

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Second Session — Sixteenth Legislature**  
**34th Day**

**Friday, March 21, 1969**

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

**WELCOME TO STUDENTS**

**Mr. W.G. Davies** (Moose Jaw South): — Mr. Speaker, may I introduce on your behalf to the Members of the Assembly 52 sparkling and alert students from the grades seven and eight classes of St. Mary's separate school in Moose Jaw South constituency. They are in the east gallery and with them is their teacher, the vice-principal of the school, Mr. Sagal and Mr. J. McMurdo of the Parent-Teachers Association. St. Mary's is not far from Kingsway Park, Mr. Speaker, a historic site where early settlers crossed the Moose Jaw River on their way to Wood Mountain and to Fort Walsh. It was a favourite spot for Assiniboine and Cree Indians and some of the Sioux also who fled to Canada after the 1876 Custer Massacre. This site has been judged to have had native occupation for some 3,000 years at least. The group has already been to the Telephone Display and to the Provincial Museum. The classes in the course of their studies are, I understand, looking into the matter of parliamentary democracy. I hope, Mr. Speaker, that they will find this afternoon's proceedings an enjoyable, useful and a rewarding experience.

**Hon. Members:** Hear, hear!

**Mr. R. Heggie** (Hanley): — Mr. Speaker, I wish to introduce to you and to the Members of this Assembly a group of 45 grade nine and grade eleven students from the Vonda high school. They are here accompanied by their teachers, Sister Agnes Marie and Mr. Rudolph Dresler. I'm sure you, Mr. Speaker, and this Assembly wish these students a pleasant and informative visit to this House and all best wishes.

**Hon. Members:** Hear, hear!

**Mr. A. Thibault** (Kinistino): — Mr. Speaker, it is an honour and a privilege for me this afternoon to introduce to you and to the Members of the Legislature a fine group of students, 17 in number, from the Wakaw Central high school. They are led here by their teachers, Miss Evelyn Schuster and Miss Marjorie Manson. Their bus driver is Mr. Steve Myers. They left very early this morning, got to the steel mill about quite a bit before 9 o'clock. They saw the art gallery, MacKenzie Art Gallery. I hope that their stay here this afternoon will be very educational and I want to wish them a very safe journey home.

**Hon. Members:** Hear, hear!

**Hon. D. Boldt** (Rosthern): — Mr. Speaker, there are several students from the Rosthern constituency also with the group from Wakaw school and I'm sure all Members would like to extend our best wishes to them also.

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**Hon. Members:** Hear, hear!

**Mr. W.E. Smishek** (Regina North East): — Mr. Speaker, I had a very pleasant assignment this afternoon of welcoming and introducing to you and to the Members of the Legislature, a group of 35 grade five and six students from the Douglas Park school in Regina. Douglas Park, that name has a kind of special significance to the people of Saskatchewan. In addition to that, Mr. Speaker, my two children are attending Douglas Park school at the present time. The students that are here with us are accompanied by their teacher, Mrs. Biden. They are seated to the back of me in the west gallery. Mr. Speaker, in welcoming the teacher and the students, I also want to welcome and thank the parents who took part in this excursion to the Legislature. The parents provided their cars and brought these students here. Mr. Speaker, if I may interject a personal note in this introduction, my son, Mark, who is in grade five is also seated with the group and to him a special welcome. In addition, Mr. Speaker, Mark's mother and his four-year old sister, Erica are with us here this afternoon also. I understand Erica was a special guide and assisted greatly in the visit here. Mr. Speaker, may I also express a welcome on behalf of His Worship Mayor Baker, MLA for Regina South East. I say that, Mr. Speaker, because the school is located in his constituency and he did ask me to express his welcome to the students. Mr. Baker is not here because he is in Ottawa on business. So on behalf of all of us, Mr. Speaker, I extend to this group a very warm welcome this afternoon and hope that their stay with us will be enjoyable, memorable and educational.

**Hon. Members:** Hear, hear!

#### **WELCOME TO SASKATCHEWAN LIBERAL EXECUTIVE**

**Hon. W.R. Thatcher** (Premier): — Mr. Speaker, I too would like to welcome a group to the Legislature this afternoon. Up in the Speaker's gallery there are 150 members of the Saskatchewan Liberal Executive.

**Some Hon. Members:** Hear, hear!

**Mr. Thatcher:** — They are here to learn about the inequities and shortcomings of Socialism and I am sure if they stick around long this afternoon that their stay will be educational.

**Some Hon. Members:** Hear, hear!

**Mr. A.E. Blakeney:** — (Regina Centre) Mr. Speaker, I would not want the occasion to pass without also extending a welcome to the group. I know that all of us are glad that they found this occasion to come and visit the Legislature while their party is still sitting to your right, Mr. Speaker. I hope that their deliberations have been fruitful, at least to the extent of fixing an early date for the Kelvington by-election.

**Some Hon. Members:** Hear, hear!

**Mr. Thatcher:** — The Government has won six out of the last seven and we are today laying plans to win seven out of eight.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** — Now I crave the indulgence of the Assembly for the purpose of introducing a group of high school children from the town of Churchbridge, Saskatchewan, under the very able direction of Mrs. Mitten and Mr. MacDamara situated in the west gallery. Churchbridge, as everybody I am sure is aware, is situated within the confines of the provincial constituency of Saltcoats, famous all over Canada for its agricultural potash production. I'm sure all Hon. Members will wish to join with me in according the visitors here a warm welcome to the Legislature. We trust that their stay here will be interesting and educational and wish them a safe trip home.

**Some Hon. Members:** Hear, hear!

#### **STATEMENT RE. GENERAL MOTORS RECALLING CERTAIN CARS**

**Hon. D.V. Heald** (Attorney General): — Mr. Speaker, I desire to lay on the table before the Orders of the Day, Returns No. 66, 99, 50, 39, 63 and No. 2.

Mr. Speaker, while I am on my feet, the Hon. Member for Regina North West (Mr. Whelan) yesterday directed my attention, the attention of the Government, to a press release carried in The Leader Post with respect to General Motors recalling certain cars. I have looked into this and I would like to deliver a short statement this time in answer to the Hon. Member.

The article carried by The Leader Post stated that General Motors had to recall 1,500 Pontiacs, all built in the USA; 17,000 Chevrolet and GM trucks and coach buses; 160 4-wheel drive trucks; and 20 heavy-duty highway tractors. The reasons for the recalls stated are: replacement of front brake hoses, replacement of primary seals controlling the hydraulic brake system, replacing distorted and cracked brake drums, re-routing of air brake application valve hoses.

Mr. Speaker, provincial governments have no ways and means to deal with these types of defects except to put pressure on the Federal Government to implement on-the-spot, in-the-factory inspections. At the Ministers' conference of all Provincial Ministers held in Regina last fall, this very point was discussed at great length. At the 4th Ministers Conference in Quebec City held January 13 and 14, 1969, at which I was present, the matter was brought to the attention of the Federal Minister of Transport who was at the meeting - that's Mr. Hellyer. He agreed that action will be taken by the Federal Government. All car manufacturers are subject to rigid USA standards. The Canadian Standards Association and the Canadian Government's Specification Board established additionally 29 special standards for Canadian conditions and requirements. It is my respectful submission, Mr. Speaker, that we in the Government of Saskatchewan have done the best to our knowledge and the utmost that is under our jurisdiction to prevent unsafe motor vehicles being brought onto the market. We will not rest until we are reasonably sure that the lives and interests of our citizens are protected.

I'd like to make just one more comment. The very fact that these recalls are occurring is an indication that the industry is trying to do its best to produce safer motor vehicles. I would refer Hon. Members to the statement made in the press the

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other day by the Hon. Paul Hellyer in which he indicated that an auto-safety standard Bill would be introduced into the House of Commons in the next session of Parliament.

**Some Hon. Members:** Hear, hear!

**Mr. E. Whelan** (Regina North West): — Mr. Minister, I am pleased to have the information. The article that I had referred to wasn't the one you had referred to just now.

I want to ask a question and the question is this: is there any way that we can be sure that those who own 1965 models will be notified that they are driving a defective vehicle because these vehicles have changed hands? Sure, the company is notifying them by registered mail, but is there any way that we have a record of who the owner is now? They have changed hands as many as five times.

**Mr. Heald:** — Well, as the statement says and the Hon. Member knows as he has read this statement, they are sending it out by registered mail to every owner. My information is that the companies are doing their very best to make sure. I don't know what else we could do other than what we have done.

## QUESTIONS

### Drop in Accident Fatalities

**Mr. D.M. McPherson** (Regina South West): — Mr. Speaker, before the Orders of the Day, I would like to ask the Hon. Attorney General a question. I have before me the Toronto Star, dated March 15 and the lead article, Mr. Speaker is how Saskatchewan won the first round in its war against drinking drivers. It's got the picture of the Attorney General and some other gentleman here but it is quite an article. I would just like to read one small part:

In four and one-half months following the introduction of the new laws there was a 47 per cent drop in the number of fatalities, from 156 to 86, in the period August 15 to December 31 in 1968 as compared to 1967.

Mr. Speaker's my question is: could the Attorney General give us any trend figures for the first months of 1969?

**Mr. Heald:** — Mr. Speaker, I have the figures for the months of January and February - I just happened to have them with me.

**Some Hon. Members:** Hear, hear!

**Mr. Heald:** — I happened to have them with me, I don't know how but I do. I'm very pleased to tell the Members and the people of Saskatchewan that the trend that started in the fall months of 1968 in respect to reduction of traffic accidents and fatalities has continued. I would like to give you the figures, Mr. Speaker, for the period ended February 28, 1969. Last year, that's 1968, the first two months, there were 14 fatal accidents; this year there were nine for a reduction of 35.7 per cent. For

non-fatal accidents there was a reduction this year compared to last year of 12.5 per cent.

**Some Hon. Members:** Hear, hear!

### **Commonwealth Fiasco - Shareholders Lose Money**

**Mr. T.M. Breker:** — (Humboldt)Mr. Speaker, before the Orders of the Day, I would like to ask the Government a question having to do with the situation that existed in British Columbia as a result of the Commonwealth fiasco out there, from which it appears that many shareholders will lose a considerable amount of money. I would like to know if this Government would like to make a statement on the situation as it pertains to Saskatchewan and to assure the citizens of Saskatchewan so far as the Commonwealth group of companies is concerned that proper precautions have been taken so that a similar fiasco couldn't happen here.

**Some Hon. Members:** Hear, hear!

**Mr. Heald:** — Mr. Speaker, again I just happen to have with me a clipping out of the Vancouver Sun of March 14, 1969 and the heading is "In Saskatchewan Savings Firm Forced Out." In 1966 the Commonwealth group that are in all the difficulties at the Coast and the people out there who have put money into these companies are going to lose millions of dollars. This headline indicates and the story indicates that this company was chased out of the Province of Saskatchewan in 1966 due to the fact that, when this Government became the government, we passed a tougher Act which chased these people out. I would remind Hon. Members that they came into this province in the good old days of Socialism and were allowed to have a licence at that time. We toughened up and chased them out in 1966. I can assure the investing public of Saskatchewan that they are in no danger of being taken in by this company.

**Some Hon. Members:** Hear, hear!

### **Farmers Union Survey in Northeast Saskatchewan**

**Mr. W.J. Berezowsky** (Prince Albert East-Cumberland): — Mr. Speaker, before the Orders of the Day I have a more serious matter to ask the Government about. Just very recently the Farmers Union of Saskatchewan made a survey in the Northeast part of Saskatchewan which indicate that farmers there have had just a little over eight bushels of grain on the average. It is frozen and their incomes have actually been in a deficit position. I think this is the same situation in other parts of Saskatchewan, it certainly is in the Cumberland constituency. I am wondering if the Premier has received a copy of this survey. If he has what is the Government going to do about this situation in this part of Saskatchewan?

**Mr. Thatcher:** — Mr. Speaker, we have received a copy of the brief and it is now under consideration.

### **Rumours of P.A. Pulp Mill Breakdowns Resulting in Layoffs**

**Mr. D.G. MacLennan:** (Last Mountain) Mr. Speaker, before the

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Orders of the Day I would like to direct a question to the Provincial Treasurer and I'll bet he will have the true answer too.

**Some Hon. Members:** Oh, oh!

**Mr. MacLennan:** — I hear rumours about the Prince Albert Pulp Mill suffering breakdowns and falling behind in production schedules, causing the layoff of several or many men. I would like to ask the Member for Prince Albert West if these rumours are true and if he could comment on them.

**Mr. Davies:** — Mr. Speaker, on a point of order, might I ask that, if there are to be more of these propaganda questions, we could have all of the answers at once?

**Some Hon. Members:** Hear, hear!

**Mr. Steuart:** — Mr. Speaker, I don't know whether Prince Albert East or Prince Albert West because I'm not sure who started the rumour, but I would be very pleased to tell the House and to tell the Hon. Member that, although there were some initial start-up problems, the pulp mill is now producing better than 600 tons a day, sales are exceptionally good, the price is improving, the quality of the pulp is the best in Canada and the prospects for this, the greatest business enterprise ever brought to this province, are excellent.

**Some Hon. Members:** Hear, hear!

### **Stockroom Closed for Stock-Taking**

**Mr. F.A. Dewhurst (Wadena):** — Mr. Speaker, I hope the Government has the answer to my question. I understand that certain supplies are difficult for the Assembly Office to obtain. I come to the stockroom and they are closed for taking stock. Why does the stock-taking have to take place before the session is over?

**Mr. Thatcher:** — Well I didn't know that it was closed but I'll be very happy to look into it

**Mr. Dewhurst:** — It is closed right now . . . If it is going to close we will have to get supplies in ahead of time.

### **MOTION**

#### **Ceremony for Regina Rifle Regiment**

**Mr. Thatcher:** — I'll look into the matter and give the Hon. Member an answer on Monday.

Mr. Speaker, I should like to move, seconded by the Hon. Leader of the Opposition by leave of the Assembly:

That at 5 o'clock p.m. today, this Assembly do accompany Mr. Speaker to the Rotunda of the Legislative Building to

participate in a Ceremony of Dedication of a Plaque in memory of the 458 officers and men who fell serving with the Regina Rifle Regiment during 1939-1945.

Motion agreed to.

### ORDER FOR RETURN NO. 31

**Mr. C.G. Willis** (Melfort-Tisdale): — Mr. Speaker, the Attorney General (Mr. Heald) has been very, very good today with answers. I was wondering if he would put on his other cap and as Provincial Secretary consider the question regarding the filing of an answer to Order for Return No. 31, which has to do with highway capital improvement projects. I am sure the Department of Highways has completed the answer by now. The answer must be somewhere between the Minister of Highway's desk and the Provincial Secretary's desk. Have you any answers, Mr. Attorney General?

**Mr. Heald:** — I don't have it on my desk and I'll talk to the Minister of Highways. I've made a note of it, No. 31, and we will see what we can do. I tabled a bunch today but it wasn't with it.

### SECOND READINGS

**Hon. D.G. Steuart** (Provincial Treasurer) moved second reading of Bill No. 72 - **An Act to establish the Municipal Financing Corporation of Saskatchewan.**

He said: Mr. Speaker, for the last 25 years, local governments have been urging the Province to help them borrow money to build schools, hospitals and other necessary capital projects. Twenty-five years ago it would have been a great help to the municipalities and saved them huge sums of money. Ten years ago such a program had become almost a necessity. Today it is an absolute must or we will see local government building programs grind to a halt. If a Provincial Government fails to help the municipalities, cities, school and hospital boards borrow money, this year the repercussions could be most serious. While it is vitally important that all levels of government curtail all unnecessary spending to slow down inflation, some programs have to go ahead. Some hospitals and some schools must be built. The cities must be allowed minimum public works programs or house building will slow down or stop altogether. In spite of high interest rates and tight money we must make provision for essential development. Mr. Speaker, I tell the House that, without a loan fund such as this Bill will make possible, development at the local level could almost be non-existent for the next two years. I base this statement on two facts. First, interest rates for local government debentures could become so high that we could not afford to pay for the schools or hospitals once they are built. This loan fund will definitely hold down the cost of money. And second, the market outside of Saskatchewan for local government debentures has almost disappeared. Right now there is hardly any market in Canada for Provincial bonds and none at all for cities and towns. Now this loan along with local participation will make some money available for vital building programs. Mr. Speaker, at the end of 1967 the gross debenture debt outstanding for local government units in Saskatchewan was some \$263 million; by now it is well over \$300 million. This tremendous sum of money represents the borrowings over the past 20 years for schools,

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hospitals, streets, roads, sewer and water, as well as for all other local services. It also gives us some idea of how important it is to have a market for local debentures. Without it much development in our province would be impossible.

Now back in 1956 at the Provincial-Municipal Conference, local government pleaded with the Province to institute this kind of a program. The CCF Socialists of that day turned a deaf ear and as a result local taxpayers have paid out many millions of dollars in unnecessary interest charges. Mr. Fines and the Socialists said at that time it couldn't be done. Well, Mr. Speaker, it can be done and this Liberal Government is about to do it. This is one more example of Liberal action to bring real progress to our province. It is one more example of the good results of five years of sound Liberal Administration.

Mr. Speaker, we are one of the few governments in Canada in a sound enough financial position to develop this kind of a loan fund now when it is so badly needed. Had we listened to the Socialists opposite and thrown away the taxpayers' money, we would have to echo the old CCF Socialist refrain of no help to local governments now when their need certainly is the greatest. Mr. Speaker, I hope that the NDP Socialists opposite will see the error of their ways and support this Bill unanimously.

As previously announced, this Bill will establish a Municipal Financing Corporation. The Corporation will have powers to borrow money with a Provincial Government guarantee or to obtain funds which are advanced by the Provincial Treasurer from proceeds of debentures issued directly by the Province. By using this Province's credit to obtain funds for the Corporation, it is expected that the cost of borrowing to local governments will be reduced. The major advantage in this program is the availability of a source of funds from the Corporation which does not now exist. The Corporation will not be expected to finance all of the capital requirements of local governments. A limit will be established on the amount of assistance which will be provided by the Corporation. The major factor will be the availability of funds in the market place. In the first full year of operation we expect to place a ceiling not to exceed \$15 million. Another reason for limiting the amount of assistance by the Corporation is to encourage local governments to sell debentures locally and to financial institutions.

Now within this overall limit the Corporation will determine the percentage of each local government's capital requirements that it will finance. This percentage will vary according to the financial position of the local government and the marketability of its debentures. That is, the Corporation will likely purchase a larger percentage of debentures of towns, villages, school units and hospital districts than city debentures. On the other hand, because the total capital requirements of the cities are greater, the Corporation may purchase in total as many city debentures as debentures issued by towns, villages, school units and hospital districts combined.

The cost of money to the local governments will be based on the cost of long-term borrowing to the Provincial Government plus a margin to cover all of the administrative expenses. The margin or mark-up will likely vary according to the marketability of the local government debentures. That is, the mark-up for debentures issued by the cities of Saskatoon and Regina, for example, may be less than for debentures issued by a small town.



Now, as I earlier stated, this proposal will considerably expand the source of funds available to local governments. In previous years the policy of assistance has been limited to the purchase of self-liquidating capital projects and of school, hospital and rural telephone debentures up to a limit of 50 per cent of any issue, and only if there was evidence that the issue could not be marketed. The cities of Regina and Saskatoon were excluded from this policy. Debentures to finance road and street projects, recreational facilities, local government office buildings, were also excluded from the present policy of assistance. In the past the amount of Provincial Government assistance has averaged about \$4 million a year. This Government will expand its assistance through the Municipal Finance Corporation immediately by at least threefold. Assistance will be made available to all local governments and for all purposes within the limit of the funds which the Corporation will obtain. And before the Corporation will purchase local government debentures, the issue must receive the approval and assent of the Local Government Board and the ratepayers, where approval or assent is required by legislation. We expect that the existing funds administered by the Government, Crown corporations, Boards and Commissions will continue to support and purchase local government debentures within their present investment policies. We expect to be able to establish the Corporation and arrange for initial financing on or about July 1, 1969.

The provisions in this Bill are straightforward. Essentially it establishes the corporate structure which will be called the Municipal Financing Corporation of Saskatchewan.

It may be of interest to the Members opposite that the annual report and financial statements of this Corporation will be reviewed by the Crown Corporations Committee.

I urge all Members present to help pass this Act as quickly as possible so we can get on with the job of helping our local governments find the funds they so badly need.

**Some Hon. Members:** Hear, hear!

**Mr. A.E. Blakeney** (Regina Centre): — Mr. Speaker, I do not have much to add to the remarks of the Provincial Treasurer (Mr. Stuart) except only to call to the attention of the House some of the fruits of five years of so-called sound administration insofar as they affect the local governments of this province. For one thing, the debt of local governments in Saskatchewan has never been higher and for another thing the interest rates paid by local governments in Saskatchewan have never been higher. Thirdly, the annual borrowing of local governments in Saskatchewan has never been higher. Fourthly, the mill rates have never been higher.

**Some Hon. Members:** Hear, hear!

**Mr. Blakeney:** — And, Mr. Speaker, you can say that it is not relevant to say that these borrowings and mill rates are higher because all things are higher, but, Mr. Speaker, not only are the annual borrowings higher but the rate of increase of annual borrowings is the highest for 20 or 30 years. Not only, Mr. Speaker, is the mill rate higher but the rate of increase is higher than at any time in the last 35 years.

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**Some Hon. Members:** Hear, hear!

**Mr. Blakeney:** — Mr. Speaker, the Provincial Treasurer (Mr. Steuart) asks: who has seen the error of their ways? I remember year after year moving in this House that a Municipal Financing Corporation be established . . .

**Mr. Steuart:** — You had 20 years, why didn't . . .

**Mr. Blakeney:** — Mr. Speaker. may I point out for the edification of the Provincial Treasurer one or two facts. In the late 1950s the Government of Saskatchewan bought approximately one quarter of the municipal debentures issued in this province.

**Some Hon. Members:** Hear, hear!

**Mr. Blakeney:** — In a year like last year the Government didn't buy an eighth of the municipal debentures issued. Now, as for 20 years, we did very much more in our years of office in buying a percentage of issues of municipal debentures than you have done in any year of your office.

**Some Hon. Members:** Hear, hear!

**Mr. Blakeney:** — You have simply not bought any municipal debentures. \$4 million, \$5 million a year out of a total of \$30 million, that's only a sixth.

**Mr. Steuart:** — We bought more in five years than . . .

**Mr. Blakeney:** — Mr. Speaker. 10 years ago we were buying \$4 million out of an issue of \$15 or \$16 million and that's a quarter.

**Some Hon. Members:** Hear, hear!

**Mr. Blakeney:** — Mr. Speaker, there's one other factor that has entered this picture. If there ever was a time when the Government of Saskatchewan should have been able to buy municipal debentures, it's been in the last three or four years because the Canada Pension Plan money has been tumbling in from Ottawa in great gobs.

**Some Hon. Members:** Hear, hear!

**Mr. Blakeney:** — I suggest that in this current fiscal year the Government opposite would have received \$30 or \$35 million in Canada Pension Plan money. And what has it done with it? It has used it to finance the Power Corporation. May I say, Mr. Speaker, when we were in office we were able to go into the money markets of the world and borrow money for power; that's something more than the Provincial Treasurer (Mr. Steuart) can do.

**Some Hon. Members:** Hear, hear!

**Mr. Blakeney:** — He apparently has so eroded confidence in the Government of Saskatchewan that he is unable to go into the money markets of the world.

**Some Hon. Members:** Hear, hear!

**Mr. Steuart:** — The United States, Germany.

**Mr. Blakeney:** — If, Mr. Speaker, the Provincial Treasurer could have gone into the money markets of the world last year and the year before and borrowed for the Power Corporation, why didn't he do it and make this money available for the municipalities?

**Some Hon. Members:** Hear, hear!

**Mr. Steuart:** — We did!

**Mr. Blakeney:** — He did for the piddling amount of \$15 or perhaps \$20 million. May I say this, Mr. Speaker, that in many, many years the Government, prior to this man coming to the chair of Provincial Treasurer, borrowed \$25 or \$30 or \$35 million in the money markets of the world. He apparently is unable to do this. If he could do it, why hasn't he done it? Why hasn't he gone into the money markets and borrowed this money and made the Canada Pension Plan funds available for the municipalities?

**Some Hon. Members:** Hear, hear!

**Mr. Blakeney:** — The answer is because he has been unable or unwilling to go into the money markets and borrow. Mr. Speaker, I think it will be well known and may I point out a few figures. In a year like 1957 Saskatchewan municipalities were borrowing, say, \$17 million; by 1967 they were borrowing very nearly double that, \$30 or \$31 or \$32 million; and the Government opposite was buying a much smaller percentage of that \$32 million than the previous Government bought of the \$17 million. As a result the municipalities have found themselves in a position unparalleled in the difficulty of raising money and in the high interest rates they must pay.

Mr. Speaker, we welcome this Bill. We would have welcomed it last year. We would have welcomed it the year before.

**An Hon. Member:** — . . . 20 years!

**Mr. Blakeney:** — We indeed would have welcomed it if the Provincial Treasurer had done last year on a percentage basis as well as the Government that preceded him. We would have welcomed that.

**Some Hon. Members:** Hear, hear!

**Mr. Blakeney:** — We would have welcomed that, but he was unable or unwilling to do that. Now we are glad that he sees the error of his ways. But, Mr. Speaker, even if he provides \$10 or \$15 million for Saskatchewan municipalities out of this loan fund, they will still have to borrow more money on the money markets than they did in the days of the CCF. They will still be faced with

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borrowing more money than was the case under the previous Government. Now we hope that he will open up his heart, however unlikely that may be, and offer even more than the sums he has suggested in his opening remarks. Certainly we, Mr. Speaker, who have seen the increase in mill rates amount to about \$3 or \$4 million in 1963, and by 1967 they had gone up to \$12 million, we who have seen that sort of an increase in mill rates will welcome any conceivable relief which he can offer municipal governments.

**Some Hon. Members:** Hear, hear!

**Mr. Blakeney:** — He has talked about unnecessary interest charges. Mr. Speaker, he has had large sums of money for the first time from the Canada Pension Plan. He at any time could have lent these to the municipalities. He at any time could have stopped the so-called unnecessary interest charges. May I say that the interest charges on a gross basis paid in the last five years by Saskatchewan municipalities is more than they paid in the previous 10 years. So if he is talking about unnecessary interest charges, he could have persuaded his colleagues at any time during the past five years to do something about it. However, Mr. Speaker, I have no wish to hash over the past. Let us look into the future with some degree of confidence.

**Some Hon. Members:** Hear, hear!

**Mr. Blakeney:** — I have of course offered one or two mild remarks about what he's done in the last five years, but for the next five I hope that he will be able to make this Municipal Financing Corporation do something.

**Mr. Steuart:** — Thank you very much. For the next five?

**Mr. Blakeney:** — That's right. I am using this 'he' meaning the Provincial Treasurer ex-officio, not, certainly, the Member from Prince Albert West.

I want to say this. I believe that this Municipal Financing Corporation is something which can do a first-class job for Saskatchewan municipalities. I think it will be widely welcomed. May I say that it will only do something useful if the Provincial Secretary and the Attorney General (Mr. Heald) can persuade the Local Government Board . . .

**An Hon. Member:** — Independent board.

**Mr. Blakeney:** — Independent board, I see. Well, then if something can be done about the parlous state of Saskatchewan municipalities which will cause the Local Government Board to allow them to borrow some money, will cause them to stop their policy of virtual prohibition of borrowings. If indeed it is an independent board, and if this independent board has reached the conclusion that our municipalities are in such bad shape that borrowings must virtually cease, then this is an indictment itself of the Government opposite.

**Some Hon. Members:** Hear, hear!

**Mr. Blakeney:** — But I would hope that this so-called independent board would see fit to allow local governments to borrow some money from the Municipal Finance Corporation and thereby proceed with some much-needed civic projects.

**Some Hon. Members:** Hear, hear!

**Mr. Blakeney:** — I would hope, Mr. Speaker, that the Municipal Financing Corporation would add to its board of directors some representatives of municipal government, and I suspect it will. I would hope that the Municipal Financing Corporation would refrain to the maximum extent possible from interfering or indeed directing local governments as to the policies which they will follow, in the guise of lending money. I am told by some of my associates in Alberta that some of the Alberta municipalities have complained a bit about the operations of the Alberta Municipal Financing Corporation on the grounds that the Corporation, in the guise of approving borrowings, has in effect directed the municipalities as to on what projects they should spend their money. I think that for the health of local government such over-direction should be avoided. No one I think would quarrel with financial advice. I think everyone can quarrel with the sort of advice that has been tendered from time to time by the Local Government Board to school units and to school authorities, wherein the Local Government Board in effect says, “You don’t need that school and you don’t need that good a school. What do you need a vocational school for anyway?” which I think is a judgment to be made not by the Local Government Board but by the elected officials.

I hope that the Municipal Financing Board does not fall into that particular trap but confines itself to providing loan funds to municipalities which are financially sound. And if the municipality is financially sound, then I would suggest that it is not the function of the Corporation to attempt to direct the manner and form in which a municipality spends its money.

Mr. Speaker, I think that all Members on this side of the House and I suspect all Members on the other side of the House will be more than happy to support the Provincial Treasurer’s Bill. We welcome the Municipal Financing Corporation. We will do everything we can to expedite the passage of the Bill through this House and we will wish the Corporation every success in alleviating the burdens on local government ratepayers.

**Some Hon. Members:** Hear, hear!

**Mr. Steuart:** — Well, Mr. Speaker, this is getting to be an old refrain. The Hon. Member from Regina Centre (Mr. Blakeney) gets up and wiggles and waggles and tries to arrive on both sides of the fence and then ends up supporting the good legislation brought in by this Government. The cry that it should have been done last year, the year before, sounds rather hollow coming from a man who was at one time - mind you not very long I will admit - the Provincial Treasurer and from an Opposition that was the Government of this Province for 20 years. When the municipalities did have need for a fund like this and there was money available and it could have been done and should have been done, it failed and failed miserably. We always hear this refrain about local taxes being up. I’d like to point out that I was in municipal government for many years when the Members opposite sat on this side

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and were the Government of this Province. Local taxes under their Administration went up over 400 per cent. Over 400 per cent when they were in office. A record still unequalled in the history of this Province. If the fact that the local governments have had to borrow more money - and I agree the borrowings of local governments have increased sharply in this last few years - why have they increased? Because the schools and the local services were too long neglected under the CCF. They've had to borrow more money to build the schools and the hospitals and put in the sewer and water for the development that's taken place. We had stagnation literally in this Province for 20 years and so local government boards didn't need to borrow very much money, as they've had to do these last few years because of real development. Look what's happened in Regina in spite of some of the local mayors. Look what's happened in the city of Saskatoon because of some of their mayors and because of tremendous leaps forward that this Province has taken the last five years. This is why the debentures for local government have increased and increased very sharply. Now to suggest that our Government has something to do with the interest rates of course is ludicrous, and the Member opposite should know it if he knows anything. The interest rates are not controlled by us. They're controlled on the international markets. And we have gone into the market place of the world since we've been the Government. We've had to. But, Mr. Speaker, let me keep the record straight about our borrowings. One reason why since we've been the Government the credit rating of this Province has gone up - and this is a fact - since we have become the Government of this Province, the credit rating has now advanced to the point where we are third, and I predict that we will soon have the second-best credit rating of any Province in this nation.

**Some Hon. Members:** Hear, hear!

**Mr. Steuart:** — I'll tell you why it's gone up. The Power Corporation . . .

**Mr. Blakeney:** — It was 10th . . .

**Mr. Steuart:** — The Hon. Member says it was 10th. It was 10th when you were the Government but we got it to third. We got it to third.

**Some Hon. Members:** Hear, hear!

**Mr. Steuart:** — Don't talk about 10th. When you people became the Government of this Province it was the third greatest province in this nation. It slipped to sixth place by the time we threw you out.

**Some Hon. Members:** Hear, hear!

**Mr. Steuart:** — Let me talk about it. He tries to make a great thing of the fact that the Power Corporation had to go out year after year, after year, after year and borrow huge sums of money. Of course it did. It had to. Often times it had to just to balance the books because they got the keenest Socialist of them all, Cass Beggs, the greatest Socialist of them all. They turned over the Power Corporation and let him run it as his private domain. Year after year not only did they make little or no money but in fact in many years they actually showed a loss and

covered it up by borrowing money and putting it into the account to show that they had balanced their books, they'd made a profit. When we became the Government that great Corporation was owned 93 or 97 per cent almost, 95 per cent by the bond holders and by people outside this province. Many of them Americans.

**Some Hon. Members:** Hear, hear!

**Mr. Steuart:** — He makes a great boast about borrowing outside this country, yet little Tommy Douglas and his predecessor Fines now go around and say, "Those terrible Americans. We never did business with them." Of course they did. They borrowed all kinds of money from the States and we're paying for it now because the rate of exchange has changed and gone up. The American dollar has improved. The people of Saskatchewan are paying for the absolute stupidity and short-sightedness of the Members opposite when they sat on this side of the House.

**Some Hon. Members:** Hear, hear!

**Mr. Steuart:** — Their record and the record of C.M. Fines as Treasurer was hailed by the Members opposite, Why? Because most of them couldn't add two and two and get four. He was one of the only few Members that knew a balance sheet from a bed sheet, and so they hailed him as one of the great saviours. The truth is he was a financial genius but not for the Province.

Well. Mr. Speaker, I am pleased that the Members opposite are going to support this Bill. Again I say it is long overdue. If they showed the same concern in government that they now show and attempt to pretend that they show for the people of this province, this municipal loan fund would have been a fact of life and the people of this province would have been able to save many, many millions of dollars in interest over the last few years.

Mr. Speaker, I am glad they're going to support it but really with friends like these across there we really don't need any enemies.

**Some Hon. Members:** Hear, hear!

Motion agreed to and Bill read a second time.

**Hon. A.R. Guy** (Minister of Public Works) moved second reading of Bill No. 61 - **An Act to amend The Water Resources Commission Act.**

He said: Prior to the second reading of this Bill I would like to provide some general background on the reason for the proposed amendments. With two exceptions the amendments are essentially housekeeping changes designed to clarify existing sections of The Water Resources Commission Act.

Some difficulties have been encouraged in the interpretation of these sections of the Act. I will not take the time of the House to go into a detailed explanation of the proposed amendments since I think this information can be best provided at the Committee stage, but I would like to advise you of the reasons for the major changes that are proposed in this Bill.

New Section 14 (A) and 14 (B) are added to the Act for

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administrative reasons. The existing Act provides that the Commission may perform certain duties and exercise certain authority. However, there is no provision for the Commission to delegate performance of duties to specific officers of the Commission.

Section 32 is being amended due to the situation which developed last summer whereby there was a shortage of water in Wascana Lake and it was necessary to purchase water from the city of Regina to augment the supply in that lake. The proposed amendment will establish the authority of the Commission to take the required action to augment existing water supplies in emergency situations and enter into arrangements for purchase of water when this proves necessary.

The major amendment proposed in this Bill is in Section 33 respecting the regulation of land use around reservoirs. When the Commission was originally set up it was given the power to designate perimeter lands around reservoirs as reservoir development areas for the purpose of land-use regulations. This regulation is necessary to prevent haphazard types of development in unsafe areas and in areas that would restrict the operation of these reservoirs for flood control and other purposes. Within these reservoir development areas the land-use districts were established according to the suitability of the land for the various purposes. Keen interest has developed in the past by local governments in the kind of orderly development of these lands possible under this legislation. Many local requests have been received by the Commission for implementation of regulations of land use around existing water bodies. Since it is impossible for the Commission to service all of these many requests, the Commission has discussed with local governments and those Provincial departments responsible for developing land around reservoirs, a revised policy the main elements of which include: (1) The Commission will retain its responsibility for the drafting and implementation of land-use districts around the reservoir. (2) Within these districts the Commission will provide technical advice to departments and local governments for the purpose of drafting and implementation of controls over the use of land. (3) The Commission will retain its responsibility to approve subdivision plans and building bylaws, but the day-to-day administration should be carried out by the department or the local government concerned. The proposed amendment to Section 33 provides the implementation of this policy and allows local governments as well as departments or agencies to develop the kind of land-use regulations required within the particular land-use districts. It is our opinion that the implementation of this new approach will permit wider application of zoning regulations and will provide a vehicle for municipalities to guide recreation development in an orderly manner. It reserves the basic flexibility of operation of new reservoirs if maximum benefits are to be achieved, but it should encourage the organization of resort villages and thereby enable the actual residents to run their own affairs.

With these few words of introduction and with the belief that further discussion can better be held in the Committee stage, I move second reading of this Bill.

**Mr. W.S. Lloyd** (Leader of the Opposition): — Mr. Speaker, I want to say only a few words on the Bill. All of us on this side will welcome the proposals that are put



forth in the amendments. It seems quite evident they are designed to strengthen the authority of the authorities with respect to controlling and improving the pollution situation in Saskatchewan. As I've said before, Mr. Speaker, I think our concern needs to be not just with legislation and not even majorally with legislation but with the zest and enthusiasm with which the whole problem of controlling and correcting pollution is carried out. In particular, I think we need to be concerned with the extent to which the public has a chance to be properly prepared, and as a result can carry out its part in controlling pollution and preventing it increasing.

It's no news to the House or to the country that there is a mounting awareness of the difficulties of controlling pollution. There is a mounting awareness of the dangers of the extent to which pollution is already upon us, and anything that can be done to improve the situation must, of course, be welcomed.

As some evidence of the increasing problems of pollution and the increasing awareness of them, I want to make reference to some resolutions passed recently at the Annual Convention, that is the 1969 Convention, of the Saskatchewan Wildlife Federation. This is a group who has a particular and close concern with this aspect of resource use and resource development and they have evidenced this concern in some of the resolutions which they passed this particular year.

For example, Mr. Speaker, I think it's worthwhile to note a resolution put forth by the Moose Jaw Fish and Game League. After a series of whereases - which I don't wish to read - they asked that the Government of Saskatchewan consider setting up a competent authority or board to determine the different chemical reaction of all pesticides and herbicides used for agricultural purposes in Saskatchewan on all the resources in the province to advise all users of such chemicals on the proper type, quantity and application of the chemical and taking into consideration the effects such chemicals would have on all resources such as wildlife and fish, as well as insects, weeds, brush growth and trees, and humans. This is an angle of concern, which I think we perhaps are not really well enough aware of, with the very greatly accelerated and valuable, I admit, use of herbicides and pesticides in agricultural production. We perhaps have been inclined not to think of some of the ultimate effects of putting all of this on our soils and its eventual accumulation at some point or another in our environment. I hope that the amendments and the general development of the program will make it possible to be more concerned with what can happen here. I say with what can happen because the story of pollution is, of course, that it takes place in little bits and we tend not to notice it until after the damage has been done. At that point it is practically impossible sometimes, or possible only with very tremendous expenditures of money, to do anything to correct a continual accumulation of years and years and years of trouble. I refer to what that has to do with agricultural soils and the pollution there.

I refer to another kind of pollution. This concern was expressed in a resolution put forth by the Northeast Region by the Wildlife Federation. They ask that the Fisheries Branch be urged to take samples of fish from these waters, that is, the North Saskatchewan River, Tobin Lake and Cumberland Lake, to determine if they're fit for human consumption. They ask that their own organization be urged to make an intensive study of

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the problem of pollution as in time this would affect not only the fish but the wildlife along these waters.

A somewhat similar resolution comes from the Northwest Region of the Wildlife Federation. They urge the Water Resources Commission to take the strongest action possible to prevent water pollution within the province and they have some concern with, about what is happening as a result of the pulp mill development at Prince Albert.

There is the Saskatoon Fish and Game League which asked the Government of Saskatchewan to set up a Pollution Control Board with full power to investigate any and all areas of pollution and take appropriate action to clean up all areas of pollution and stop any future pollution of our water, soil and air.

Now, Mr. Speaker, I've no intention and I think no need of continuing to read a number of other resolutions of that nature. I read them at this time, Mr. Speakers to impress on the Minister (Mr. Guy) - and I suspect he doesn't need any impressing, I hope he doesn't - with the fact that there is a growing problem and that there is a growing concern with respect to this problem.

One other situation I want to draw to his attention. I had reference previously at one time to the very effective seminar or teach-in on pollution which was held at Evan Hardy Collegiate in Saskatoon. Among other things they provided those who went there with a large amount of information. The thing that struck me as I went through this information was that the great majority of it came from United States sources. Some 16 pieces, as a matter of fact, came from sources outside of Canada, and in general these were the pieces which had the sort of greatest impact and the greatest eye appeal and the greatest mental and emotional appeal as well. Members can see with a quick glance some of the very attractive kinds of literature which are available from sources outside of Canada. As a result these very good and very useful pieces do reflect the United States' program or the United States' problem rather than ours specifically. They are still useful here, I am sure. The point that I make is that we have not any access to Canadian sources, or to Saskatchewan sources in particular, of very attractive, useful information which carries a real good impact with respect to pollution. Some very good ones. Imperial Oil from time to time which is a interesting one, the Royal Bank has put out a couple of good monthly letters on it. While they are very useful they aren't particularly the kind that is going to get popular usage. Many of the rest of them are, in fact, sort of dull, scientific, dreary kinds of handouts which are not really going to make too much of an impact on people generally. I have raised in the Legislature before this consideration and asked in this respect that our Department, our Commission in this case, give its attention to the production of some good publicity.

I can't think, Mr. Speaker, of anything that is more important than convincing the public of the tremendous job that there is to be done, not only so that they can do their part, but that they will support the kind of necessary measures which governments have to take in order to make sure that this problem doesn't get the better of us.

I wanted to put on the record, Mr. Speaker. and it will only take a minute, the basic statement which the students and staff at Evan Hardy Collegiate evolved for their teach-in on

pollution. They suggested the following resolutions for consideration: recognizing that it is a basic human right to unpolluted environment, believing that each polluter is responsible for all forms of damage caused by his pollution, and believing that all levels of government must maintain complementary and mutually supporting anti-pollution measures and activities, and recognizing the need for increased public awareness in regard to the danger of pollution, and recognizing the danger of pollution to human health and the survival of other species, and understanding that modern technology affords the means to abate and control pollution, and recognizing the need for more research and enforcement regulations in the field of pollution, and recognizing the need to find and maintain a balance between the needs for the use of and the adverse affect they have on the environment, and recognizing the problem of reconciling the need for industrial expansion through the need to maintain an unpolluted environment. They go on with a list of resolutions which are directed to Provincial, Federal, municipal governments and others.

Mr. Speaker, I think that this is an excellent piece of work. I mention this again because I hope that the Minister will find it possible within the resources of his Resources Commission to give some encouragement and support to activities of this kind. I am going to lay a copy on the table, Mr. Speaker, for the general pursuit of anybody who wishes to read it. Having said that, we accept the amendments and hope that the Minister will use them to help us to do an even more effective job with this very important problem.

**Some Hon. Members:** Hear, hear!

**Mr. Guy:** — Mr. Speaker, I have not very much to add. I think that we all agree with the comments of the Leader of the Opposition that pollution is one area where hopefully in Canada we will never reach the stage that they have in the United States, where, as I have pointed out earlier in this House, debenture and bond issues of the magnitude of millions and as in one case \$1 billion were voted on last fall strictly for use in pollution control.

I think one of the reasons perhaps why so many of our sources are outside of Canada and in particular the United States, is the fact that they have far more pollution and have finally become aware of it and are doing research and putting out pamphlets and so on in regards to that. However, here in Canada and in particular in Saskatchewan, it is true that we must be aware of it and we must take all steps possible to prevent pollution. I am very happy that Members opposite will support the amendments. We can discuss them further in Committee.

**Some Hon. Members:** Hear, hear!

Motion agreed to and Bill read a second time.

**Hon. G.B. Grant** (Minister of Public Health) moved second reading of Bill No. 64 - **An Act to amend The Power Corporation Superannuation Act.**

He said: Mr. Speaker, this Act has been amended to incorporate amendments similar to those proposed for The Public Service Superannuation Act and other similar statutory Superannuation Acts and contains as well certain housekeeping and other necessary

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amendments.

Section 3 is being amended to increase the Superannuation Board from three to five members to enable representation on the board, if it desires, by each of the two unions representing corporation employees. Section 6 is being amended to correct the reference to Section 13 in the last line of subsection 1. The reference should have been to Section 14 and to incorporate in both Sections 1 and 2 a reference to the new Section 28A being added to Section 12 of this Bill where reference has already been made to the two Sections.

The amendments proposed to Sections 8, 11, 15 and 27 and the repeal of Section 17 are all housekeeping items and do not affect any change in benefits conferred by the Act. The proposed distance of Sections 9A and 28A and the amendments to Sections 10, 14 and 15 are the same as those proposed by The Public Service Superannuation Act. The proposed amendment to Section 39 is necessitated by the lowering of the age for receipt of the Old Age Pension and consequently provision is made in Section 16 of the draft Bill for the Section containing this amendment, Section 13 to come into force on January 1, 1970, the date on which the Old Age Pension becomes payable to age 65.

Proposed new Section 52A is similar in effect to an amendment made to The Public Service Superannuation Act several years ago to enable employees who had an opportunity at one time to elect for additional credits for superannuation purposes to have a further opportunity to make such an election. The proposed deadline in this case is October 1, 1969 and the conditions precedent to elections are set out in this Section.

Mr. Speaker, I move this Bill be now read a second time.

**Mr. W.G. Davies** (Moose Jaw South): — Mr. Speaker, I have had the benefit of some discussions with the Minister, and, as he has said today, he has assured me that the substance of most of the Bill at least is much the same as changes in The Public Service Superannuation Act. I would request, Mr. Speaker, that the Minister, when he closes the debate will tell me whether the Bill is also a product of discussions between the Corporation and between the trustees, and if they have gone over this legislation with the two unions concerned, namely, the International Brotherhood of Electrical Workers and the All Chemical and Oil, Chemical and Atomic Workers Union, and if they have been consulted with respect to the provisions through the representatives which they will have on the Board.

There is one other comment that I think that I should offer here this afternoon, Mr. Speaker. I alluded to this to some extent previously when we discussed other pension Bills that have been before this House at this session. That is with respect to the whole question of escalation. Pension funds all over Canada and the United States and other countries too, for that matter, are suffering from the erosion of the cost of living. Everyone here knows how many people who had fair incomes, fair pension incomes, on retirement ten or fifteen years ago are in actual hardship and dire need at the moment. Of course some pension plans are attempting to do something about this by doing as has been done in this province, bringing very low pensions up to a minimum standard. I think that this is a good move. I think that we need to do more of it. The limited extent that has

been proceeded with by the Province can be commended for that reason. At the same time I think that probably, Mr. Speaker, this is a piecemeal approach. We should be looking at The Public Service Superannuation Act and we should be looking at The Power Corporation Superannuation Act before us as well as all of the other legislation that deals with pensions in the Public Service. We should be so amending that legislation that there is some sort of automatic adjustment to the cost of living advances that we will undoubtedly be encountering in the years to come. I point out to the Minister what he may know, that this has been the object of a good deal of discussion by pension authorities. I know that the Superintendent of Pensions in Saskatchewan is certainly one who has given some thought and some reflection to this matter. There is just within the last month a bulletin by Mercer Associates who are insurance and pension consultants on this very question. There are some very cogent figures provided by Mercer Associates which are rather alarming, if you believe them. They present a very convincing argument. They point out that, if escalation of cost will go on as it has gone on in the last 20 years, many pensions that look pretty good today will have their value halved or worse by the time people superannuate in a decade or two. I wonder, which is the object of my remarks at this time, whether we should not be thinking about changes in all of The Public Service superannuation legislation and within the Crown Agencies so that there is some sort of automatic adjustment procedure, not only for years previous to the present date, but for years to come.

I refer also to the Report of the Committee of Review of The Workmen's Compensation Act and Regulations that made its report last November. Members will know about this Report, which was filed about two weeks ago with Members in this House. They may have noticed the recommendation with respect to automatic adjustment of pensions because of the features that I have referred to. They have pointed out that in British Columbia steps have been taken or will be taken, if they have not up to now, Mr. Minister; certainly it is in the recommended report received last year, so that these adjustments can take place without supplementary legislation each year. It seems to me that with the current experience of pensioners and with all that we know that has taken place and with what seems likely to be the experience in the future, this kind of an adjustment in pension schemes is a very necessary thing.

I invite the Minister to comment on that aspect. I know that he may say that this Bill is in tune with what might be called the parent Bill, changes to The Public Service Superannuation Act. Nonetheless, I think that any one of the public bodies that has legislation on pensions can initiate discussions that will effect the changes that I am now referring to. I would invite him to comment.

I think there are some other changes here that are not in the remaining Acts, but I believe, as he said, they are housekeeping amendments

**Some Hon. Members:** Hear, hear!

**Mr. A.E. Blakeney** (Regina Centre): — Mr. Speaker, I want only to add a very brief word on this matter of superannuation of Power Corporation employees.

I want, again, to ask the Minister to give consideration to

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those employees who have superannuated and I want him to consider either one of two proposals: one, that employees be enabled to have the full pension that their old salary would have entitled them to without reference to the previous \$6,000 ceiling. This will mean that employees who have earned \$10,000 for the last six years, would have a maximum pension not of \$6,000 but of \$7,000 because they would have received, if they had worked 35 years, a pension based on 2 per cent of \$10,000 x 35 which will yield \$7,000. That is one proposal.

The second proposal would be that employees of the Power Corporation who either have retired or perhaps even who are still working, be enabled to contribute to the Plan on the basis of the \$11,500 ceiling rather than the \$10,000 ceiling, if in fact they have made a salary of \$11,500 in the past.

The object here, Mr. Speaker, is to endeavour to provide the effects of some of the changes provided in this Bill on something of a retroactive basis both with respect to the \$6,000 ceiling of pensions and the \$10,000 ceiling of salary on which contributions may be made.

Mr. Speaker, I believe that these matters can better be pursued on a more specific basis in Committee. I accordingly offer no further comments on them at this time and I will be supporting the Bill.

**Some Hon. Members:** Hear, hear!

**Mr. Grant:** — Mr. Speaker, first of all dealing with the remarks from the Hon. Member from Moose Jaw South (Mr. Davies). Yes, there were consultations with the two unions involved. I think that they are satisfied. I think there is a lot to be said in favour of the point raised about the question of flexibility in superannuation Acts, Most of us have experienced this or will experience it in evolving ourselves in pension schemes years ago that we now find quite inadequate. I think that he answered his own question that this would have to be looked at in conjunction with other Provincial schemes and his remarks will be kept in mind.

It is pleasing to hear a Member of the legal profession suggesting retroactivity because usually whenever retroactivity comes up, the legal people in this House take strong objection to it on both sides of the House. I think that this is another thing, as he pointed out, that would have to be discussed in conjunction with other schemes. When that is done we will be glad to look at it in the Power Corporation as well,

Motion agreed to and Bill read a second time.

### **CEREMONY OF DEDICATION**

**Mr. Speaker:** — I would ask the House according to Order passed earlier this day, to proceed to the Rotunda for the purpose of the Ceremony of Dedication.

According to Order, at 5:00 o'clock p.m., Mr. Speaker, with the Assembly, proceeded to the Rotunda of the Legislative Building to participate in a Ceremony of Dedication of a Plaque in memory of the 458 Officers and Men who fell serving with The

Regina Rifle Regiment during 1939-45.

## SECOND READINGS

**Hon. W.R. Thatcher** (Premier) moved second reading of Bill No. 49 - **An Act to amend The Executive Council Act.**

He said: Mr. Speaker, all this Bill does in essence is to permit the setting up of the Department of Indian and Métis Affairs. It is a technical matter, and is needed for obvious reasons.

Motion agreed to and Bill read a second time.

**Hon. J.C. McIsaac** (Minister of Education) moved second reading of Bill No. 59 - **An Act to amend The School Grants Act.**

He said: Mr. Speaker, Bill No. 59 deals with amendments to The School Grants Act. I think that it will be readily seen that grants to school boards in the coming year will be on the same general formula and the same basis that has been the case for many years.

I may say, Sir, that a good deal of work and effort has gone into the development of a new grant structure, but insufficient work and insufficient consultation to have a completely new grant structure before us this session. The Bill before us amends several Sections of the existing Act. The amendments and indeed the entire existing Act deal only with the method of distribution of Provincial grant funds to schools. The purposes of the amendments contained in this Bill are to provide for greater equity, or, if you will, greater equalization as such.

The first amendment, Section 3, subsections (1) and (3) deals with grants on account of non-resident grade 11 and grade 12 students. This grant was originally designed to encourage school boards to admit non-resident students of grade 11 and 12 and at the same time to aid the students by reduction in the tuition fees charged by such boards. Under the amendment this special non-resident grant will no longer be paid. The change will have no effect whatever on students or their parents, Mr. Speaker, because boards are not permitted to levy fees for high school students within their own districts and if unable to provide instruction within the district they must, of course, pay tuition on behalf of the student elsewhere.

It will have little or no effect on school boards in view of the fact that payments for tuition are included as an assigned cost in the calculation of general formula grants. In regard to boards which admit non-residents there is no effect whatever here as they are permitted to recover by fee for service the entire net cost of providing that service.

Now the next Section, Section 3, subsection (1) and (5) has to do with providing larger grants or greater equalization, if you will, for the smaller districts, those of 15 rooms and below which are outside of the general formula. This paragraph provides for an additional grant related to the assessment of the district. I think that perhaps here, Mr. Speaker, the details of the changes here can best be discussed in Committee of the Whole.

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The next clause, clauses a, b, bb and bc of this same Section 3 are more of a major change, Mr. Speaker. They relate to a change in the calculation of the general formula grant in centres where there are two or more school districts of conterminous boundaries. As Members are well aware this applies almost entirely in urban centres as such. At present the general formula grants for such districts are calculated on a pooling basis. For example, to determine the total general formula grant payable in the city of Regina, several school districts are treated as one district with assessment and assigned cost of all costs being pooled. When the total grant to the centre has been calculated it is distributed to each district in proportion to the number of rooms in operation in each of those districts.

This amendment is designed to provide that in such communities, namely the cities, the general formula grant may also be calculated on an individual district basis. The grant payable to each district will be that which is more favorable to the district, whether calculated on the pooling basis or the individual basis, but not both of course, obviously. The present structure as it is set up in the Act does not really provide too well for variations in the actual tax revenue per pupil. The objective of this amendment is to reduce inequities which have shown up particularly so in recent years in the pooling aspects of the present formula. These inequities relate to differences in assessment in the school districts and their enrolment loads and as I say they have become more aggravated in recent years as the pupil costs in all jurisdictions have risen quite considerably. Although this certainly will not perhaps eliminate these problems entirely, or produce complete equalization, it will certainly tend to minimize differences of financial abilities of districts within a community. A general effect will be to increase grants in the financially weaker districts which are mainly the separate school districts. At the same time there is no alteration of the basic general formula with respect to all districts within that city. In fact, the equalization principle is extended by this amendment.

Now the final clause, Mr. Speaker, I suggest again as one dealing with increasing the grants to districts and the details of this I think can perhaps best be discussed in Committee.

**Some Hon. Members:** Hear, hear!

**Mr. J. Kowalchuk** (Melville): — Mr. Speaker, its very good to hear from the Minister (Mr. McIsaac) that there is going to be some form of equalization and I do hope that the grant formula does provide some relief to many of the school districts that are so desperately in need of it. The most difficult, if not impossible, task, Sir, it seems is to try and explain in simple arithmetic just how much increase in grants there is going to be available to school boards for 1969 just by perusing the amendment to The School Grants Act. Just why such complicated mathematical machinery is required for this calculation is difficult sometimes to understand. I dare say that a more simple formula would certainly be appreciated and, Sir, I really don't dare ask for an explanation, because I am sure that a lengthy explanation of the grant formula would only becloud the issue still more.

I recall the other day, Sir, that the Minister did play with figures in trying to explain how he got the \$4.4 million in grants while on the other hand we could only find \$2 million.



Now the legal mind, I remember, from Hanley took on the job and he really complicated the situation. Now, Mr. Speaker, all I want to say in regard to the grant formula is this. Last year the Minister boldly stated that the increase in the grant was 6.2 per cent and that it would cover about half the increased costs in operating schools. Now, Mr. Speaker, and all Members of the House, you will remember that the average mill rate increase in local levy across the province shot up five mills. Remember 6.2 per cent increase and taxes up five mills on an average with a \$2.42 million increase this year, according to our calculations, or a 3.34 per cent increase in operating grants, all I can say, Mr. Speaker, is, "Heaven help the poor local taxpayer!" Last year all information regarding grant payment to schools and education estimates were left to the last, Sir. Now surely an item such as school grants should be brought out in the open so that the many school districts across Saskatchewan could set their budget meetings with all the knowledge available as to how much grants in dollars and cents they can expect to receive. We realize, Sir, and I personally would like to ask the Minister to produce these grants so that the school districts can get the figures and work on their budget. We realize, Sir, that no good news would be withheld for so long so, as I said before, we can prepare ourselves for nothing but the worst. But let's have it, Sir. I hope that the Minister will see that we will be getting further information and very shortly so that we can accurately assess how deeply we have to dig down into our pockets. Sir, we will not oppose the Bill.

**Mr. McIsaac:** — Mr. Speaker, I will only reply very briefly to the remarks of my hon. friend from Melville (Mr. Kowalchuk). This legislation which is before us does not deal in anyway of course with the total amount of money that may or may not be available to school grants as such, and to this extent the remarks perhaps do not entirely pertain to the principle of this Bill. I can tell him that at the beginning of next week a grant estimate will be going out to the various school boards of the province. I might also point out while I am on my feet that the average increase in mill rates was not five mills last year, as he pointed out. I can also say that, if they do have some difficulty and I can well appreciate it, looking at the present amendments in the Grants Act, it is a difficult and complex thing. I had hoped as I mentioned in introducing this Bill that we would have had at least a superior grant formula for today's world, not questioning the present one to that extent. However it does show some inequities due to the fact that it was initiated and prepared for times earlier than this when there was a good deal less money being spent on education than there is today. I can also assure him that the grant estimates when they do come up will show an increase in grants to the various school boards in the province of something over eight per cent and about \$4.5 million. However, I think these and other matters related to the grant as such, Mr. Speaker, can best be dealt with in the Estimates or some later date in this session.

Motion agreed to and Bill read a second time.

The House recessed at 5:30 until 7:30 o'clock p.m.

#### COMMENT ON STATIONERY FROM ASSEMBLY OFFICE

**Mr. Speaker:** — Just before we proceed to the next Order, I wish to

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make a comment in connection with the question which was raised by the Member from Wadena (Mr. Dewhurst) in regard to stationery, etc., from the Legislative Assembly Office. Now there is no written rule or regulation as to what Members shall receive in regard to stationery from this Office, but it has been the precedent and tradition of this House that, while the House is in session and indeed between sessions, Members may go to the Office and receive such stationery as they request. There has been rather a large run on this stationery recently and I would draw your attention to the fact that on March 5, there was a request for 10,000 sheets of paper, and then another 6,000, which makes 16,000 sheets on that date. On March 11, 10,000 sheets; on March 13, 10,000 envelopes and 8,000 sheets of paper; and on March 5, another 10,000 envelopes. On March 17, 20,000 envelopes; on March 17, 2,000 sheets of paper; on March 21, 59,000 sheets of paper; and on March 19, 20,000 sheets of paper. I want to draw the attention of all Hon. Members to the fact that it is absolutely impossible within the confines of that room to stock all the paper necessary to keep the House going for a week. We would have to move the staff out. The stockroom which these supposedly were drawn from is down on 7th and Hamilton, a good distance from here. From March 24 to March 31, by Government Order (at the same time each year so I am informed), stocktaking takes place in that stockroom. The Provincial Auditor is the person who does this and as a consequence that stockroom will be closed to all Government Departments and to the Legislative Assembly Office also during stocktaking. However, the people in the stockroom, despite the fact that they are taking stock, have undertaken to the Legislative Assembly Office to lean over backwards in order to make any supplies available that we may request for the service of the Members. I can do no other under the circumstances then to tell Members that, if they need any large stocks, they will have to request them upon requisition, giving 48 hours' notice. I think that is reasonable. If they need some paper, some envelopes in small amounts very well it will come out in the usual way, but supplies in the magnitude that I have mentioned, while the auditor's office is taking stock, will require a minimum of 48 hours' notice by requisition, and I don't even guarantee that large supplies will be produced in that time, but I think that they will.

### **ADJOURNED DEBATES**

The Assembly resumed the adjourned debate on the proposed motion of the Hon. D.G. Steuart that Bill No. 52 - **An Act to provide for Partial Refunds of Estate Taxes to Saskatchewan Estates be now read a second time.**

He said: Mr. Speaker, I am going to say very little on this except to say that I realize that, when we get into Committee of the Whole, the Opposition is probably going to introduce some amendments and I would just point out that the spirit behind this rebate is two-fold, the principles behind it are two-fold: one, to do something that we think this Provincial Legislature can do to assist in a practical way to help hand down the family farm and keep it within the family and the family small business. But it is also to do something else. As we all know, the Province of Alberta passed similar legislation to this and is now in effect. We do have evidence that some of our people have in fact moved over there and transferred assets to that province. So we not only want to do what we can to help the family farm and the family business, we also want to do what we can to

encourage people with substantial means, with substantial capital, both to stay in this province and to come back into this province if they have left, to make it a place where they can come and invest their capital because we desperately need capital in this province. And so I do hope that when we get into Committee all Members will remember this and recognize it and not attempt to make some small political gains by saying, "We will in fact be prepared to go along with rebates on estates up to \$100 or \$200,000 but for those few rich people we won't be any part of this." It may gain them some immediate political creditability significance. I don't think it really will, and I again remind them that we bring in this Act with these two very clear and distinct principles in mind.

Motion agreed to and Bill read a second time.

The Assembly adjourned at 9:59 o'clock p.m.