts mentioned were adjusted last year to date beyond April 1st, 1954.

With these few remarks, Mr. Speaker, I would beg leave of the assembly to move second reading of this bill.

Motion agreed to and bill read a second time.

Hon. G.B. Grant (Minister of Industry and Commerce) moved second reading of **Bill No. 45 — An Act to amend The Industrial Development Act.**

He said: Mr. Speaker, the purpose of this bill is to wind up the Industry and Advisory Council. This council was set up to act as an advisory body to the government and to the Saskatchewan Economic and Development Corporation, and was given a budget to carry out that work. Due to the heavy demands on most businessmen these days, we have experienced considerable difficulty in getting a good working majority out to the meetings of this council largely because of the scattered nature of the membership of the council, and the demands on businessmen who normally would be eligible for this type of work.

At the last meeting of the council held in October, the future role of the council was discussed fully and the members passed a motion recommending to myself that the council be wound up.

The Department of Industry and Commerce seeks advice and help from local industry advisory groups. We find that they are close to their individual needs and problems, and also we are very careful to discuss industrial promotion projects with various industries and areas involved. This applies to tourism as well as industry.

I feel that to a very large degree the work of the council can be more adequately dealt with by persons who are daily more in touch with these problems and particularly by the staff of the department and the Saskatchewan Economic Development Corporation. I might say that there is some overlapping of persons on the Advisory Council and the board of SEDCO. I also feel that there are adequate provisions in the powers of the Department of Industry and Commerce to carry out the aims and objects of the Advisory Board.

Another area of work covered in the bill is that we feel the word loan should be deleted to explicitly permit the corporation to provide financial assistance not only by means of loan capital, but also by means of the purchase of shares, debentures, and other securities issued by companies operating or incorporated in Saskatchewan. In addition to this we feel that it is desirable to expand SEDCO's part by enabling it to guarantee the repayment of monies lent to persons engaged in manufacturing, processing or industrial undertakings in the province. With that explanation, I would beg leave of the assembly to move second reading of Bill No. 45.

Mr. J.H. Brockelbank (Kelsey): — Mr. Chairman, I have looked over this bill with a great deal of interest, and as the minister has stated, it provides for doing away with the Industrial Advisory Council. The minister may not agree with me, of course, but I think that there never was a government that was more in need of advice than the one we have sitting on your right, Mr. Speaker, at the present time.

They shouldn't be doing away with advisory bodies. Now it wasn't intended that this advisory council should be a body that could meet a great many times in the year, but it certainly was, I think, a kind of a body that could be very useful. However, that is rather a small matter.

The other main principle in the bill is to give SEDCO an

unlimited blank cheque in regard to guaranteeing monies lent to any company, or organization, under the provisions of the act. I agree that the right to guarantee is an important one, and it is a way in which the province can give help to some industries, we have done a good deal of that in the past, but I certainly object to the idea of a blank cheque like this. There is no limit. Actually, under the provisions of this bill, the guarantee of \$50,000,000 to the Prince Albert pulp company could be made without any reference to this legislature. I think this is going a little too far, and I hope that when we get into Committee of the Whole with this bill we can set some limits on the extent to which the SEDCO is authorized to go without reference to the legislature. Because when you issue guarantees, Mr. Speaker, you are creating what may be a debt, and we would not let SEDCO or some other body use this kind of method to create debt without limit. So, there should be something done to limit the powers in regard to this right to guarantee.

Mr. A.E. Blakeney (Regina West): — Mr. Speaker, I simply want to support the words of the member for Kelsey (Mr. Brockelbank) and to make the suggestion that an appropriate limit might be to include guarantees in the calculation of the \$40,000,000 limit which the bill contains. The corporation is entitled to borrow and to lend up to \$40,000,000 without further reference to the legislature. It might commend itself to the government if I suggest that the face amount of any guarantees ought to count in the calculation of the \$40,000,000.

This is a suggestion I put forward for consideration.

Motion agreed to and bill read a second time.

Hon. D.G. Steuart (Minister of Health) moved second reading of **Bill No. 52 — An Act to amend The Saskatchewan Medical Care Insurance Act.**

He said: Mr. Speaker, this is an act to amend the Saskatchewan Medical Care Insurance Act. The provisions of this bill are intended to improve some aspects of the administration of our Medical Care Plan. Most of these provisions are directly concerned with, or related to the new Saskatchewan Assistance Act, 1966. This assembly, Mr. Speaker, has already approved the provisions of that act which reorganizes the basis for allowances being paid to persons in need and is intended to complement the provisions of the forthcoming Federal Canada Assistance Plan.

Mr. Speaker, it is our government's intention, not only to reorganize our legislation so to obtain the federal government's sharing of all social aid costs, but to remove from the municipalities the financial burden of the payment for health services received by the municipal indigents, the indigents that are now the responsibility of the municipalities.

Amendments to the various Municipal Acts, as well as to the Saskatchewan Hospitalization Act and the Saskatchewan Medical Care Insurance Act are required for this purpose. At the present time the Medical Services Division of my department make payment for comprehensive lists of health services received by various categories of persons, for example, elderly persons, blind pensioners in receipt of a supplemental allowance, families in need where the father has died or is incapacitated, government wards and various other classes of social aid recipients.

Now, Mr. Speaker, this number totals approximately 28,000 persons. The Medical Services Division now make payments for physician services, hospital services not insured under the Saskatchewan Hospitalization Act and services provided by dentists, optometrists, special duty nurses, physiotherapists, chiropodists. It also makes payments for appliances and life saving drugs, and pays 50 per cent of the costs of most other drugs received by these people.

It is the government's intention, in line with the Saskatchewan Assistance Act, and the Canada Assistance Plan, to accept the financial responsibility through the Medical Services Division payment program, for the health services received by social aid recipients who are now the responsibility of the municipality.

My department has estimated that the total payments made by all municipalities in 1965 for health services received by municipal indigents was approximately \$521,100, this total comprising the following items: medical care premiums and hospitalization tax accounted for \$322,000; payment for hospitalization and medical care for uninsured persons, \$20,000; similar payment for uninsurable persons, \$7,700; drugs, \$112,000; dental care, \$20,000; nursing, \$6,500; optical, \$16,500; other costs, \$6,400; for a total of \$521,100. With the addition of this category to the list of Medical Service Division beneficiaries, the total number of persons for whom payment for health services will be made by this division will amount to about 60,000 people.

To give effect to this change, the bill removes the requirement that each municipality and the province pay the Medical Care premium on behalf of their own indigents. In its place the bill contains provision authorizing the Minister of Public Health to pay the premium on behalf of the prescribed classes of persons. Now all members of this assembly, Mr. Speaker, will appreciate the fact that the doubling of the number of beneficiaries for the Medical Services Division will sharply increase the administrative processes being carried out by this division. Now, we have studied this matter at some length and have concluded that the most efficient and economical manner of making payment for the physicians' services received by all of these 60,000 persons will be for them to participate as beneficiaries under the Medical Care Insurance Plan.

It is our intention, if they be so designated by Order in Council at the appropriate time, to make this provision effective. An amendment to the act will have the effect of deeming each of these persons to be a member of the approved health agency to which the attending physician belongs, and through which he would like to receive payment. My department will pay each approved health agency for the additional costs incurred by participating in this program. Payment of the annual health service agency fee by or on behalf of these people will not be made.

This proposed procedure has been worked out in co-operation with the College of Physicians and Surgeons and with two approved health agencies. Where the physician providing the service to one of these persons has been submitting accounts directly to the Saskatchewan Medical Care Insurance Commission, it is expected that he will continue this procedure for this group of patients. Mr. Speaker, the act now authorizes the medical care premium to be paid by a municipality on behalf of any of its residents and for the amount so paid to be recovered in the same manner as

municipal taxes. Similar provisions authorize the Minister of Municipal Affairs to pay the premium on behalf of a resident of a Local Improvement District and the Minister of Natural Resources to pay a premium on behalf of a resident of the North Saskatchewan Administration District. A new section specifies in detail the manner by which the amount of premium paid on behalf of a resident may be recovered. This amendment was recommended by the officials of the Saskatchewan Association of Rural Municipalities and the Saskatchewan Association of Urban Municipalities. The act now requires each collector to send a statement of premium arrears to each person who has not paid the premium within 60 days after the premium has become due. This provision should be revised because the premiums may be paid in instalments during the year. A person may, therefore, be in arrears at any time during the year when instalment payments become due. But because instalment payments are authorized by regulation it is proposed that this provision of the act be repealed and that a new provision authorizing regulations be made describing procedure to be followed by collectors in collecting premiums.

You will recall, Mr. Speaker, that effective July 1st, 1965 physiotherapy services were deleted from the insured services under the act by Order in Council. These services are now insured under the Saskatchewan Hospitalization Act and I am pleased to report that these changes have proved entirely satisfactory. An amendment will remove all mention of physiotherapy services from the act. You may also remember, Mr. Speaker, that a year ago this assembly approved an amendment to the act providing for payment for certain services provided by the physicians to be paid by the Medical Care Insurance Commission at a rate different than those generally paid by the commission for those services. The commission has recommended that certain amendments be made for this provision to facilitate certain aspect of its administration. These amendments are also included in the bill. Mr. Speaker, these amendments are intended to partly further streamline the administration of the Medical Care Insurance Plan in this province and partly to assist in maintaining a higher level of premium collection. All of these amendments are useful provisions and I am, therefore, confident they will receive this assembly's favourable consideration. I would therefore beg leave of the assembly to move second reading of this bill.

Motion agreed to and bill read a second time.

Mr. W.G. Davies (Moose Jaw City): — Mr. Speaker, some of the comments that have been made by the minister have served to clarify a few of the questions that I had in my own mind in looking through the amendments to the Medical Care Insurance Act. I note first of all that the definition of physiotherapist is removed from the act, as the minister has commented on before taking his seat. I take it that the removal of this reference also constitutes, as he states, the removal of the service. Mr. Speaker, our members can't agree on a deletion of an insured service that is a necessary one in the whole spectrum of good health, and if removed would constitute a backward step on the part of the government at this time.

When there is an opportunity to do so in committee, I would like to raise this question again especially as it relates to the manner in which the government has dealt with physiotherapists as a profession. It is my opinion, and some others, that the handling of the representatives of this profession and the agreements that have been made with them for services have left very much to

be desired.

Now, Mr. Speaker, rule 52, apparently permits payment by the government covering indigents or persons in programs no. 1 or no. 2, that are now covered by agreements with the Department of Public Health and its Medical Services Division with the College of Physicians and Surgeons, and the payment of amounts of medicare premiums that are now paid by municipalities. The bill I note doesn't set forth specifically the provisions for payment for services by the government but simply gives the government authority to proceed in the manner that's mentioned in the bill. I suppose that in committee the minister will be able to tell us the why and the wherefore and the manner in which this will be undertaken. It might be observed at this point, Mr. Speaker, that programs 1 and 2 have functioned rather successfully over the years, (in the years, of course, before there was a medical care insurance plan), in providing services for the aged and for others who receive protection in and under the two programs, through agreements between the Medical Services Division of the Department of Public Health and the College of Physicians and Surgeons. The disappearance of these programs, of course, will signal the decision of the government to integrate these services under Medical Care Insurance. Again I think we will want to aim some questions at this point in committee. Previously, as I remember, Mr. Speaker, programs 1 and 2 operated by payments of approximately 85 per cent for the services rendered directly to the physician providing the service under the program. Bill 52 provides that services may be paid to the physician or other persons providing services by the forwarding to an approved health agency of a statement of the bill for payment. Again I am supposing, Mr. Speaker, that physicians who are not part of the approved health agencies may render their bills directly to the Medical Care Insurance Commission for services that are now provided for programs 1 or 2, or which would be provided in any service for indigents in municipalities.

There are a number of other places in the bill that I would want to make some comment on, Mr. Speaker. In the meantime I must say again that while not opposed to the passing of this bill at the present time, since it seems to convey authority that will be of some assistance in helping municipalities, we will reserve our detailed comment for discussion in committee.

This might be an opportune time to make an observation about programs numbers 1 and 2, which will continue to exist until authority to end them is finally given by the government. It seems to me that these programs provided medical services for many of our citizens in this province and provided services for an eminently satisfactory program. They had their shortcomings it's true, but for years physician's services and other services were provided on the basis of the payment that I referred to and on the basis of a method that resulted really in very little disagreement as between the department and the providers of services. I believe the house would want to say to all the participants in the two plans that we have appreciated the way in which these programs have functioned over the years. Some persons obviously need to be singled out for special mention and credit. The assessment committee that scrutinized accounts, a body that as I understand it was operative with the sanction of the College and the Department of Health, has given invaluable aid to these plans during their years of operation. I don't think we want to ignore mention of credit without referring to the officials of the Department of Public Health who had charge of these programs. Their names have not been very well known either to the house or

to the general public but I feel that they too deserve great commendation for the manner in which they have operated these programs. The experience which was gained by the parties has in the analysis been invaluable in the evolution of health care in Saskatchewan. It is useful to know that programs 1 and 2 are the kinds of programs which are only now coming into being in the United States of America. Programs there, by the way, will not offer by any means the kind of protection that programs 1 and 2 have offered during many recent years in Saskatchewan, because as I understand in the programs there in the USA, the cost of physician's services for the first \$50 will be paid by the recipient and it is only in amounts of over \$50 that arrangements will be made for payment of 80 per cent of the cost of care; 20 per cent over the \$50 figure is to be paid by the recipient of services. There are many other limitations so that the programs as they have existed here represent a great deal more in the way of benefits over programs that are only now coming into being in the United States.

Now, Mr. Speaker, after these words I will reserve further comment for the committee stage.

Mr. A.E. Blakeney (Regina West): — Mr. Speaker, there was one comment that I want to make as a result of hearing the remarks of the minister. I gain from him the impression that the categories of persons now served by programs 1 and 2 will be served by the method provided for in the bill, and that it is the intention to designate people in these categories beneficiaries under the Medical Care Insurance Act. I understand section 5 of the bill, the new section 16 of the act, will apply to them. If so this is going to come as a bit of a surprise to a lot of these people who are now recipients under the Medical Services Division scheme. Members will recall that program 1 covers recipients of Old Age Security Supplemental Allowance, that is people over 70 who can demonstrate that they have a special need. It covers some other groups as well, the Old Age Assistance Supplementary Allowance group and the Blind Persons Allowance Supplementary Allowance groups and one or two other groups. Program 2 covers essential municipal social aid categories in areas which are unorganised, that is the Northern Administration District and the Local Improvement Districts, and that sort of thing. The position of people in these groups now is that if they go to a physician with their blue card they know they won't have to pay doctor bills because the card insures that they are a member of program 1 or program 2, as the case may be, that the physician will send in his account to Medical Services Division and that the physician will accept it in full payment. The bill does not do that.

Under the bill, if indeed these people are treated in the manner which I have suggested, they will be designated as a class under section 12, and then they become beneficiaries under the act. But whether or not they are subject to extra billing, or over-billing, is purely at the option of the doctor, not of the patient because they are not members of the approved health agency until their doctor sends in the account to the approved health agency. They are just beneficiaries under the act. But if the doctor wants to send the bill to them then they are liable for it. They are not deemed to be members of the approved health agency unless the statement is received by the approved health agency from a physician. If the doctor doesn't want to send in the bill, then the patient is subject to extra billing. They are subject to being charged an amount in addition to the 85 per cent. Let's put it that way. And this I think will come

as a surprise to these people, who for close to 20 years — another instance of 20 years, Mr. Speaker — have been assured that their account was paid in full.

Now I suppose this won't happen very often because I suppose that these are the class of persons for whom the doctors would be quite happy to send in their accounts to an approved health agency and accept the amount which comes from the agency. But this again is solely in the discretion of the doctor. If for any reason the doctor becomes less than happy with his dealings with an approved health agency, and this can always happen, then the patients are subject to all of the extra billing problems which any of us may be subject to who are not members of an approved health agency. As I say, this is going to come as a bit of a surprise to people who for 20 years have had the other arrangement. I think that there are a number of other aspects of this which ought to be pursued in committee. Superficially, when you have a set-up which works satisfactorily for old age people, supplementary allowance people, municipal social aid people when they are under a LID or Northern Administration District, and when you are going to take in another municipal group, one would think one would simply add this additional group to the existing program. But there may be good reasons for setting up an entirely new structure. These are the questions which we will direct to the minister in committee. But without further explanation, I would be less than happy with an arrangement whereby any or all of these members of this class would be subject to extra billing in the same way as any other beneficiary under the act. I think all of us will consider with some care the explanations given in committee with respect to this bill.

Mr. Speaker: — I want to bring to the attention of the house that the mover of the motion is about to close the debate. If anybody wishes to speak he must do so now.

Mr. Steuart: — Mr. Speaker, I think the points made, the questions raised were quite valid. I would point out, and I am sure the hon. members opposite are aware of this, that the service of the physiotherapists who were not insured under the Medical Care Insurance Act from July 1st last year on were then insured under the Saskatchewan Hospital Services Plan. They keep saying that this is a backward step. I am aware that my predecessors in the Department of Public Health as Ministers of Health or people that worked for them at least, if they didn't do it, I did it. I don't know whether they were involved or not but we were involved over quite a long period of time in negotiations with the physiotherapists in an attempt to control very, very rapidly rising costs. The cost of physiotherapy services were rising at a far more rapid rate the first year, in fact I think the increase was around 60 per cent. We concluded, in fact it was a result of a recommendation by the Medical Care Insurance Commission itself, that these services no longer be insured under the Medical Care Insurance Act. Therefore, we took the action that we did and insured them under the Saskatchewan Hospital Plan. Now as of today all the physiotherapists in Saskatchewan are working under this plan and have contracts. There was a gap in there after July 1st when they didn't all have contracts although many of them did sign contracts. But as it now stands there is no difference as far as the people are concerned. They go to their doctor, if their doctor prescribes the services of a

physiotherapist, then they go to a physiotherapist of their choice and the bill is paid. He submits his bill under the Saskatchewan Hospital Services plan, and under an agreement we have with the various physiotherapists across the province that bill is paid. So as of now, as of sometime after July there was a gap when not all physiotherapists did sign the contract. I recognize this, and I recognize that there were some hardships worked on some people as a result. But as of now and as of the last few months the problems of this situation have been solved. So the service of physiotherapists, as far as the public are concerned, is just as available as it ever was.

Now there was one other question raised about programs 1 and 2. I would say that these programs will be continued. Now just as they are doing in, or aiming at, in Social Welfare where you have a whole group of various classes of people receiving social aid, they are attempting and are aiming at over the years ahead to streamline this so that all people who need help will be given help regardless of the fact of whether they are widows, or they need help because they can't work, they can't find work or they are physically incapable of working. They are all going to be treated the same and we are going to do away with all these various categories. This is what we are aiming at in the health treatment, but I would assure the house that the MSD program will be carried on and the staff will be there. I agree very much with the hon. member from Moose Jaw that the staff has done an excellent job over the years and I was very happy to hear him commend them. I think the praise that he gave them was very justified and I think it was very timely as well. The only changes we are making is the way these are paid. I agree that the program is working very well. I also agree that it has some weaknesses, but by and large it has worked very well. It has provided excellent service for these people when they needed it. But I am told by my officials that by adding this tremendous load we will be adding on the administrative cost of issuing these cheques to the physicians, which would be extremely high and that it would be a useful thing if we could get the payment for these services under the Medical Care Insurance Commission and put through the machines with the rest of the payments. I am told, and I recognize, there are many advantages. But the member for Regina West (Mr. Blakeney) put his finger on a very pertinent point and that is; will these people receive their physician services at 85 per cent and will the physicians accept this as payment in full? We do have an agreement with the physicians that this will be the case. Now under the suggestion we are making here, under the amendments contained in this act, I agree it is possible that physicians could say "No, we don't want to deal with one of the approved health agencies, and we don't want to deal directly with the commission". There are some physicians who don't deal with any of these people; they deal directly with the patient. This is true right now. These people could take old age pensioners, but I understand they don't but there is nothing to stop them right now saying to old age pensioners or people under programs 1 or 2, who come to the office for their medical treatment, "I'm going to charge them 100 per cent and where they get their money is their business". However, they don't do this and I have been assured that they will not do this. Even for specialist services there will be no extra billing. But if there is extra billing I will assure this house that we will change the situation because we recognize that these people are not in a position to pay any extra billing and we have had the assurance from the College of Physicians and Surgeons that no extra billing will take place. So again I want to assure the house that there will be no change in programs 1

and 2. There will be no change in the programs that have been rendered under the MSD. The only change will be in the procedure of how we pay physician services. We think that by putting them under the Medical Care Insurance Commission we will save money and that the old administrative procedure will be streamlined. I certainly will be prepared, Mr. Speaker, to answer any questions to the best of my ability when we get into the act itself.

With these few words I hope I have answered some of the questions, quite good questions raised by the members opposite.

Motion agreed to and bill read a second time.

Hon. G.B. Grant (Minister of Highways) moved second reading of **Bill No. 58 — An Act to amend The Highways Act.**

He said: Mr. Speaker, this bill is to amend the Highways Act, in particular section 29 under road classification. These classifications are useful and are a necessary device to deal with the planning and the design requirements in the statistical recording of road classifications. The existing section was taken largely from the classifications developed by the Canadian Grid Road Association and is pretty well standard across Canada. As taste and desires change so do the classifications and the proposed section merely brings our classifications into line with the improved Canadian Grid Road Classification. We find it of particular use when we are comparing our roads and statistical data with those on a national basis. With these few words I would now beg leave of the assembly to move second reading of this bill.

Motion agreed to and bill read a second time.

Hon. J.C. McIsaac (Minister of Municipal Affairs) moved second reading of **Bill No. 61 — An Act to amend The Village Act.**

He said: Mr. Speaker, the amendments contained in Bill No. 61 are essentially those required in the normal updating of the Village Act. Some of them bring the powers of the villages more in line with the powers of the cities and towns. For example, the amendment with respect to Parks Boards and Parks and Recreation Boards illustrates this. The provision was requested by the Continuing Education Branch. Another amendment I would mention is that concerned with the penalty in tax arrears. At present the penalty is five per cent and this amendment permits the village to increase the penalty to seven per cent by bylaw; in other words it is permissive legislation. This amendment, along with several others, was requested by the Saskatchewan Urban Municipal Association. All of the amendments were discussed with the SUMA executive. I believe that they are necessary to the updating of the act. I believe that possibly these provisions can best be discussed in committee. Accordingly, I would now beg leave of the assembly to move second reading of this bill.

Mr. E.I. Wood (Swift Current): — Mr. Speaker, I might say that we have gone over the different sections of this act and I agree with the minister that most of them are quite in order and any discussion on them can best be carried on in Committee of the Whole.

Motion agreed to and bill read a second time.

March 14, 1966

Hon. J.C. McIsaac (Minister of Municipal Affairs) moved second reading of **Bill No. 62 — An Act to amend the City Act.**

He said: Mr. Speaker, this bill deals with amendment to the City Act. Again a number of the amendments here are common to the other urban acts including the Village Act, that just passed second reading. One amendment that perhaps could be explained somewhat further is the one dealing with manager system of administration in cities. The amendment proposed here makes it possible for a city to submit the bylaw to the electors. The difficulty with the present sections dealing with this, with the manager-type of administration, is that it requires the electoral consent of a complete bylaw. Our lawyers have advised us that the powers of the manger as set out in the bylaw could not be changed except by referring any such alteration to a vote of the electors. The amendment of this section is designed to make the manager system more readily available to cities if they want it. The present provisions, as I mentioned, seem to be entirely too cumbersome. Quite a few provinces have legislation permitting the manager system and actually there is little benefit in submitting a bylaw dealing with the full details of this to the electors. In any case the council if it wishes may submit the question to a vote of the electors, but, of course, it would not be bound by the result of a vote. I feel this amendment will put the choice in the council's hands and is a desirable amendment to this act. It has on numerous occasions been requested by the Saskatchewan Urban Municipalities Association.

Now, other than this provision, there is one more provision requested I could comment on, which was requested by the City of Saskatoon. Section 13 of the act is a clarification of policy that they adopt in Saskatoon, namely that of assessing their business tax on an annual rental basis. Other than this, Mr. Speaker, I am sure that the amendments can best be discussed in Committee of the Whole. Accordingly I would now beg leave of the assembly to move second reading of this bill.

Mr. E.I. Wood (Swift Current): — Mr. Speaker, again I concur with the Minister of Municipal Affairs (Mr. McIsaac), in regard to the fact that most of these provisions are innocuous and undesirable. In regard to the section concerning the using of the rental basis for business assessment in the cities, this I believe was brought in during the session of 1964. I note here in this bill that there are some changes which I would assume come as a result of experience gained in the administration of this new part of the City Act and which look to me to be straightforward and quite in order.

I will, I fear, have to take some exception in regard to section 3, that part which he just mentioned. I do not wish to go into the section, Mr. Speaker, but I do not agree with the principle that is being brought forward here. This section dealing with the setting up of a manger of a city is not new. We have had it in the act for many years, but it is, I would say, rather a large move on the part of any city to move from having its affairs administered by the mayor and council to having them largely administered by appointed personnel. I think that, when a council or city moves in this direction, they are taking the greater part of the control of their city affairs from the elected personnel and placing it in the hands of appointed people. Of course, the policy will remain with the mayor and council, but in the day-to-day actions of the administration, the mayor and council will have a good deal less to say. This does not exactly

do away with that portion of the act, because the portion of the act will still remain, but it does, in effect, do away with the mayor being an ex-officio commissioner on all commissions. When you appoint a city manager you greatly reduce the power of the elected personnel.

As I say, this has been in the act for many years and is something which does, with due consideration given to it, have some points of merit, but I do not think it is something that should be taken up readily by municipal councils without any recourse to the ratepayers. Under this new section that is being brought in here, this simply means that some friction in the council could result in two-thirds of the majority of the council agreeing to take this step. It is one that could put the city in an entirely different position in regard to its administration.

I think that this is something that the ratepayers themselves will have something to say about and will not let it just be handled directly by the municipal council. Now, the hon. Minister of Municipal Affairs (Mr. McIsaac) has told us that this has been asked for from time to time by the Urban Municipal Association. We politicians, I must admit, have a faculty sometimes for telling the truth, but not quite all the truth. This was turned down last year, I believe. The resolution was turned down last year by SUMA, so I think, Mr. Speaker, that I cannot go along with the principle involved in this part and I will be expecting to have more to say in Committee of the Whole.

Mr. H.H.P. Baker (Regina East): — Mr. Speaker, it makes it a little difficult for a person who is a member of local government to speak on this issue, but over the years I have strongly opposed this. It used to come up on different occasions at SUMA over the past 8 or 10 years. At times it was passed. Last year it was turned down by the urban municipalities that is why I am somewhat surprised to see it on the docket here, to revise the act to put it in the hands of council to appoint a city manager. I think we have in Saskatchewan a very, very fine system of commissioner government. The appointed commissioner does the day-to-day administrations; the co-commissioner who is the elected person only gets in on the problem cases. Whenever they cannot agree the reports are taken to council which makes the final decision. I would say over the past year I do not think more than four or five reports where we didn't agree on where there may have been different views on a particular issue, had to go to council. I would say that 98 per cent of the time the reports go in jointly and in agreement. I think the system we have is truly a democratic way of doing things.

If we are going to put the complete control in the hands of one person including council's responsibility, we are heading for real trouble. This could lead to bureaucratic government and I am sure that the government on the other side, as those of us in the opposition, sincerely believe in democratic government and this is the system we have. It would be better if we would enlarge upon the commissioner system and perhaps say to cities with over 100,000 population that you appoint three commissioners, having two paid commissioners and the mayor who is the ex-officio representing council. This is pretty well the system they use in Alberta. In many centres throughout North America where they have had the city manager system, particularly in the southern states of the United States, they are now shifting away from it, because it got so that their councils had lost practically

all control.

There is another point that is very important that I think the minister should be aware of, that under the commissioner system you have a number of committees set up. I am sure some of the gentlemen across the way who have been mayors of their cities, such as the Minister of Highways, the Minister of Health, and the Minister of Natural Resources, are familiar with this. We in Regina have, I would say, 150 to 180 people voluntarily working on committees who are doing a tremendous job bringing forth many new ideas beneficial to our city. Because of this Regina today has developed a community planning scheme. We are one of the first in Canada. This was put through some four years ago. It all came about through a number of committees. We have a number on our boards such as the air, parks and recreation boards. I believe we have about 30 committees in the city of Regina that work on some phase of our community activities. Under the city manager system this would be gone, because under that system committees are not appointed. Everything is left to the elected people on council to sift out what is needed for the community. I think, Mr. Speaker, that his should be the real concern of this legislation. We have three former mayors here and you know that elected people are not there forever. Some are defeated, some are elected and some quit, but while there, they are there to serve and serve in a democratic way. Mr. Speaker, I would suggest to the minister and I point out I am not here to criticize him for it, but you could have one council pass it one year and have it thrown out by another council the following year. I would hope that this part could be thought out again and leave the legislation as it is.

I think the government across the way were the first to establish the commission system. If this is correct I give them credit for it. When I first got on council as an alderman I used to have second thoughts on some of these matters, but the more you are in local public life the more you realize the importance of these committees. I mentioned the other day our home for the aged for which we will be calling for tenders any day, is a result of work by city committees as well as the Council of Women from the University Club, also other Health and Welfare organizations. So I would suggest that we have another good look at this. I think the cities that have the commission system are doing well.

This matter of a city manager was promoted by two people in the province. In 1959 by one of our own city commissioners who was here, John Steel. He has moved two or three times since then; he is now living in Australia somewhere. Had he been our city manager, heaven forbid, what would have happened to this city. The other gentleman for whom I have a lot of respect also supported this idea and that was the commissioner from Prince Albert. I am sure the Minister of Health (Mr. Steuart) worked with him and found him to be a good administrator. He was also one that fought for city manager government. I was just told by the Minister of Health the other day that he has recently moved, I think, to Saskatoon. What the reasons are I don't know. However, these are the two appointed people that used to promote this system. My friend, the former mayor from Prince Albert, John Cuelenaere, with tongue in cheek got up and supported it at our convention in Saskatoon. However, I want to say this that the commission system is certainly a democratic one. This house would not want to appoint a parliamentary manager or legislative manager, to take the place of the cabinet on administrative detail and this is just what you are doing in this act for city

government. I am one, regardless of who is in office, that never gives up any democratic rights that belong to the elected people, and this is exactly what you are doing. I would ask the minister and the government on the other side for further consideration, it was their legislation in the first place that gave us the commissioner system we have today and I say it is good.

With that, Mr. Speaker, I would hope that consideration be given, and I will probably have more to say about it when we deal with it in committee.

Mr. W.G. Davies (Moose Jaw City): — In tune with those of my colleagues on this side of the house, I am in agreement that part of the amendments that have been referred to with regard to the city managership form do not solve the problems they purport to solve. From my own experience on a city council for eight years, and from my experience and in attendance at urban municipal conventions where this question has come up, so far as I can recall, for some 15 years, I have never been convinced that what is sought in this amendment is leading to any solution.

One of the analogies that is drawn by people who support the city managerial form is that after all they are simply copying the form that we have at the provincial level. It is argued that you have a minister for each government department and you have a deputy minister. The deputy is responsible for administration. The minister it is said makes policy by himself or in association with his colleagues in the cabinet. I think that this analogy simply cannot be drawn in speaking about urban government. The fact is that there is only one full-time elected person in urban political circles, that is in the larger urban municipalities of this province. We have a full-time official and that is, of course, the mayor himself. Everyone knows of the multitude of duties that are thrust upon the chief magistrate. The fact is that in terms of being able to attend to matters of policy, his time is greatly limited because of all these tasks that are thrown upon his shoulders. The real problem is to somehow reinforce the policy level by permitting elected representatives, that is the members of the city council, the aldermen and the mayor, to have more time for both their policy-making duties and whatever participation they have at administration levels.

The fact is we have had a tremendous change in local government particularly over the last 25 years. There was a time when the business of local government didn't really take very much time of an alderman, especially questions of policy and expenditures of money. We are all aware that there have been great movements in this respect and if it only deals with an expenditure of funds, this has been multiplied probably five or sixfold in a couple of decades.

Now, what do we have? What kind of apparatus do we have to deal with this situation? We have a group of a part-time elected representatives that try to cope with the load by meeting once, sometimes twice a week. I am not suggesting here that we necessarily need full-time aldermen and a full-time mayor. But, quite clearly, there needs to be devoted to the business of municipal government a great deal more time than is now devoted by the local representative, by the alderman. It seems to me that if we were to somehow increase the amount of time that was spent in this way we would have much greater strength in our local

government institutions. The idea that we achieve greater strength by the appointment of a manager seems to me to be a fallacy because we don't really strengthen anything at all. The idea is somehow that we get a kind of super-efficiency by the appointment of some knowledgeable person, as an administrator, untrammelled by too much executive authority. I don't perceive this at all, Mr. Speaker, I feel that the whole proposition is fallacious. We need to proceed at the other end. We need to proceed at the level in increasing the amount of time that is available to the aldermen and the mayor to meet and discuss policy and to delegate authority rather than expect that by the appointment of an administrator, or administrators, if you will, under a city manager, as proposed here, would accomplish a greater degree of efficiency. The big lack today which must be overcome is to keep local government responsive to people. If you don't place your elected representatives in a position where they spend the time being so responsive then you have trouble. You have less responsive government, you have government by administrators. You have more delegation of authority and interpretation of policy by people who may not know the minds of those who are really in control; that is, of course, the members of the council themselves. What I am really saying is that I distrust this as any real solution of what I conceive to be the greatest problem; that is of strengthening local government by giving opportunities to the local representatives to be more effectual and to be better policy-makers and administrators. This is partly a question of time. This may of course also involve remuneration, because again if we are to accept the fact that more time is required for duties, especially in the larger urban municipalities, certainly they cannot be performed for the kind of remuneration that is supplied today. This is a problem and one that will need to be settled and settled very shortly.

I observe that there are many working people, wage and salary earners in this and other cities, who refuse nomination to local office because of the fact that they fear they are going to lose out. Hourly workers particularly lose out in performing council duties by the fact that in order to get time off for those municipal duties they have to take deductions in pay. This is to my mind a genuine problem because there is a very large section of people occupied in this way. If we want truly representative government we must have more of those people involved as members of city councils and school boards. If they find that they cannot for economic reasons, for reasons that they can't get leave of absence for the performance of those duties and for other associated reasons, participate in local government, then it seems to me it's to the detriment of local government.

I hope, Mr. Speaker, you won't think that I have gone a little far afield in the discussion of this particular point. But I feel that what I have said is pertinent and to the point. However, in any case, I end up by saying that what is intended by the supporters of the city managerial form is that somehow a miraculous change will be achieved in efficiency and in services to the public. I fear that this will not be achieved by the measure proposed. I think there should be rather, (if I put it in a rather fuzzy way I am sorry), but I think there should be rather some supplementary form by which we strengthen the ability of the elected representative to be more responsible and more responsive to the people who select him and more effective for the duties for which he is selected.

Mr. W.J. Berezowsky (Cumberland): — Mr. Speaker, I am not a former city mayor or a former member of the city council. I happen to be a councillor in a

village. In listening to the representations from this part of the house at least, I am beginning to be a little concerned with this legislation because certain principles are involved, Mr. Speaker. If these principles are good for the city and apparently the minister must have thought that they must be good principles, otherwise it would not have been suggested in this legislation, then I would have to suggest to you, Sir, that these same principles should apply to a larger government or a more senior government and should be just as good for the province of Saskatchewan, say, for the government of the province of Saskatchewan. Maybe it should have managerial government and may also apply to the lesser local governments. I recall just a few minutes ago when the minister (Mr. McIsaac) said in this house that the reason he is bringing in certain legislation under another bill is to bring the villages into line with other local governments, both towns and cities. Now is this not a step in this direction? You start them with the cities, maybe the next step will be to allow the towns to do the same thing, to set up a manager, on a smaller scale of course, but it would be taking duties away from elected representatives. I think the minister should take a very good look at this legislation because it certainly seems to interfere with the principle of democratic elected government. And, as I say, maybe I have a point and maybe not, but it seems to me there is a point in what I have said. There is a danger that this same philosophy may be extended to the government of Saskatchewan. It should work if it works in the cities. Where do you draw the line? Small city, large city, senior government of the province or towns or villages? Maybe the school units should have managerial government too. What do you want prestige for? Just elect them and let them appoint a manager and let him run the business of the school unit.

I would suggest that the minister take a good look at this legislation and see if he can't withdraw it for a while at least.

The assembly recessed at 5:30 p.m. until 7:30 p.m.

Hon. J.M. Cuelenaere (Shellbrook): — I only intend to speak briefly in reply to the hon. member who spoke before the adjournment (Mr. Berezowsky). The principle of the manager form of government in municipal affairs is not at issue in the proposed amendment. The manager form of government has been in the City Act for many years. It has not been used because of the difficulty of putting it in but even more so because of the difficulty of changing back again, once it is in — by a vote. If an effort was made to change back, the issue would not be on the merits of the managerial form of government but could very well involve the personality of the manager. Very often if some effort was made to get rid of the manager it could be that the issue would no longer be on whether or not it was a good form of government but whether or not that individual is capable of filling the office. I did express the view that this section had never been used by any city despite the fact that it had been on the statute books for many years and it would never likely be used under its present form. And I think that that is why the municipal governments of Saskatchewan and some of the cities are asking for a change in the method of going into the managerial form of government. I am not too sure whether this change will make very much difference. So far none of the cities have taken it up.

Just one more point, the hon. member for Regina East (Mr. Baker), made the statement that this would likely eliminate all committees, committees of council or committees of private

citizens. Now it seems to me, Mr. Speaker, that this is not necessarily inherent in section 53 or in the managerial form of government. Committees of Council and certainly committees of private citizens such as zoning committees, community planning committees and all the other committees could and would likely still exist. Finally all I want to do is to point out that the section that is proposed only deals with the method of appointment and not with the principle because the principle of managerial form of government is now in the City Act.

Hon. G.B. Grant (Minister of Highways): — I concur with the words of the member from Shellbrook (Mr. Cuelenaere), particularly in reference to the words of the member from Regina East (Mr. Baker) when he indicated some danger of the disappearance of committees and boards. I cannot see any connection between the managerial system of civic government and the continuation of these boards whatsoever, and I agree with him that the people who are contributing their time and efforts on these boards and committees are doing a good job for civic governments everywhere.

He made reference to the fact that this had been talked about since 1959, I think I can take it back farther than that. It has been advocated by many of us since 1952, as I recall. Since this is permissive legislation, I think it is very kindly and very desirable.

The member from Moose Jaw (Mr. Davies) seemed to express considerable concern that the members of council were overworked and required more time and/or money. It would appear to me that the city manager type of administration could possibly accomplish one facet of this, namely giving more time to the elected officials, not necessarily more money. I think there is far too much time spent by elected members of council on administrative detail and committee work that could be far better devoted to policy-making and policy decisions, and thereby help the administrators of the city, and to curtail their own time and effort on administrative detail.

I think the bill is desirable and should be supported.

Mr. McIsaac: — Mr. Speaker, in closing the debate on this bill, I don't want to say very much because I will be largely repeating the remarks made by the hon. member from Shellbrook (Mr. Cuelenaere) my seatmate, and the hon. member from Regina South (Mr. Grant), who has just sat down.

I don't think it is the object at this time to discuss the various merits or demerits of the city manager system, as compared to the commissioner system or any other system. I think that the city manager system has been a prudent type of civic government. Uranium City is the only example that I can say I have had any personal dealings with. It is set up there under charter; but it is working very well from the limited amount of time that I have had any experience with it. There are at least a dozen other major cities in the country that have adopted this system. From the checking that I have done prior to bringing this amendment in, they seem to be working very well.

Mention was made by one of the members opposite, I believe the member from Swift Current (Mr. Wood) with respect to approval from SUMA on this particular item I would point out that it

has been passed by the Saskatchewan Urban Municipal Convention for two or three years, I am not sure at the moment of the particular years, 1962, '63 and one other one, I believe. Last year at the SUMA convention when this question was raised, it was passed at the city section of SUMA. Later on, due in no small measure perhaps to the efforts of two or three people lobbying against it, it came to a vote in the general convention and there was a tie vote. Because of this tie vote, of course, it was considered not passed. I would suggest this does not mean disapproval, certainly not of the city section of SUMA. This, of course, as has been pointed out is only permissive legislation. I have every respect for the elected members of council in the various cities, and I am sure they would make no move in this direction unless it were fully and completely considered, and unless they were satisfied that such a move was in the best interests of the people that they were elected to represent.

Accordingly, I cannot see the dangers in this amendment that have been referred to by some of the members opposite, Mr. Speaker, and as such I would again express my support of this amendment.

Mr. Davies: — Before the member takes his seat, might I ask him a question? Mr. Minister, in view of the controversy that exists in SUMA itself, is there not all the more reason why this should be left to a vote of the electorate.

Mr. McIsaac: — I didn't feel there was controversy in SUMA because of the fact that it was passed by the city section, almost unanimously.

Mr. H.D. Link (Saskatoon City): — I wonder if the hon. minister would answer a question? If a city went for this manager's type of set-up, would this do away with city commissioners as we know it now?

Mr. McIsaac: — Yes it replaces this.

Motion agreed to and bill read a second time.

On motion of the Hon. Mr. Steuart, the assembly adjourned at 10.00 o'clock p.m.