

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Second Session — Seventeenth Legislature**  
**50th Day**

**Thursday, May 4, 1972**

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

**REPORT OF SELECT STANDING COMMITTEE ON CROWN CORPORATIONS**

MR. W. A. ROBBINS (Saskatoon Nutana Centre) moved, seconded by Mr. H. Owens (Elrose), **That the First Report of the Select Standing Committee on Crown Corporations** be concurred in.

**MR. D.W. CODY (Watrous):** Mr. Speaker, before you call the question I want to make a few brief remarks regarding this report.

I want to point out what I feel is of great importance to this House and the people of Saskatchewan. This point of great importance deals with the Committee's request that the government conduct an immediate judicial enquiry into the operations of the Big River Sawmill project which are to include feasibility studies, plans and design.

You may well say, and I am sure the Opposition will say, why an enquiry. why an enquiry into operations? Why an enquiry into feasibility studies? Why an enquiry into plans and designs? Well, Mr. Speaker, the reason I moved the original motion in the Crown Corporations Committee was that after listening to some of the explanation it was obvious to me that something was wrong and the people of Saskatchewan should be made aware of some of the facts regarding the mismanagement, the poor planning of this sawmill by the former Liberal Government. And, Mr. Speaker, this can only be done by a judicial enquiry.

If we on this side of the House and the people of this province knew the facts we would not be calling for this enquiry. What then makes us so leery about this operation?

1. No feasibility study done that we know of. If there was it was obviously not used. It is our understanding from sketchy information that two individuals working for the corporation repeatedly told the Liberal Government this mill would cost in excess of \$700,000 to construct. The initial cost of this mill according to the minutes of the Forest Products was to have been \$259,000. This is what it would cost to completely construct this mill.

Mr. Speaker, the construction was barely started when the figure had escalated, we understand, to something like \$350,000. It has now surpassed \$700,000 and will probably go beyond \$1,000,000, three times as much as the initial price and the sad part of the situation is it may never operate in a proper manner, and it may never operate to capacity.

2. Now as to plans and design. We know of very little planning and in fact if there was any planning at all, it didn't amount to a great deal. Question which must be asked: Why was the mill built in a place not accessible to railway trackage? Why is the power supply inadequate? Why do the chips from this plant have to be hauled one-half mile away? Why was there no

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consultant engaged to carry out plans after repeatedly being asked by the steelworkers of this city to give them a chance to help in this construction? Why will this mill never produce more than 28,000 board feet per shift? Why is this mill designed so that it will not properly operate, or maybe not operate at all in cold temperatures? Why did the waste burner collapse?

Mr. Speaker, there are many questions such as this which are not answered, which we cannot answer because the facts are not known, which the Minister-in-Charge cannot answer because he does not know the facts, which I feel the people of this province have the right to know. The only thing we can do is speculate and when you look at this dismal failure of planning and design of this mill one's mind can run rampant with speculation and suspicion. I know the general public of this province are suspicious and I urge the Government to call for a judicial enquiry open to the public so that we can get to the bottom of this poorly planned, poorly studied, poorly designed mill at Big River and clear up all suspicion which there may be.

Mr. Speaker, I urge all Members of this House to support this motion and concur in this final report.

**SOME HON. MEMBERS:** Hear, hear!

**MR. A. MATSALLA (Canora):**— Mr. Speaker, the announcement of the decision to close the Reserve mill came in June of 1970, like a bombshell to the people in the Reserve area. In making that announcement the Hon. Ross Barrie said that a government contract with the Simpson Timber Company of Hudson Bay, Saskatchewan called for all other timber operations in the Reserve area to close. This came as a shocking surprise to the people of Reserve as there had been no prior consultation with the people in the area, none whatsoever with the employees in the mill or the communities affected.

This action by the Minister of the former Liberal Government created great concern for the people affected. In spite of the fact that the Reserve mill according to the 1971 Annual report states that "the Timber Board's most profitable lumber manufacturing yard was at Reserve." The former Government by this action put about 30 people out of work at the mill, 16 small logging and sawmill contractors would be out of operation, losing thousands of dollars which they had invested in equipment and some 250 people employed in the logging and sawmill operation would be displaced. Of these 250 about 150 were small farm operators in the Endeavour, Lady Lake, Preeceville and Sturgis areas.

No recognition was apparently given to the effects of this mill closing, such as the loss of jobs, loss of investment in homes and in sawmill equipment. The Government gave no consideration to the deterioration of the Reserve community as stated previously.

Expressing their concern the people of the surrounding communities presented me with a petition containing more than 300 signatures.

To the Honourable Legislative Assembly of Saskatchewan in Legislature Assembled.

The petition of the undersigned humbly sheweth:

Whereas:

1. The Saskatchewan Timber Board and the subcontracting sawmill operators have, for decades, provided gainful winter employment for small farm operators in the Endeavour, Hinchliffe, Rockford, Sturgis, Preeceville, and other points outside this trading area;
2. The closure of the Timber Board and Sawmill sub-contractors would adversely affect the incomes of small farm operators;
3. Also this move on the part of the Government would prove disastrous to the business establishments serving the aforementioned trading areas;
4. Employment opportunities provided by the Timber Board and sawmill sub-contractors have enabled many young farmers to get established on farms without government assistance;
5. Small farm operators that seek winter employment in the sawmills are absolutely essential to the good economic health of the aforementioned trading areas;
6. Small farm operators have served, and are serving every useful role in providing a very reliable labor pool of skilled farm operators for full time farmers as well as sawmill operators;
7. The exodus of small farm operators would inevitably cause many fairly well established farm operators to cease farm operations, as they would be deprived of the only source of dependable farm labor — most farmers can afford to hire help only on a part-time basis;
8. The establishment of timber monopolies and the forced closure of smaller sawmills, is not in keeping with the spirit of the democratic traditions of the people of Saskatchewan.

Therefore, be it resolved:

1. That the Timber Board may be permitted to continue their operations;
2. That small sawmill operators be permitted to market their products
  - (a) to the Timber Board, or
  - (b) be given the freedom of choice of buyers.

And your petitioners, as in duty bound, will ever pray.

This petition I personally presented to the late former Premier Ross Thatcher and to former Minister of Natural Resources, Ross Barrie.

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I recall their remarks expressing uncertainty about the Simpson Timber Company contract and the mill's closure. They at that time indicated when definite plans were completed that every consideration would be given to compensate people for their loss in investments. Up to the summer of last year nothing appears to have been done.

Therefore, Mr. Speaker, I believe that there should be a public judicial enquiry for the following reasons:

1. As I previously stated the 1971 Annual Report states that, "the Timber Board's most profitable lumber manufacturing yard was in Reserve."
2. The overall loss of \$250,000 during the last year indicates clearly the overall deterioration of the Timber Board's operation.
3. And it would seem as a result that the better part of the operation was sold to an American corporate interest.

It would appear that the Liberal Government wanted to weaken and destroy deliberately a profitable social enterprise. Therefore, a public enquiry should reveal the possible motive of the former Government for selling out the timber rights to the Simpson Timber Company of Seattle. Also it could reveal the reasons for phasing out the mill at Reserve when its operations were 'most profitable'.

We could also find out the criteria applied in making that deal, and, also if a feasibility study was made as to whether greater benefits would accrue to the people of Saskatchewan by this sale to a foreign corporation.

A public judicial enquiry would establish whether there was a definite commitment on the part of the former government to compensate losses of investment to homes of employees in the Reserve community and to sawmill equipment made useless — if there was, what was it, and why hasn't it been carried out?

Through the exposition of facts the enquiry would reveal the full particulars of the kind of agreement that was entered into by the former Government and possibly the effects this agreement has on the timber resources of the province, particularly the Provincial Porcupine Forest area.

The enquiry would clear up the position of the former Liberal Government with respect to the sale of timber rights and the closing of the Reserve mill, and any suspicions that there may be in the minds of the public. In my judgment, I would think that that's what the Liberals would want.

I should expect the enquiry through its findings would set out certain recommendations for the future operation of the Timber Board.

It is for these reasons that I fully support and ask other Members to do likewise, the holding of a public judicial enquiry covering the phasing out of the Reserve mill as well as the operations of Carrot River and Big River mills.

**SOME HON. MEMBERS:** Hear, hear!

**MR. T.M. WEATHERALD (Cannington):**— Mr. Speaker, the Members opposite seem to think we wouldn't like to talk about our record as far as the management of the Crown corporations. I would be delighted to talk about our record because an excellent record it was. They want to particularly pick one item in it, the Big River Mill, which I will come to later on.

I want to talk about the profit picture of the Saskatchewan Government Insurance Office, its premium growth, for example. The Attorney General (Mr. Romanow) loves to talk about how we tried to scuttle the Government Insurance Office. Well, in 1964 the financial statement says — and I have it right here before me — the premium income of Saskatchewan Government Insurance Office was \$8.5 million. In 1971 the premiums taken in by Saskatchewan Government Insurance Office was \$16 million, very close to double, \$8.5 to \$16 million in the space of seven years of the Liberal administration.

Let's look at the Saskatchewan Power Corporation. The net profit picture of Saskatchewan Power Corporation in 1964 was \$2.2 million, I have rounded off the figure. In 1971, seven years under a Liberal Government, \$8 million, Mr. Speaker. Let's look at Saskatchewan Telecommunications and how this terrible Liberal record did under those seven years. In 1964 it made \$4.7 million under the NDP, in 1971 under seven terrible years of Liberal administration it made \$12.7 million. \$4.7 to \$12.7 million or an increase of \$8 million in the profit picture of Saskatchewan Telecommunications. I have taken three of the major corporations under a Liberal administration. There are many other smaller ones, like the Fur Marketing Board, Mineral Resources and so forth, that basically their financial picture remains similar to what it had been in 1964.

**AN HON. MEMBER:**— What about the Water Supply Board?

**MR. WEATHERALD:**— I'll talk about the Water Supply Board, because the Water Supply Board lost money. It lost money because we used a resource that we helped develop and put into communities at a losing proposition and despite the fact that the potash mines didn't even want it. The potash mines would have been happy to go ahead and do it themselves, the Liberal Government helped put the line in, despite the potash companies, in order to be able to supply water to these communities. The fact they lost money is not particularly important as far as that corporation was concerned, because it helped many communities and was built to do that.

The Big River Mill, I remember before the last election the great cry from the Members opposite was, "People before profits!" Well today they seem to be worried about the profit picture. In other words, the Liberal administration built the Big River Mill, certainly it hasn't turned out to be good and I wouldn't say it has. I would say to the Party opposite that Big River is an isolated community, or relatively isolated, a more or less one industry town. The Liberal Government did exactly what you have been telling us to, we put the people before profits. Today they don't like it that way. They want to stand up and say, "Ohhh, the dirty Liberals lost \$500,000 or \$600,000." We put people before profits, we did exactly what you told us to do. In a town that was a small community in Saskatchewan that depended on a mill, we went out and tried to build something to

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be able to keep employment going. No, apparently now they want profits before people, the Party opposite. Mr. Speaker, what the Party opposite has done, is they know that the Liberal Government had an excellent record in building up equity in the Crown corporations in the province and profits of those companies. The Party opposite in the next four years won't even come close to that record. We will be watching in the next four years how they do in these financial areas. I suspect by the management being supplied currently that they will do a drastic job and their record won't even come close to the last seven years. The people opposite know that it was an excellent record. They know the financial statistics, they are in all the reports for anyone who wishes to read them. They would like the people of Saskatchewan to think that it was a poor record because they want to pick one particular situation like the Big River Mill and say it was terrible management.

The people of Saskatchewan will not be fooled by that kind of political nonsense, because the record of the administration in those seven years was far beyond any difficulties that were incurred in areas like the Big River Mill.

Mr. Speaker, there are some parts of this report I can support, and there are some parts which I certainly will not support because this is a political report. There was no attempt, we even had to haggle over which item we would put first in this report, the first time to my knowledge that has ever occurred. We had to call an extra meeting to be able to decide what to put in the first preamble to the report, Mr. Speaker. I had researched the subject and I couldn't find any other single case in the history of the Legislature where we had to argue over what would be coming first. Basically what usually is a fairly substantial scrutiny of Crown corporations turned out to be a political document passed by the Government Members and which of course the Opposition Members had little or no say simply because we were always outvoted.

Mr. Speaker, we will look with interest on many of these recommendations. I suspect that we shall find just how much the Government backbenchers are listened to on that side once this report has been passed. Next year we will be looking to see how much the Cabinet acts on in this report. I should think, Mr. Speaker, that if the action is not forthcoming, that it indicates that the backbench Members on that side who staffed that Committee have limited influence. Mr. Speaker, I will not be supporting what is totally a political document as an effort to try and put more politics into the Crown corporations than substance.

**SOME HON. MEMBERS:** Hear, hear!

**MR. G. R. BOWERMAN (Minister of Indian and Metis):**— Mr. Speaker, I only want to make a few brief comments with respect to the comments that have already been made on the Big River Mill. The Big River Mill, as you know, is in the Shellbrook constituency. Those who were in the Crown Corporations Committee last year and those of us who were interested in the Big River Mill will remember some of the discussions that took place as a result of the proposed development and the announcement that the Big River Mill would be constructed in that year.

Let me say I think there are three issues which surround this particular project. I think those issues are political, management and operational. I want to say that really I think the whole matter of the Big River Mill and the whole fiasco which surround that project was simply on the basis of a political decision. One of the very frequently announced proposals for the Shellbrook constituency was the building of the Big River Mill. This of course would be the defeat of the present sitting Member, myself by the Liberal candidate there if they only got busy and would construct that mill. That was a frequently made statement in the constituency. Let me say that the announcement was made a number of times, twice by the former Premier from this Legislature and from Regina, then of course at the nominating convention in Debden. The Premier flew out at the taxpayers' expense in his aircraft and moved into the nominating convention in Debden and announced once again the third time that the Big River Mill would be constructed for a total cost of somewhere around \$250,000. The candidate continued to make these statements both in the Press and to the public. Let me say that the announcements which he made simply were not able to be followed through.

I attended a sod turning ceremony in Big River where the Mill was announced to be under construction and would on the 2nd of May of the spring of 1971 be in operation. Of course that proved to be a rather poor announced date.

Let me say that one of the things that really concerns the people in Big River and concerned the people in Big River when this announcement was made was with regard to where was the timber coming from, what management was involved in it and what were the reasons why the mill was being relocated from a place which let me say, the mill had been located since before the province was formed into a province in 1905. The Prince Albert Lumber Company operated in that area, had their mill located beside Cowan Lake and operated there all the years until this particular time. Then somebody thought that the mill should be relocated. Let me say that I asked the pointed question in the Crown Corporations Committee of last year. The pointed question was on what basis was the decision being made, on what basis did they tear down the old burner which operated for many, many years and was still in good repair and could have been used.

**MR. STEUART:**— The old burner?

**MR. BOWERMAN:**— It is the same kind of information that you got that moved the mill from the lakeshore to the head. You tore down a burner to which they took cutting torches and spent weeks at trying to tear that old burner down. You went up there and built a plant which even under the very low operating capacity as it is operating now, simply hasn't stood up. It has failed even to accomplish that.

I say that the people in Big River were very concerned. We were trying to get some answers, the answers to the questions which I got in the Crown Corporations Committee last year when I asked the pointed question as to where or how were these decisions being made. We were informed in that committee that there was a feasibility study that had been made and the study recommended that these changes be made. We asked if the feasibility study would be tabled and we were told No, the feasibility study cannot be tabled because it would not be in the public

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interest for us to know or for the people of the public to know.

The facts of the matter are this, there was no feasibility study. There was no feasibility study made and we only now recognize that the information which we got in the Crown Corporations Committee a year ago was false information. They knew it was false when they gave it to us, it has been proved to be false now as a result of the information which we have.

Let me say that they went ahead and moved into the construction of a sawmill in the Big River area when they knew there was no timber available. You knew there was no timber available, you indicated that there was a provision made for 12 million board feet, 12 million board feet of lumber which was the annual cut and has been the annual cut in the Big River area for some time. But you were there building a sawmill which was supposed to operate year round at 80,000 board feet per shift. Figure that out on a year-round basis and on a day to day basis year-round. There was no timber available. 12 million board feet was all that was available and it took 20 million board feet to accommodate your own figures with respect to this mill. It had not been provided for. Yet they went ahead on the construction of a mill without any feasibility study, moving it from a location which had long been proven to be the right position for a mill to be built at Big River, moving it to the top of the hill, a half mile or three-quarters from the lake shore. From there they carried on their operations.

Let me say this, Mr. Speaker. I mentioned it before in this House, Mr. Speaker, that in their great surge to accommodate the people at Meadow Lake and the Member from Meadow Lake that they forgot that when they were making these expenditures that there would have to be timber available. I tell you we have got the absolutely understandable position that the operations now being conducted and the timber being harvested for the Meadow Lake sawmill is being harvested in an area which is 30 or 40 miles east of Big River. In other words, they are hauling saw logs by the Big River Mill in order to get to Meadow Lake with their lumber. This is the kind which you produced at the Big River Mill. Therefore, Mr. Speaker, I am prepared to support the Resolution of the Crown Corporations Committee, that an enquiry be made so that the reasons for this operation will be forthcoming as a result of a study proposed by the Committee be made in order that the information might be available to the public. I believe the information will be valuable to the public, not only now but in the future on the reasons why the Liberal Government preferred to go ahead on such limited information which they had to produce this mill at Big River.

Let me say with respect to the Water Supply Board. Let me say that the Member from Cannington mentioned that one of the major purposes of the Government in setting up the Water Supply Board was to supply the potash industry. They were setting up the Board to supply the potash industry even when the potash industry didn't want it. I suggest to you, Mr. Speaker, that if we had considered this matter more seriously than we have, we may well have saved the spending of that tremendous amount of capital in running a ditch across the Province of Saskatchewan to serve a potash industry which by their own admission, didn't want it and by their own admission the potash people could have well supplied themselves with water at much less cost than they are now being supplied. They could have drawn their water from the Crown water resources that we have in this province and may well have been far better off to have withheld that kind of



development until such time as a more feasible and a more economical proposal came along.

Therefore, Mr. Speaker, I agree with the resolution which was brought forward by the Committee which recommends as well that a study be made into this area. I support the resolution.

**SOME HON. MEMBERS:** Hear, hear!

**MR. C.P. MacDONALD (Milestone):**— I just want to add a few comments. First of all, Mr. Speaker, I certainly cannot support this report. You know, Mr. Speaker, all through the Crown Corporations Committee, the Press, the Members of the Legislature, even the Member for Saskatoon University (Mr. Richards) and so forth were quoted as saying that this was nothing but a political committee. The worst Member of the political committee recognized by everybody in the House is the Member for Watrous (Mr. Cody) because his remarks were just unintelligent. The questions were of a political nature and everybody recognized that the Crown Corporations Committee this year had been reduced to nothing but a fiasco for political advantage by the NDP. I think that is a kind of tragedy and it demonstrates that there is a need for this Assembly to take a new look at the Crown Corporations Committee, like they did the Public Accounts Committee and turn around and try to get it to do its proper function. This report, commending this and commending that is a political report based on a political committee that is just a disgrace. You know, Mr. Speaker, they are even bringing politics into this Assembly.

Seriously, it is a disappointment that the Member from Nutana Centre would use this Committee and this report for the kind of political comments that he has made. Mr. Speaker, the tragedy of it is that this judicial enquiry that is recommended is not a judicial enquiry, it is a political enquiry. That is unfortunate. I should like to tell them some of the comments that the Members opposite made and then I'd like to comment on the political enquiry. First of all, our young friend from Nipawin (Mr. Comer) gets up, then my friend from Canora (Mr. Matsalla). We listened to that attack on business. Sold to those American corporate enterprises, Simpson Timber Company. I wonder if he ever went to Hudson Bay. I wonder if the Minister of Agriculture would get up and make that kind of a statement. Go up to Hudson Bay in 1964 with Wisewood — bankrupt. Unemployment, low wages, sold at a very small percentage on the dollar. Today go into Hudson Bay and it is the most booming community in the North. With MacMillan Bloedel, Simpson Timber Mill, both of them have expanded. There are more new businesses going up and down the streets of that community than you'll find in most communities in northern Saskatchewan. The chief industry in Hudson Bay in 1964 was welfare. All I'd like to tell the Member is that it is unfortunate that he doesn't go up and listen to what the Board of Trade from Hudson Bay have to say about the Member from Nipawin. The Board of Trade in this community recently voiced strong opposition to a suggestion that the Government reactivate the Saskatchewan Timber Board. The objections came from an emergency meeting, following suggestions made in the Legislature by John Comer, MLA for Nipawin that the Timber Board be reactivated. During the meeting it was pointed out that Mr. Comer's remarks were directed at Simpson Timber Company Limited, just like the Member for Canora at the two companies engaged in the timber operations in the Hudson Bay area. Simpson operates a stud mill in the Local

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Improvement District south of the community and MacMillan Bloedel manufactures aspenite panel board in town. The companies employ local labor and are providing an economic boost to Hudson Bay. The Board of Trade members unanimously passed the following resolution:

That the Hudson Bay and District Board of Trade go on record in solid opposition to the suggestion by Mr. Comer, That the Saskatchewan Timber Board be reactivated and allowed to encroach in the timber harvesting agreements areas which support the two local forest product industries.

They go on and on.

Mr. Speaker, it is unfortunate for the northern area which Mr. Comer comes from, the Member from Nipawin, that he doesn't have an opportunity to go up and visit that area and look at it. What the Opposition would like to ask, Mr. Speaker, that this political enquiry, not judicial enquiry, political enquiry be turned into an honest enquiry and honest judicial enquiry into northern Saskatchewan and the total utilization of forest resources.

You know, Mr. Speaker, we heard before the election for example, about that rape of the forest, about that clear cutting. Since the election, Mr. Speaker, there has been dead silence. We've heard about all that terrible rape of the forest and all the mismanagement of the Prince Albert Pulp Mill and so forth and since the election — dead silence. What we should like to know and the people of Saskatchewan should know is what were the total number of people employed in the forest industry in northern Saskatchewan in 1964 and what is the total number of people employed in the forest industry in northern Saskatchewan in 1972? What was the total amount of royalties paid to the people of Saskatchewan in 1964 and what is the total amount of royalties paid in 1972? What is the total investment in the forest industry in northern Saskatchewan in the period from 1964 to 1972? What is the total number of people that have been employed in the development, and so forth? What were the wages paid in 1964 in northern Saskatchewan and what are the wages paid in 1972 in northern Saskatchewan? Then lets get a picture, Mr. Speaker, of the total utilization of forest resources in northern Saskatchewan in 1964 from that period — go back to 1960 if you want. Let's have an honest report and an honest enquiry. Include the Big River Mill and then you might include Squaw Rapids. If you wanted to include some of the fiascos that have gone on in northern Saskatchewan, include Squaw Rapids and the costs and the wastage and this lake that was going to be such a beautiful recreation area. That beautiful lake full of stumps. You might include some of that if you go back far enough into your enquiry. But let's make this an honest enquiry, a judicial enquiry into the total forest utilization of northern Saskatchewan including the Big River, including Carrot River, including Reserve. Let's take the whole picture and have a judge or somebody come up and find out if all of those accusations and all those statements made prior to June 23rd were true, to find out if these statements are true. Let's not pick out one isolated area, let's give the people of Saskatchewan an honest report.

I hope that the chairman of the Crown Corporations Committee when he gets up to wind up the debate will stand up and assure the people of Saskatchewan that he will give us an honest enquiry. I hope he will tell the people of Saskatchewan for the

first time the total picture and truth. Get the people of northern Saskatchewan, all of them, to come in and give them an opportunity to talk about the employment problems, the welfare problems, the investment problems, the timber problems, the royalties, the roads, everything. Get the people of Saskatchewan who know the whole thing. And then we won't have to call this a political enquiry, we won't have to call this a political committee. We will say that we will welcome it and we would support that kind of a resolution, but let's not go and ask this Assembly to support a judicial enquiry that is in reality a political enquiry.

**MR. COMER:**— Mr. Speaker, will you permit a question? Do you support the shut down of the Carrot River Timber Board mill?

**MR. MacDONALD:**— Mr. Speaker, I support the complete area utilization of northern Saskatchewan forest industries and if it means shutting down the Carrot River or one of them, I suppose that may come into that context. I support the total employment picture, the total utilization picture, the best for northern Saskatchewan.

**SOME HON. MEMBERS:** Hear, hear!

**MR. H. H. ROLFES (Saskatoon Nutana South):**— Mr. Speaker, I am sorry to hear that the Member for Milestone (Mr. MacDonald) supports the closing down of the Carrot River Timber Board. I think that's what he said in answer to the question. If he didn't then he didn't answer the question and he had no business getting up. To analyze his speech would only take one word, political. That's all one can say about the Member for Milestone, political. And I want to simply ask the Member for Milestone who wasn't in Crown Corporations very much . . .

**AN HON. MEMBER:**— He was teaching!

**MR. ROLFES:**— That's his business where he was, but to come into this House and say that we made a political examination of Crown corporations does not in any stretch of the imagination give any credit to this House or to the Member from Milestone. But let's dispense with him because he didn't have very much to say. Too bad the Leader of the Opposition (Mr. Steuart) left. You should have seen him in Crown Corporations. He was like a bleating lamb saying to the Members opposite, "Please, I know we made a mistake, I admit we made a mistake on the Big River sawmill. There was no real feasibility study, we made a real error, it is a financial fiasco, but please don't be too hard on me." I admit at that time I felt rather sorry for him and for a while I suppose we were rather weak. But we carried out our responsibility and asked for a judicial enquiry and, Mr. Speaker, I will support that judicial enquiry.

**SOME HON. MEMBERS:** Hear, hear!

**MR. ROLFES:**— The Leader of the Opposition said that we are building in an excuse. I should like to tell the Leader of the Opposition that when you have a poor foundation and you build a house on

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that poor foundation, you will never be satisfied with that structure unless you do away with the foundation and build a stronger foundation. The Liberals in the last seven years have been very destructive to Crown corporations and I am beginning to believe very strongly that had they not been defeated many more of our Crown corporations would have suffered.

**SOME HON. MEMBERS:** Hear, hear!

**MR. ROLFES:**— I can understand why the Member from Athabasca (Mr. Guy) raved and ranted. You know, psychologists tell us that the louder you speak and if you increase your volume to the extent that the Member for Athabasca had that maybe one should check his hearing as to whether he is hard of hearing but he did rant and rave. But that's not uncommon because he did the same thing in Crown Corporations. I can see why he was perturbed. The Member from Morse (Mr. Wiebe) seconded the report. That's right, the Member from Morse seconded the report. When the Member from Athabasca got up to speak, I noticed that the Member from Morse quickly left the House. Now, the Members opposite tell us that they won't support the report from the Crown Corporations Committee.

**AN HON. MEMBER:**— They're starting to waffle.

**MR. ROLFES:**— The Member from Athabasca also said that Crown corporations can't compete unless they have complete monopoly, can't compete with free enterprise. I wish the Member would get his head out of the sand and come to realize that there are very few free enterprises left today, very few, because most of them are subsidized by public funds. And the type of free enterprise that you refer to when they are supported by public funds is, in my estimation, simply back door socialism — the worst kind of socialism that you can think of.

Mr. Speaker, because the Leader of the Opposition has already admitted that the Big River sawmill was a mistake on their part, was a financial fiasco in Crown Corporations, I am very pleased to support this report.

**MR. D.L. FARIS (Arm River):**— Mr. Speaker, I believe the significance of this report lies in the fact that the former Government pretends to be a Government made up of hard-headed businessmen. They pretended to be business geniuses and that they wouldn't get into any of the kinds of problems that they had laid at the doorstep of the socialists for so many years. It seems to have been very bad luck to have had them as a government, to say the least, because their bungling in the area of business enterprise has cost the people of Saskatchewan at least \$13 million.

**MR. STEUART:**— Nonsense!

**MR. FARIS:**— Saskatchewan Pulpwood cost at least \$4 million, Water Supply Board cost at least \$1.5 million, the Big River Mill which is supposed to have cost \$250,000, it seems is going to cost over \$1 million. And if you take that \$1.75 million extra that is going to have to be amortized over 20 years at eight per cent, that comes to another \$3.5 million. And then, of course, we are aware of their bungling of the Athabasca Pulp Mill. This was a deal that was going to cost us, possibly in the long run,

hundreds of millions of dollars, but it cost us \$4 million at least to get out of it. That totals, Saskatchewan Pulpwood \$4 million; Water Supply Board \$1.5 million; Big River Mill \$3.5 million; Athabasca Pulp Mill \$4 million; to \$13 million. An awful lot of bad luck on the part of the former Government. And I think most of it can be laid directly at the doorstep of the present Leader of the Opposition (Mr. Steuart). He was the Treasurer during most of this period. I know he tries to blame his civil servants, he got bad advice, bad planning and so on. The decisions, the responsibility must be laid directly on the doorstep of the former Treasurer.

Mr. Speaker, I will certainly support this report.

**MR. G.B. GRANT (Whitmore Park):**— Mr. Speaker, I had no intention of getting into this but the Hon. Member from Saskatoon Nutana (Mr. Rolfes) used the word ‘foundation’ and that brought back to my memory a few years ago when I was Minister of Health and apparently I was too kind to the Members of the Opposition at that time. The Hon. Member suggested that if you don’t build on a sound foundation that sooner or later you are going to have trouble. But I would remind the Hon. Members on the other side, particularly the new ones, and I am sorry the Member for Watrous (Mr. Cody) is not in the House, because he is the greenest of all, that the previous NDP Government failed to build on a good foundation over in Moose Jaw and I refer to the Moose Jaw Training School. We should have had a judicial enquiry on that because during our term of office we spent a million dollars correcting the deficiencies of the previous Government in that connection. But we didn’t feel that we should make political capital as they are doing in this particular case. (Mr. Snyder, you can leave the room because I know everything I say bothers you. You turned around and gave me a disgusted look and you were doing it the other day. I admit I can’t hear what you say and I care less what you say, but I can see what you do.)

Now, if Governments are going to make political capital of incidents such as these, then I’ll certainly keep it in mind when I am on the other side of the House (which won’t be too long), and we’ll have some judicial enquiries on things the present Government is doing. Believe me they are going to open up a lot of opportunities to do so. It is purely and simply a case of political opportunism, opportunity to make capital in the political hustings. It is not going to accomplish anything and I dare say and I think I can say this with some strength, the Government will not have a judicial enquiry. And as the Hon. Member from Cannington (Mr. Weatherald) said it will be very interesting to see the effect that the backbenchers have on the Cabinet.

Now the Hon. Member from Watrous is here and I certainly wouldn’t want him to miss this. As I pointed out he is the one most guilty of making political capital. I was saying, Hon. Member for Watrous, I missed a golden opportunity when I was on the other side of the House because I didn’t know this was the name of the game, never having been in the Opposition before, because I should have urged the Government to have a judicial enquiry on the lack of foundations put into the Moose Jaw Training School by your Government and the Hon. Member from Nutana Saskatoon pointed the necessity of building on good foundations. Your Government failed to do so and the cost to our Government while we were in power was roughly a million dollars to correct those deficiencies. Needless to say, even

though I was on the Crown Corporations Committee, I cannot support this Committee report.

**MR. P. MOSTOWAY (Hanley):**— Mr. Speaker, I should like to say a few words on this proposal. I would like to ask the Members opposite — I wonder if it would really be political opportunism to want to expose facts on a deal that may be considered to be shady. I don't think so. I think maybe the people of the province have a right to know all the details, things that they were not able to find out when the former Members opposite were part of the Government.

As a new Member to this Legislature and having sat in on Crown Corporations, I was literally shocked at the attitude of some Members opposite when they tried to rationalize their actions concerning the operations at Big River. A sort of a flippant attitude, 'well, we tried it didn't pan out, let's go on to the next item', is what I gathered that they were trying to say.

I should like to say before sitting down that I think the people of this province have a right to know all the facts and we have a right to give them all the facts. If it has to be done by way of a public judicial enquiry, then I say that is right and proper.

I certainly support any proposal towards that.

**MR. D.W. MICHAYLUK (Redberry):**— Mr. Speaker, I did not intend to participate in the debate on this Committee's report, however, after listening to some of the Members opposite, I just couldn't sit still all the time without contributing a few words to the course of the debate this morning.

Mr. Speaker, I think the whole matter lies in the basic philosophical differences between the two sides of the House. I can recall the 20 years of the CCF and the NDP Government that any Crown corporation that was instituted to take care of our natural resources, any Crown corporation like the transportation company, the sodium sulphate, the extension of power, the Saskatchewan Government Insurance Office, were always castigated by the Members of the Liberal Party. I can remember when the SGIO was formed, the then Members of the Liberal Opposition said that it was the greatest hoax that was ever perpetrated upon the people of Saskatchewan. The Member for Cannington (Mr. Weatherald) only a few moments ago got up and said how wonderful it was. Then they say, look at Power and look at Telephones, look at the profits they have made. Of course, they have made profits. But I would ask members to go back a number of years and see what the long distance telephone rates were in Saskatchewan and what the rates are presently. Person to person calls practically doubled, the Power rates have been raised several consecutive times. After this you added on the five per cent sales tax, and of course, increasing the rates, adding on additional sales tax, has given you more revenue. The same thing with Power.

Mr. Speaker, the Members opposite get up and say, well, we have MacMillan and Bloedel. Sure we have MacMillan and Bloedel. Because they took over a plant that belonged to so many of the people of Saskatchewan who were shareholders and unfortunately, they had a fire, they had some liabilities to the Government of Saskatchewan from which they borrowed the money. When the

Liberal Party was elected they couldn't wait to give an extension to these people who had owed some money, so what did they do? They sell it at fire sale prices. The shareholders of that Wisewood Plant that was known as the Wisewood Plant, they took a terrific loss on their investment. Now we have MacMillan and Bloedel. Of course, this wasn't a Crown corporation. They had the misfortune of having a fire. They had to reconstruct. They were not able to meet their liability. What do the Liberals do? They bring in MacMillan and Bloedel, the largest lumber company in Canada, a sellout.

Now the Hon. Member from Saskatoon (Mr. Rolfes) who has just taken his seat mentioned the fact that when you build a home, when you construct a building, you build it on a solid foundation. Because of the difference of philosophy, as I mentioned at the outset, put the Timber Board exactly into the position where it is today and in no way, in many years to come, will this Crown corporation show profit because of the dealings that the Liberal Government did with companies that came from other parts of North America to carry on the lumber operations in the Province of Saskatchewan.

The Simpson Lumber Company, the most profitable mill, at Reserve was phased out and sold. The Carrot River Mill due to phase out, then the fiasco with Big River.

I can recall, Mr. Speaker, when the Hon. Member for Shellbrook (Mr. Bowerman) rose in this House. It was when we were on the other side and he opposed the building of the Big River Sawmill in the place where it is presently located. We were given assurances that this mill would cost only \$250,000.

Mr. Speaker, because of the fact that the ex-Government of Saskatchewan has put the Timber Board into a position where it will not be viable in its operations for many years to come, I therefore, think that the judicial enquiry is the right thing to do. To give to the people of Saskatchewan the full mileage of the dealings and why the Timber Board is in this situation financially, why the loss, when over the many years past the Timber Board had been a profitable operation. I think that the people of Saskatchewan should know the reasons why the former Liberal Government placed the Timber Board into such a position where I for one cannot see where it will be profitable in many years to come. And then the Members will get up, the Opposition, and say . . . The Leader of the Opposition got up a few minutes ago and said, "You've been the Government for ten months, you should have fixed all this mess up that you've created." The purpose of putting the Timber Board in this position, Mr. Speaker, and may I say this here this morning that had the Liberals been elected the people of Saskatchewan would have today no Timber Board, they would have given it away completely, because of the non-profitable organization. And I think that we were elected at the right time to prevent some of this.

**SOME HON. MEMBERS:** Hear, hear!

**MR. MICHAYLUK:**— Therefore, I think that a judicial enquiry should be set up to inform the people of Saskatchewan on some of those shady deals and why the Timber Board is not profitable and will not be profitable for a number of years.

Therefore, I will support the report.

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**MR. M. FEDUNIAK (Turtleford):**— Mr. Speaker, I'm not going to say too much. I have a few notes here I should like to refer to regarding the Big River Sawmill. We know the cost involvement and what it's going to cost. A lot has been said about that. I just wonder what was the Liberal Party's motive with reference to this mill. It seems to me that when you consider that we've had other Timber Board operations throughout the province that were bringing in good returns on the investments or no investments and to think that they would phase these out and then build a mill without any feasibility study and involve the people of Saskatchewan to the tune of \$750,000, plus the interest on the debt which would amount, some Member said, to a lot more money and to know that it was designed to produce 25 million board feet annually when the potential in this area is only 12 million in the past. Had the Athabasca Mill been proceeded with this would have cut this 12 million some, so I can't understand their thinking. I think the motive was that they would like to have created this and come back in another year or two to say, here, the Timber Board corporation or the Government corporation is a bad thing, look what it's losing; we've got to phase it out and we've got to bring in free enterprise.

Now, the Member from Prince Albert West (Mr. Steuart), I was hoping he would be in his seat to listen to this important lecture . . .

**AN HON. MEMBER:**— He's never here!

**MR. FEDUNIAK:**— . . . Here the Liberal Party had picked out, I presume, one of the best they had in the group for his position, a man who couldn't even run a second-hand store and went broke, they gave him the responsibility of this big enormous position, to deal with millions of dollars of people's money and make such a terrific mess of it. He tells me that the wind was responsible for blowing the burner over. Well, I tell you, that since 1964 and 1971 we never had so much wind in Saskatchewan as we had during that period.

I think that we can relate the Liberal theory in their ways of harvesting our natural resources, I can relate it to the story of the greedy man that had the goose that laid the golden egg. This goose laid an egg every day but the greedy man thought, 'gee', he couldn't wait for that one golden egg every day. He killed the goose, he was going to get all the eggs at once, but when he did this he found out that it wasn't so.

I should like to refer to some of the remarks of the Member for Cannington (Mr. Weatherald). He said that the reason that the Liberal Government went ahead with this Big River Mill was because it was going to help this community with work that it was going to provide and help it, but I can't reason with his thinking. Here the Government had a good operation in Reserve that was bringing one of the highest returns per capita of any operation of the Timber Board in Saskatchewan. They closed this down in this community that was providing over 300 people with work and so forth. Then they were going to build another one which they didn't know how it would work out.

I'd like to refer a moment to some of the remarks that continually are brought out by the Liberals about the Crown corporations that the CCF Government brought in and which failed. I've heard this a thousand times if I've heard it once. The



woollen mill, the box factory and the shoe factory. And that's all they've got left to talk about and criticize and when you take a good look at some of these corporations like the woollen mill, I can tell you that before the Woollen Mill came into operation in Saskatchewan we used to pay about \$15 for a three-pound wool blanket. When the woollen mill was operating we used to buy a three-pound pure virgin wool blanket for \$10. Big business came in and they reduced their price and sold their blankets for \$9.50 and kept that price up until they phased the Woollen Mill out. Today, if you want to buy a pure wool, three-pound virgin wool blanket, what do you pay? \$22.50 is the lowest you can buy. The same thing applies to the Shoe Factory.

**AN HON. MEMBER:**— Thanks to the Liberals!

**MR. FEDUNIAK:**— This factory produced one of the best shoes that you could ever produce, in North America. Shoes were made of solid leather and they were enduring, but the big businesses here again phased it out.

It comes to the box factory, I think this was a condition where at one time, maybe 35 per cent of the products used to be boxed in wooden crates and then came the paper cartons and replaced the boxes and, therefore, this was something that we had to go along with.

I'd like to mention the fact that the Member for Athabasca (Mr. Guy) said that he's going to get up here in four years and tell us about the mess we made. Well I can assure the Member that he won't be here because every time he comes he gets up and starts howling, it reminds of a hyena.

Therefore, I shall support the resolution.

**SOME HON. MEMBERS:** Hear, hear!

**MR. H. COUPLAND (Meadow Lake):**— Mr. Speaker, I find myself in a funny kind of a position this time. I have to support some of the thinking of the Member for Shellbrook (Mr. Bowerman).

I firmly agree that the sawmill should have never been built in Big River, and I tried to convince the Premier. I think the people around Big River will be interested to hear the Member's comments, that they don't want a sawmill in Big River. He talks about hauling the timber from the other side of Big River to Meadow Lake, but for years they have hauled the timber from 100 miles northwest of Meadow Lake right through Meadow Lake to keep the Big River Mill going.

**MR. BOWERMAN:**— That's not right!

**MR. COUPLAND:**— That's the absolute truth. You just go in there and ask them. And this is why I have always been opposed to the Timber Board and I'm just sorry that we hadn't wiped the Timber Board right out and gone ahead with our Athabasca Pulp Mill. That's the thing that was making the North grow. And, coming from an area like I do, I'm not afraid to support the doing away with of the Timber Board. But I just had to get in and add my thinking to the agreement with the Member from Shellbrook that we should never have built the sawmill in Big River. And I'm real proud of the record of the Liberal Government after

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the past seven years and they can have the enquiries for the people of Saskatchewan and they will tell you how it was.

**MR. BOWERMAN:**— Will the Member permit a question before he takes his seat? The Member said that lumber was being hauled through the town of Meadow Lake to the Big River Mill. I wonder if he could tell me where the logs were coming from that were going through the town of Meadow Lake to the Big River Mill?

**MR. COUPLAND:**— They were bringing it from up in the Canoe Lake area, both from there and from the Green Lake area where they cut it, then sawed and processed it in Big River. And I mean, this has always been a 'beef' with the people in the Meadow Lake area that you take our product from Meadow Lake to supply jobs over in Big River. We got lots of people there who can saw their own timber and plane it and everything else.

**MR. W.A. ROBBINS (Saskatoon Nutana Centre):**— Mr. Speaker, we have a great deal of speaking one's mind going on this morning relating to Crown corporations and I should like to make one or two brief remarks with respect to the comments of the Hon. Member for Athabasca (Mr. Guy), the Hon. Member for Milestone (Mr. MacDonald) and the Hon. Member for Cannington (Mr. Weatherald).

First of all, the Hon. Member for Milestone charged that we were permitting a political report and the chairman was responsible for this. I might say that Members on the Opposition commended me during the Crown Corporations Committee sittings for a very fair hearing and an impartial approach. And I think that is definitely true. I might report to the Assembly that this report is a word for word recording of the secretary. I did not change a single word in it, nor did I attempt to influence the secretary in any way, shape or form.

**SOME HON. MEMBERS:** Hear, hear!

**MR. ROBBINS:**— Secondly, with regard to the Member for Athabasca, I don't know whether he's worried because this happens to be May 4th. Isn't that the date of the appeal or something of that nature?

**AN HON. MEMBER:**— The Ides of May!

**MR. ROBBINS:**— He called the Member for Canora (Mr. Matsalla) and the Member from Melville (Mr. Kowalchuk). He ran away a bit with regard to statistics on sawmill operators. I don't know how accurate his statistics were, but I have in my hand here a letter he recently sent out to his constituents where he makes a brief comment on income tax, and he makes the statement, "The Liberal Government in Ottawa has reduced the income tax by 3 per cent for '72, but the NDP Government in Regina has made sure that you will not be any better off by raising the Provincial rate from 34 to 37 per cent."

I suggest the Member from Athabasca knows that that is an incorrect statement because it's based on the change rate base of the Federal Government and I suggest that he knows it.

Thirdly, I should like to make a brief comment with respect to the Member from Cannington. The Member from Cannington (Mr. Weatherald) made quite a to do about the Saskatchewan Power Corporation's profits going up while the Liberals were in power.

If the Member for Cannington is alert at all he knows that a good deal of that increased profit, and there were increased profits during the Liberal's period in power, came basically from a hydro plant at Squaw Rapids.

**SOME HON. MEMBERS:** Hear, hear!

**MR. ROBBINS:**— It costs a great deal more, of course, to build a plant for hydro generation of power than it does a thermo plant. But once it is built its operating costs are infinitesimally small in relation to a thermo plant. You measure power in terms of cusecs, with water power flow and I'm sure the Member for Cannington wouldn't know a cusec from a Cossack, but the fact remains that the basic increase in that power and the returns to the Power Corporation came from the fact that we had our first inflow of hydro power into the grid system from 1963 on. If he doesn't know it he should know it from now on.

I only want to make a very few brief remarks with respect to Crown corporations generally. The Liberals have always tried to belittle and blacken and condemn public enterprise.

**SOME HON. MEMBERS:** Hear, hear!

**MR. ROBBINS:**— That is a basic fact of life. Their approach is totally reprehensible in this regard and if you look at the record, and the record is clearly there for everyone to see, there were nine corporations started by the CCF that were successful. They returned \$35,306,954 to the Consolidated Revenue Fund of this province. Not one dollar of those funds would have been available to this province had we not had a social democratic government. Now they talk about the fact that we've lost, some of those Crown corporations lost some money. They did, a box factory, a shoe factory, a fish filleting plant, a woollen mill, they lost \$1,675,220. But the pulpwood company lost \$1,878,124. That one has lost a good deal more than the six CCF enterprises that were not successful.

**SOME HON. MEMBERS:** Hear, hear!

**MR. ROBBINS:**— In addition, the Water Supply Board has lost \$1,878,124. I do not think, and I personally would not condemn the previous Liberal Government in terms of the Water Supply Board, except for this, they did not plan logically, nor reasonably, in relation to the potash development industry in this province and they know it, and that's the reason we have troubles in terms of the Water Supply Board. Now they don't even believe in planning. The planning permits you to be approximately right, rather than to be exactly wrong. And that's the position they were in and that's why we have difficulty in terms of the Water Supply Board.

However, I should like to stress, Mr. Speaker, only one point. The Pulpwood Company, a Crown corporation, designed to

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subsidize the Prince Albert Pulp Mill, and for no other reason but that, lost \$1,878,124 which is \$203,000 more than the \$1,675,220 lost by the box factory, the fish filleting plant, the woollen mill, the tannery, etc. No amount of verbiage can remove those facts. These are basic facts that we should be able to look at.

In conclusion, Mr. Speaker, I should like to say this. Although some Members on the opposite side have charged that the Crown Corporations report is a political document, I contend it is not, it is the result of majority decisions in that Committee and I should like to point out, Mr. Speaker, that of the 35 Resolutions that were passed, 15 of them were put up by the Members of the Opposition and were passed and are in this report.

**SOME HON. MEMBERS:** Hear, hear!

**MR. ROBBINS:**— So obviously, on a basis even of ratio, there are 44 Members here and 15 there, on the basis of 15 out of 35, they got a larger proportion of their total resolutions in the final report than did the Government side. I don't think that matter should be forgotten.

**SOME HON. MEMBERS:** Hear, hear!

Motion agreed to.

## **ANNOUNCEMENT**

### **ASSISTANT CLERK PROUD PARENT**

**MR. SPEAKER:**— Before calling the Orders of the Day, I should like on this occasion to report that we have had an increase in the population of our province. I am informed that our Assistant Clerk, Mr. Phillips and his wife are the proud parents as of this morning of a bouncing baby boy.

**HON. MEMBERS:** Hear, hear!

**MR. SPEAKER:**— So I hope each of the Members will smoke his cigar in the corridors and not in the Chamber.

**MR. McPHERSON:**— Just a word on that. Later this day I should like to present him with a Liberal membership so that he will be right in tune with the times.

**SOME HON. MEMBERS:** Hear, hear!

## **SECOND READINGS**

**HON. E.I. WOOD** (Minister of Municipal Affairs) moved second reading of Bill No. 133 — **An Act respecting Property Improvement Grants.**

He said: Mr. Speaker, I wish to speak for a very few minutes this morning in regard to this Bill that is being brought into the House at this time concerning property improvement grants. This

Bill provides the legislative authority that will permit my Department to implement the Government's program of reimbursing property owners with a share of the taxes levied on their property by local government authority. These grants may be used by the owners to improve and to maintain their property. The effect of this Bill will be to provide a substantial grant to many property owners who could not qualify for a grant under The Home-owner Grants Act while still ensuring that no property owner will receive a lesser grant than he would have received under The Home-owner Grants Act. The chief criteria used in calculating a grant will be the assessed value of property which is used for taxation purposes and an established rate of taxation used for school purposes. However, in applying these criteria we are also providing that no person or family will receive more than \$195 in grants in any one year. We are extending coverage of this grant program to include persons who occupy trailers as their principal residence and to shareholders in non-profit corporate bodies. In the regulations to this Act we will require the occupant of a trailer to produce receipts showing payment of trailer licence fees for at least 11 consecutive months in each calendar year. We are defining a non-profit corporate body to mean a corporate body providing for joint ownership by the occupants and where the occupants make payments of principal, interest and taxes and are credited with equity in such corporate body relative to the unit occupied.

Extending the time after December 31st for filing applications under The Home-owner Grants Act created confusion among some members of the general public so we are providing in this Bill that February 15th of the succeeding year shall be the final date for filing an application and there should be no need to extend that time.

Mr. Speaker, further details in regard to this Bill will be brought forward for discussion in Committee. I would thus move second reading of this Bill.

**SOME HON. MEMBERS:** Hear, hear!

**MR. P.P. MOSTOWAY (Hanley):**— Mr. Speaker, I should like to say a few words in regard to this Bill, particularly insofar as owners of trailers are concerned. I say this because in my constituency I have three reasonably large trailer courts and in the past these people have been excluded from the homeowner grant. Now the new property improvement grant will cover them to a certain extent and I think it is a good move. I think too often people have thought of occupants of trailers as being more or less shifters and some of them have been shifting around in one spot for as long as almost ten years in my constituency. I think it can be truly said that they are permanent residents. Many of these people, the breadwinners and others, who live in these trailers are good citizens and hard workers. One thing that should be pointed out is that very often they have a tendency to be good spenders. In that way they can be said to be good for the economy. I was always wondering why they would be excluded because the prices that they pay for trailers are very comparable to the prices that people pay for houses and I am glad to see that they are included.

When I was home for the weekend I inquired of a few trailer owners and found out that some of them pay at least \$120, some of them much more in licence fees to the municipality in which they reside. In that way I know that many of them will be

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receiving almost the \$78. I think this is good. I am also under the impression and I hope that it is a right impression that occupants of manses, rectories and convents will also be able to get in on this. I know the former administration I believe, excluded them. I think it could be well said that in many localities various local churches can well use the money for property improvement. I think it is a good Bill and I heartily endorse it.

**SOME HON. MEMBERS:** Hear, hear!

**MR. E.F. GARDNER (Moosomin):**— Mr. Speaker, we are certainly not opposed to anything that even sounds like tax relief for the property owner and this does sound a little like it. However, any suggestion that this is a 13 mill reduction in property taxes across the province is, of course, a joke. If the Minister would take the total assessment of property in Saskatchewan, rural and urban, and this readily available in the annual reports he would take this and take the minimum from the grant, he would simply multiply the assessment by 13 and spend that amount of money to reduce the taxes, then we would believe that it was a legitimate 13 mill reduction. Of course it is doing nothing like that. We would even forgive them for using the Liberal homeowner grant to accomplish most of this reduction if it was legitimate reductions for all property owners. As mentioned before there was no relief for renters in this and the Minister has suggested that perhaps the owner of the apartment building is a businessman and he would get the grant as a business person. There are many apartment buildings in this city and elsewhere with 40 suites for example, the most that any person can get regardless of the taxes, regardless of the assessment, as I understand it is \$130. So if he had 40 suites he would get something like \$3.25 a year for each person that is renting a suite or 27 cents a month. If he passes this on to the renter I don't think the renter is really going to feel that he has very much relief from this Bill even if the owner of the apartment block did pass this 27 cents a month back to him. So there is certainly no way that this can be considered a 13 mill reduction and no way it can be considered any help for people who are renting.

We would also suggest that the maxima are unrealistic. In this day and age many, many farmers in the province live in the villages and towns. I don't know the percentage but those of you from rural areas will realize that this is very high. When a farmer does live in town he pays taxes on the house that he has in town or village. He pays the full tax the same as anyone else, there is no exemption of any type but he is now losing his homeowner grant completely. He can't get the property improvement grant on his farm and on his house in town as I see it from this Bill. He may gain the property improvement grant on his farm, he will lose what he was getting from his house in town. So he wasn't eligible before for the two and it is certainly in no way a 13 mill reduction. Certainly a farmer should be entitled to the grant if he is paying the property tax in town if it is a legitimate attempt to reduce his taxes, he should be able to get a reduction, the property improvement grant for his house in town and for his farm also.

The Government has campaigned, of course, the NDP, against the method that we used to pay this homeowner grant and this was a major part of the NDP campaign, if you will recall, the fact that it was going directly to the owner. They objected to the

cost and they said it was a massive cost to send these cheques, directly to the owner. I can't see any change in this Bill from that practice that was started by the Liberals. As I can see it they are still using the same method, they are going to send the money directly to the owner and presumably the cost is no different than it was at that time. Again I repeat, the money that was used for the homeowner grant is going to pay a large share of these property improvement grants. We will have questions when we get to Committee about some of the clauses, particularly about the limits that are placed on the fact that a person only gets it in one area regardless of the tax he is paying. He may have a business, he may have a farm, he may have a house and he is entitled to a limit which amounts to what he would get on the farm anyway. So he gets no reduction on his house in town or his place of business.

**SOME HON. MEMBERS:** Hear, hear!

**MR. WOOD:**— Mr. Speaker, I should like to say a few more words if I may in regard to some of the remarks that were made by the Hon. Member from Moosomin. I should like to point out that there is a difference in this grant compared to the homeowner grant in that we are making the grant available to property owners in regard to more than one house. The former grant had no assistance and I repeat, no assistance, to renters in any shape or manner. Under this grant the person who lives in a house will receive the \$78 or what would be normally the homeowner grant in regard to that house, but he will also receive property improvement grants in regard to other houses which he may have for rental to other persons. Whether or not he does make any of this grant available to his tenants at least there is money being passed to the landlord that can be passed on to the tenant. This was not in the former legislation.

Now I agree the Hon. Member opposite has taken the extreme on this. I'm taking one case where a man has one or two houses, he would I assume receive up to the \$195 maximum on these houses and it could be a fair little amount. Of course, where there is an apartment, a large apartment, the amount that would be received by the owner in regard to that apartment would be very small in relation to the rental value of the apartment. In these instances I have to agree with the Member opposite that there would be a very, very small amount that could be passed on to the renters in that case. But as I am pointing out, Mr. Speaker, that this is not true in all instances.

The Hon. Member has said that the homeowner grant would be lost by farmers living in town. It is our intention and I think it will be made clear in the Act that where a farmer has a farm and is also living in town that both properties would be eligible for the property improvement grant. The principal residence would receive either half of the total taxes or \$78 whichever is the greater and the other property would receive remuneration at the rate of 13 mills. If for instance a man had a farm that was assessed at \$15,000, he would receive the \$195 maximum in regard to the farm, and of course in this instance there would be nothing further in regard to the house. But where there is a smaller farm that does not receive the maximum, the maximum can be made up in regard to the house in town. The Act, as I said this morning is \$195 maximum for everyone, no matter how many places of property they may have, whether it's in regard to farms or in regard to houses or in regard to businesses. The

fact that they have a house in town besides the farm does not mean that they necessarily do not get any grant in the house in town.

The Hon. Member opposite has said that this 13 mill reduction was not realistic and that it was not a reduction of 13 mills across the board. Well I do admit that we are not proposing to pay 13 mill reductions to large corporations which do not have any resident chairman or president in Saskatchewan. We will be paying the local improvement grant to corporations which have a chairman in the Province of Saskatchewan but we are not proposing to pay above \$195 to anyone on this.

I want to say this morning, Mr. Speaker, that this will include by far most people in Saskatchewan. By far the large majority of the people of Saskatchewan will receive a 13 mill reduction on all their property. Some of the larger ones, of course, will not get 13 mills across the board but the 13 mills up to \$195 will take in by far the most of the property owners in the province and I do maintain that this is a realistic payment. It will be over \$11 million more than what was paid out earlier in regard to the homeowner grant. I think that this is an increase that cannot be ignored and written off lightly. I think that this program which we are bringing in at this time is a good one and I think it will be appreciated by the property owners and the renters of the people of Saskatchewan. I therefore move second reading.

**SOME HON. MEMBERS:** Hear, hear!

Motion agreed to and Bill read a second time.

**HON. G.R. BOWERMAN (Minster of Indian and Metis)** moved second reading of Bill No. 149 — **An Act to establish the Department of the Environment.**

He said: Mr. Speaker, it is with a considerable amount of personal pleasure that I present Bill No. 149, an Act respecting the creation of a Department of the Environment. This Government recognizes the increasing and legitimate public concern about preservation of the environment in which we all live and work. Widespread public concern is relatively a recent phenomenon although some professional people were expressing alarm many years ago. Recent books like Rachel Carson, the "Silent Spring" have made more people conscious of the menace of pollution. Today we see concerned people organizing into groups in an effort to mobilize support for positive public action to reverse the trend from the degradation of our environment. More recently still and partly because of the effects of these groups of concerned people the media have picked up the issue and have very effectively dramatized it. I read recently the declaration on the human environment prepared by the staff of the United Nations. This declaration and proposed action plan will be discussed at the United Nations Conference on Human Environment this June in Sweden. This declaration points out that man's activities for millions of years lay lightly on the surface of the natural world in spite of his growing skills and his technical accomplishments. The last two centuries and with the explosively increasing force in recent decades the balance between the plant's biosphere and man's activities has begun to undergo a fundamental revolution. Man no longer lives almost overwhelmed by the physical base of his existence but rather it is the environment that is beginning to be overwhelmed by man.



The basic issue proposed by the environmental challenge today is how man will manage the world's first technological civilization in which he has the power to shape his own future, the power to create and the power to destroy. The most dramatic manifestation of his new power is his possession of the technologies of mass destruction which is in the nuclear field and in the field of biological warfare. In many societies the issue has led to serious doubts about what really constitutes the good life. In Canada where many people enjoy high levels of affluence and material prosperity there are growing indications of social tension. I believe that this social tension reflect man's dissatisfaction with his lot and with the absence of a real qualitative choice about what he may do.

This concern about the quality of life is at the heart of the problem of environment. Compared to many other regions in North America our air, water and soil in Saskatchewan are relatively unspoiled. The Government believes that there is no reason for pride or complacency in that position. Our situation is more the result of delayed exploitation than it is on any virtue or foresight on the part of the Government or its citizens to take action in preventing that. We are in the fortunate position of being able to avoid many of the mistakes that have been made by others and by other governments. We can maintain a pleasant and healthful environment here but it will require the combined efforts of individuals, organizations and of Government. As stated by the Premier in the Budget Debate the right to live in a healthful and pleasant environment is as fundamental as life itself.

We recognize that it is a prime responsibility of the Provincial Government to project this right and to carry out programs which guarantee that right. In developing the legislative and organizational base for a Saskatchewan program, our Government considered the nature of our environmental problems and the short and the long-run requirements for doing something about those problems. In the early stages attention must be directed toward environmental protection on the one hand, and public information, education and involvement on the other. We need a co-ordinated program to control polluting emissions into the air, into our soil and into our waters. This requires appropriate legislation, regulation and personnel to monitor and enforce pollution control. It must involve as well satisfying the strong public demand for information. Some of this information can be provided by university people through environmental studies but the Government must play an important role in the collecting of that information.

In the past environmental programs have been cloaked in secrecy to prevent embarrassment to governments and to large corporations, to large polluters. To provide a focal point in government and to secure public participation it is necessary to have one primary government agency, or at least it is believed so, whose major responsibility is environmental protection. In the longer run the enhancement, Mr. Speaker, of the natural environment must rely on sound environmental planning and land use. The need is evident. Resources will continue to be developed but they must be developed in a planned way to minimize their impact on the environment. We are aware of the demands for these resources and the fact that this demand will multiply in the future but we will insist that these resources are extracted and processed in a way so that permanent scars are not left on the face of the land, that our streams and rivers are safeguarded to the best of our ability to do so.

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Further use of our resources must be consistent with the new technological competence of our age. This Government believes that this Bill will provide the legislative framework to do that job as it needs to be done here in our own particular Province of Saskatchewan.

In keeping with the recommendations of the Canadian Council of Resources and Environmental Ministers, the new department will provide a single agency as the focus for co-ordinated environmental programs within the Government. It will avoid duplication of effort in consistency of policy implementation unlike the previous lack of focus on the total environmental problem.

Mr. Speaker, I should like to sketch for this Assembly the major elements in this Bill and the type of organization which this Bill will provide and permit. The Minister of Environment will be the spokesman and counsel of environmental issues. It will be this department's responsibility to assess the extent of our problems and the environmental impact of new development proposals and to make this information available to the members of the Executive Council. Governments as the custodians of the common resources of the environment must be well informed to be able to respond to public needs. The public, in turn, has a right to be informed. Public awareness and public participation at all levels is one of the most effective ways of combatting environmental problems. Insufficient information and misinformation are detrimental to these programs. It is our basic belief that activities which can adversely affect public well-being must of necessity be part of the public knowledge and part of the public concern. Certainly the scientific and academic community should have unrestricted access to much if not all of the data to be acquired. This new department will encourage establishment of environmental quality objectives. The Bill provides for an environmental advisory council. It is our intent to appoint public representatives to this council who have particular concern for and knowledge of the environmental matters.

Among other things the council will review the policy and programs of the Government and advise the Minister on the needed improvements. The council may initiate public discussions on environmental issues through public meetings and through public hearings. Public involvement will be encouraged in another way as well. There will be a public education and information unit in the department. This unit will make environmental quality information fully available to the public. They will handle public inquiries, they will be asked to investigate the feasibility of an environmental communication service that will make it convenient for people to bring problems to the attention of Government and where people can secure information at that point. The citizens of Saskatchewan will be called upon to make decisions as to the quality of the environment they and their children will enjoy. These decisions will best be made by the public who understands the issues and the implications of the choices which they themselves will make. The new department will have a major liaison and co-ordination role. Virtually every activity and aspect of government has implications on the environment. Government policies and programs must reflect a concern for the environment and its quality. Frankly the Government had two options. We could have created a super department with a large field staff to administer its control programs but rather than that we are proposing in this Bill to create a department with full responsibility for development of environmental policies

and control regulations but which can delegate field administration to other departments of government.

To ensure that the control programs are fully understood and to provide the necessary internal co-ordination, an inter-agency will be chaired by the deputy minister of the environment. It will consist of the permanent heads of all provincial departments and agencies whose programs have major environmental impact. The interdepartmental committee will review environmental management policies, will review the legislation, the regulations and the budgeting for same. They will develop a basis for co-ordination of government activities relating to the environment and they will help develop guidelines for field administration and control by the regulations.

An important new part of this department will be a policy planning and research program branch. It is intended that this branch will be provided with a multi-discipline approach to the environmental planning. It will be responsible for assessing the long-run trends in environmental quality and the preparation of comprehensive plans for the management of the basic resources of air, soil and water. Guidelines will be developed for environmental impact studies whereby full information will be provided for the environmental consequences of major developmental projects.

One of the early tasks of the branch will be to provide an inventory of relevant research information and research skills in relation to our particular needs. This may well lead to the creation of a research reference centre. We believe this is a vital and important aspect of the program. It is the strong belief of many scientists that much useful research has been done of which we are not aware. The mercury problem is a case in point. Researchers in other countries had identified a problem but our Federal and Provincial systems were not ready for handling such information. They did not make this information known to control agencies, and as a result mercury pollution continued for a few years longer than it would otherwise have done. It is my sincere hope for the Stockholm Conference in June that better systems for the hearings of ideas and the experiences will as a result be developed. In this way our knowledge and understanding of environmental problems will be enhanced.

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

### **WELCOME TO STUDENTS**

**MR. SPEAKER:**— There are some students here, maybe I can introduce them on behalf of the Hon. Member for Lakeview (Mr. McPherson). There are 60 students from the Davin School with their teacher, Mrs. Dumalski. I am sure the Members join me in welcoming them to the Assembly today and trust their stay here will be an enjoyable one.

**HON. MEMBERS:** Hear, hear!

**MR. D.M. McPHERSON (Regina Lakeview):**— Mr. Speaker, I am very sorry I was called to the 'phone. I want to introduce to you 60 students from Davin School, Grade Seven and Eight. They are from one of the oldest schools in my

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constituency. They are here with Mrs. Dumalski their teacher and I hope they enjoy their stay in the House. I am going to meet them after and I'll tell them what's going on in the House and bring them right up to date.

**HON. MEMBERS:** Hear, hear!

The Assembly resumed the interrupted debate on Bill No. 149 — **An Act to establish The Department of the Environment.**

**MR. BOWERMAN:**— Mr. Speaker, we were discussing the establishment of the Department of the Environment at our break up to 12:30 o'clock. It has been indicated from a number of positions that the House, the mood of the House, is generating into one which would like to see the business dealt with rather quickly. I am prepared to do that. I am sure that the information which I have given is sufficient to advise the Members of the Opposition or the Government that the establishment of the Department of the Environment really is the establishment of a single agency which will co-ordinate not only the public input which is required for environmental matters, it will also co-ordinate other departments of government through the inter-governmental co-ordinating committee for the defining and for the necessary work that is to be done in the whole field of environmental protection and matters of pollution. Therefore, Mr. Speaker, it gives me a good deal of pleasure to move second reading of this Bill.

**SOME HON. MEMBERS:** Hear, hear!

**MR. A.R. GUY (Athabasca):**— Mr. Speaker, I just want to make a few comments regarding this Bill. There isn't too much to say because I said most of it last year while we were the Government and brought in practically identical legislation to what the Minister is introducing here today. So naturally we are pleased to support the Bill as it is almost identical to The Clean Environment Authority Act that was passed at the session of the Legislature just one year ago.

I think our only criticism must be why did they wait so long to bring in this legislation. The Clean Environment Authority Act was on the books as soon as the session was ended last year and it is surprising that they did not see fit to activate it and get the Clean Environment Authority and the problems of pollution at least a start made on bringing them under control.

You know, it is surprising that during the election last June, the NDP were campaigning on environmental control and pollution as being one of the greatest problems that we have in the Province of Saskatchewan. And yet, they have had ten months and they have done absolutely nothing about it until today until they introduced an Act setting up the Department of the Environment. This means that there will probably be another few months or few weeks before any real action takes place. We have to say in the Opposition that we did leave The Clean Environment Authority Act on the books ready to go and we regret that the Government did not see fit to bring it into operation and proceed with it immediately so that we can tackle the problem that we all agree is an important one for the province and that is, creating as clean an environment as we possibly can.

The other piece of legislation which is closely tied in with this is The Litter Act which was also passed last year similar to what has been legislated in both Alberta and British Columbia and again, the Government has not seen fit to act on that piece of legislation. And I hope that the Minister would perhaps advise us whether The Litter Act will come under this particular legislation. I don't believe it is listed in the Act as being one of the Acts so perhaps the Minister when he concludes the debate will tell us what is going to happen to The Litter Act. It hasn't been brought in under this department.

The Attorney General, both since the Legislature started and last fall, said that they were working on regulations for the Act but as time went on it became, I think, even more obvious that they are not prepared to proceed with it. We've seen no sign of any regulations. In fact the last time we spoke to the Attorney General, it appeared very unlikely that the Act would be proceeded with any great speed.

The question of a department versus the Clean Environment Authority has its advantages and disadvantages. I think the one advantage the legislation which we put on the books, the Clean Environment Authority, is that the Authority is perhaps more independent and flexible than the department formation. The department is a little more closely connected with government. It's another sort of bureaucracy which is not needed in this particular case. I think the Authority made up of individuals from outside of government perhaps would have done a better job than a full-fledged department. However, we are not going to argue over that point, we are just pleased that the department is being established and that within the framework of this Act setting up the department, there is the opportunity for the establishment of other committees outside of government which will allow organizations and people interested in the environment to participate. I hope that the Minister will make full use of these in order to get a non-government point of view from interested persons that will perhaps temper some of the Government's own thinking.

The Saskatchewan Water Resources Commission, I gather will be phased out under this Act. I suppose it will really mean the demise of the Commission. The Commission has the advantage of being semi-dependent which I think is a good thing, however, the legislation that was passed under the Commission Act, I have checked and it is pretty well being transferred under the authority of this Act so we will have the stringent regulations and legislation needed to control our water resources.

I think anything further that I wish to say will be better said in Committee, Mr. Speaker. We do support this legislation. We regret only that the Government let ten months go by when they had very adequate legislation on the books without bringing it into force. And we hope that they will bring The Litter Act which was also passed a year ago into active operation and get it into legislation because we badly need it.

**SOME HON. MEMBERS:** Hear, hear!

**MR. J.G. RICHARDS (Saskatoon University):**— Mr. Speaker, I shall speak very briefly on this Act. I want to outline two fundamental principles which must be obtained if we are to have a Department of the Environment worthy of its name. The principles are, simply,

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1. to separate environmental protection functions from those agencies responsible for resource development;
2. to give the department powerful line authority so that it does not befall the fate of the interdepartmental committee and be merely a co-ordinating agency on Environmental Pollution without power to act independently.

To elaborate on the first point, one must allow that certain departments and the classic example here is Mineral Resources, serve primarily as 'client departments' co-ordinating the interests of, in this case, the mining industry. Client departments serve to co-ordinate the interests of the organized groups within the area over which they have jurisdiction and as such should not have responsibility for environmental protection. For example, the oil industry and the Department of Mineral Resources. There are stories to be told about the Department of Mineral Resources covering up for the oil industry various kinds of environmental damage caused by the industry. One does not put wolves to guard the sheep. Resource development and environmental protection pose an inevitable conflict of interest if we take seriously the question of environmental protection. Let no one deny it. Adequate environment protection may mean that it costs more to undertake any particular development project. It may mean that customers have to pay higher prices for certain consumer goods. It is important if we are serious as Members of the Government in pursuing environment interests, that we create a separate agency whose primary interest will be the environmental constituency and not that of any particular resource development industry. Therefore I am pleased to see that a line Department of the Environment is to be created as opposed to the 'powder puff' Clean Environment Authority legislated by the Members opposite a year ago. It could have comprised no more than three members and was budgeted only a nominal \$100,000 in the Estimates. Section 16 of The Clean Environment Authority Act gave it authority to control pollutant emissors by permits. Section 21 said it could exempt any class of emissors from such control. It was good pre-election puffery.

There is still the danger, a cynical premonition that the New Democratic Party could create a 'powder puff' as the Members opposite had intended. Sincerely I hope that we won't. I am sure that our commitment is fundamental and deep.

The second principle is the need for powerful line authority for this department. It must not become enmeshed by inter-locking co-ordinating agencies of bureaucrats who will proceed to do nothing. I think the point is self-explanatory. I hope that a dubious clause in the Act, namely Section 9(1) does not result in that paralysis. Section 9(1), if I may read, Mr. Speaker, is as follows:

The Lieutenant-Governor-in-Council may appoint a committee to be known as the Interagency Co-ordinating committee consisting of employees of government agencies which shall co-ordinate government activities affecting the environment.

It indicates that the new department could fall into the trap with environmental interests falling between various agencies as they have done to date with the totally inadequate Inter-departmental Committee on Environmental Pollution.

But with pleasure I support this Bill on second reading.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BOWERMAN:**— I only want to, Mr. Speaker, try and attempt to answer the questions raised by the Member from Athabasca (Mr. Guy) with respect to the two Acts which I believe were passed at the last session of the Legislature or earlier than that, The Clean Environment Authority Act and The Litter Control Act. The proclamation of these Acts, of course, has not been done and the Acts are not law until such time as they are proclaimed. I believe that the Attorney General did give an indication earlier in this Session that one of the reasons why the Acts were not proclaimed was the necessity to establish the regulations before The Litter Control Act particularly, was proclaimed. And those regulations have not yet been proclaimed. I would think it would be the work of the new department specifically to look at that legislation and to bring about the necessary changes.

It is true we have been in government for ten months, but there have been a number of things undertaken in that ten months and one of the things that hasn't been undertaken, of course, is the specific attention to The Clean Environment Authority Act and The Litter Control Act. Therefore, when the job now has been assigned to a specific unit of government, I think that the attention will be focussed on that legislation yet to be proclaimed and the regulations which are required under it.

May I say that the point which the Member for Athabasca raised, that he thought that The Clean Environment Authority Act would maybe have been better because it allowed for more flexibility. I think we have tried to consider that in this legislation in that we have provisions for a public advisory council and an interagency advisory unit which is made up of deputy ministers of the various departments of government. I think this is the co-ordinating thing that my colleague speaks about, although he refers to it as perhaps being a bureaucratic advisory council and I am not sure that this is completely correct. I think that with the provisions that are written into the Act for the establishment of the department that these considerations have been taken into account and I believe as we have opportunity to experience the requirements as we move forth in the new department, I think we can be back before a future session of this Legislature to bring about the kind of legislation that will fit after we have had the opportunity to study and to approach the matter in a more co-ordinated and concentrated effort than we have in the past.

Motion agreed to and Bill read a second time.

**HON. E.I. WOOD (Minister of Municipal Affairs)** moved second reading of Bill No. 138 — **An Act to establish The Urban Advisory Commission.**

He said: Mr. Speaker, I should like to say a few words at this time in regard to The Urban Advisory Commission Act, 1972. This Bill is entitled "An Act to establish The Urban Advisory Commission," and it establishes a commission of not less than three and no more than five members to be appointed by the Lieutenant-Governor-in-Council which shall be responsible for inquiring into and reporting on matters relating to the process of urbanization.

This Government is mindful of the growth that has taken place in the cities of the province and the problems urban centres are faced with because of this growth. In 1931, Mr. Speaker, 15 per cent of Saskatchewan's population lived in the cities. In 1971, this had risen to over 42 per cent. Because of the problems which have been caused by this growth, or to be more specific, the processes of urbanization, we feel that there is a need for a forum or a vehicle which will enable the province and the urban municipalities to work with both public and private agencies in developing joint urban policies. Some of these problems relate to the migration between rural and urban areas with the province as well as to urban areas elsewhere. Some problems relate to uncoordinated programs and policies by both public and private agencies. These are the university, business and industry, each of which makes decisions affecting urban growth or decline, many times without reference to the other, not deliberately but usually through a lack of awareness of the effect of their policies on urban centres.

The Act which is presently before the House will provide authority for the Government of this province to develop an agency with specific responsibilities for establishing dialogue between the Government and the urban centres, to research and to develop programs concerned with coping with the urban problems. The idea is to keep the Commission a small group composed of provincial and municipal representatives but able to involve members of other agencies as the need arises. As mentioned, this Act provides for the establishment of a commission with three to five members, one of whom will be chairman and one vice-chairman. It is this Government's intention to provide strong representation on this Commission by representatives of both large and small urban centres in the province. Members of the Commission and the staff will be entitled to all the benefits and status as members of the Public Service within the meaning of The Public Service Commission Act. This means that they shall be entitled to the travelling expenses and out of pocket expenses and so forth as are provided for public servants in the Act.

Meetings of the Commission shall be held at such places as the chairman may determine with the vice-chairman performing the duties of the chairman in the latter's absence. The Commission will make its own rules regarding the procedures of its meetings.

The duties of the Commission will include inquiring into matters referred to it by the Minister and reporting to him on these matters and where it is necessary the commission will be involved in carrying out programs. Since many programs relating to urban affairs involve two or more levels of government and many agencies of the Federal and Provincial Government involvement, it is necessary to provide a co-ordinating role for the Commission as well.

Powers of the Commission will include researching into matters respecting urban affairs; analyzing and evaluating present programs respecting urban affairs; consulting with and recommending to municipal authorities on matters respecting urban affairs; entering into agreements on behalf of provinces where necessary for the effective administration of this Act in regard to consultants as an example; participating with other levels of the Government in studying and inquiring into matters respecting urban affairs; undertaking studies which will assist in the development of a comprehensive policy by the Provincial Government with respect to urban affairs; and making



recommendations to the Minister with respect to matters arising out of their activities.

Mr. Speaker, this Government believes that through the establishment of such an agency, we shall have a good start in the direction of coping with the present and those future problems which are now and will be facing our urban centres in greater abundance. I feel that this agency will be particularly effective in assisting the province in relating to the Federal Urban Secretary Act.

I imagine there will be numerous questions arising which I think can be dealt with in Committee of the Whole and I would thus move second reading of this Bill.

**MR. J.C. McISAAC (Wilkie):**— Mr. Speaker, jus a few brief words on this Bill before it does go to Committee.

I have no particular quarrel with the overall objectives as outlined in the Bill. If I have any quarrel at all with my Hon. friend the Minister who just introduced it, it is the fact that perhaps he has been too vague in delineating some of the objectives of the Commission. The legislation while it is quite extensive and fairly well spelled out I again would have hoped for more specific illustrations of how this Commission will function in the Province of Saskatchewan.

I personally, Mr. Speaker, question the need of a commission as such in this field. I don't question the objectives that are set forth here and the objectives as outlined by the Minister. I do however question the need of a specific commission. The Minister has a department dealing with these issues. Perhaps there are times when outside people could be brought in to advantage for everybody, municipal people as well as the Government. I do question the need of a full-time commission because I really believe that if it were to become as active as it might be it will certainly take away from the present duties and what I believe to be the present functions of the Department of Municipal Affairs.

I notice, Mr. Speaker, that the Saskatchewan Municipal Advisory Commission Act is repealed by Section 13 of this Act and I think this an illustration of a commission whose chief function was largely in the field of rural municipal affairs, involved I believe in establishing the grid road network initially throughout the province to begin with and very little else really, by either the former Government or by the former Liberal Government. Here again I hope this Commission, the Minister is establishing will indeed be more than the former Commission and will indeed be more than the possibility for window dressing which it is certainly open to when all of the various urban affairs subjects that the Minister mentioned are involved. There is no question that the trend to urban living if you like, will and has created problems, I don't see nearly the kinds of problems in the Province of Saskatchewan that we see arising out of much larger urban centres in some of our other Canadian provinces. There is no question that the urban municipal people somehow feel they should have a greater say in both Provincial affairs and Federal affairs in this regard. It is to be hoped that this Commission would help answer some of the concern in that regard. If it does that it will certainly be well worthy of support on that basis alone.

**MR. WOOD:**— The remarks of the Hon. Member for Wilkie I feel were quite in order. I realize that it is possibly difficult at this time to pin down exactly what we would be expecting this Commission to do. In fact I think we have to set out the rules in such a way that this Commission is going to be able to have some freedom of movement in regard to what they do. We have endeavored to set out what the Commission shall do here under certain sections in the Act and I think that we have given a fair idea therein as well in the words I just said to the House of what we contemplate for it. The Hon. Member mentioned a full time commission. I don't think that is in the Act, it is not my expectation that it will be. I am looking to have people who are involved in municipal work throughout the province who are not at liberty to spend their full time on a commission like this. These people I think will have a better input into discussion and in bringing forward the problems of urban affairs in the province than possibly full time people who would naturally have to become civil servants in that respect. The section which deals with the Civil Service as I endeavored to point out, simply has to do with other features of the Act. I think that the group that I have in mind — I must tell the House that we don't have any preconceived ideas as to whom will be on this committee — I would hope that they were people who had viable and active contact with the urban affairs in the province at the present time. I think they should be not only a good sounding board or something for publicity purposes, but I sincerely hope that this becomes an active and a valuable organization for bringing to the Government the problems of urban affairs.

In endeavoring to answer the remarks of the Member opposite, if I may say at this time that in the past in many ways it has been felt by quite a few people that the Department of Municipal Affairs is a department of rural affairs. I am not complaining of this, I think it is right. I think that the urban population and the rural part of the province has needed help in ways that haven't been necessary to the larger cities. You don't need to send administrative advisers to the city of Regina to tell them how to run their business or help them out with problems. They have the facilities to do this. I think that by leaving the larger centres to run their own business has led to a certain amount of lack of knowledge on the part of the Department of what the real problems are. I am endeavoring by this Commission that we shall have these things brought to the attention of the Government to try to do something about it. I move second reading of the Bill.

Motion agreed to and Bill read a second time.

**HON. R. ROMANOW** (Attorney General) moved second reading of Bill No. 123 — **An Act to amend The Coroners Act.**

He said: Mr. Speaker, this is a Bill that was in the Non-controversial Bills Committee and it has been pulled out of that Committee and brought back before the House.

The Bill in the Non-controversial Bills Committee did this. It allowed a representative of a trade union to appear to examine and to cross-examine witnesses called at an inquest on behalf of any member of the trade union. A discussion arose in the Non-controversial Bills Committee and it was felt by the Members that we ought to expand that provision to also allow a

representative of a person operating a plant, factory or mine or counsel representing such person to similarly have a right to examine, cross-examine witnesses. Since we couldn't carry out the amendment in the Non-controversial Bills Committee, that Committee having no such power, I have had the Bill brought before this House. That is the principle of the Bill. It will allow representation for examination and cross-examination of trade unions and of others who are directly involved with respect to an industrial fatality. I do not believe it to be controversial as amended. I'll be introducing a House amendment to bring that into effect. With those few words, Mr. Speaker, I move that Bill No. 123 an Act to amend The Coroners Act be now read a second time.

**MR. J.G. LANE (Lumsden):**— Mr. Speaker, we certainly welcome the amendment just announced by the Attorney General. The original proposed amendment was unfair in that only one party could cross examine on the question of an industrial accident. I think the reason may be although it is not expressed that if an employee is injured during an industrial accident he has the option of either going under the Workmen's Compensation and getting the compensation. For a death, his widow would get it, or take the civil action against the owner of the plant or whatever it is. The amendment as proposed will certainly give both parties the opportunity to cross examine and put them both on equal footing.

Motion agreed to and Bill read a second time.

**HON. G. MacMURCHY (Minister of Education)** moved second reading of Bill No. 147 — **An Act to amend The Teachers' Superannuation Act, 1970 (No. 2).**

He said: Mr. Speaker, the amendments contained in this Bill respecting The Teachers' Superannuation Act are part of a package of changes in teacher pension provisions. The amendments proposed in this Bill dovetail with a series of changes in retirement regulations. Mr. Speaker, I am pleased to announce to the Members of the Assembly the members of the teaching profession, that approval has been given to changes in the age of retirement. Effective immediately, the age at which a teacher with 35 years of contributions may retire at full pension, is reduced from 60 to 55. The objective of this move is to make retirement more attractive to teachers with long service. It is in line with a growing trend to earlier retirement provisions in many occupations. We hope to be able to open up more positions in the profession for the young graduating teacher looking for employment. In addition to the reduced age limit, Mr. Speaker, there are changes being introduced which will permit teachers who are 55, but who have not contributed for 35 years to retire under much more favorable terms than in the recent past.

Mr. Speaker, in the last two years early retirement has been a very unattractive proposition to many of our senior teachers. In the last two years many of those who would have preferred to retire had to continue teaching in order to ensure a decent liveable pension later. As a result, fewer positions have opened for young teachers. This bad situation did not happen accidentally, Mr. Speaker. It happened as a direct result of the former Government. The former Government deliberately made it harder to retire and thereby they deliberately created unemployment for many young teachers.

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Mr. Speaker, it is not hard to understand why so many Saskatchewan teachers feel the Liberal Party is not interested in them. In 1969 the Liberals brought in the pupil-teacher ratio. They severely restricted the number of teachers who could be hired. In fact the pupil-teacher ratio cut down the number of professional positions by some hundreds. The pupil-teacher ratio created unemployment in Saskatchewan. It was very successful in this regard but the Liberal Party did not stop at that. One year later they decided to attack the teaching profession again. First they made it harder to get into the teaching profession, then in June of 1970 they imposed a severe penalty on any teacher who was prepared to retire earlier. They increased the pension reduction on early retirement as much as 20 per cent of the total. This they did at a time when they should have been seeking to encourage retirement to make way for the young graduates who were unemployed in Saskatchewan. Mr. Speaker, by raising the reduction factors, the Liberals saved only some \$10,000 per year for the Pension Fund. At the same time they created another 10,000 new enemies. I could understand this if it had been done for some reason of principle, but it seems to me there was no principle involved. I am pleased to advise the House that along with the lowering of the retirement age, we have repealed the harsh penalty for early retirement and restored the lower rates as they stood before 1970. These changes to retirement rules will make it much easier for senior teachers to leave the profession.

In addition, under the Bill now before the House, pensions to many of those already retired will be increased by amounts varying from \$8 to \$16 per month, the largest increases will be awarded to those who now receive the smallest pensions. Of the total of 2,000 teachers who are superannuated, 1,100 will be eligible for increases. This is the number whose pensions are now below \$4,000 yearly and who retired prior to March 31, 1970, and we will be bringing in a House amendment with respect to this. Widows and dependents will also qualify for the added benefits.

Mr. Speaker, this Bill also allows for increasing the amount of salary on which pension deductions are made. The present ceiling is \$11,500. This will be raised to \$13,500 on July 1st and to \$16,000 on July 1, 1973. As well, after July of this year, all practising teachers will make contributions to the superannuation fund. The present 35-year limit is to be eliminated except for those who have exceeded it. In line with the increased deduction ceilings we are adjusting the amount that may be paid out in pensions. Under the existing limits, the maximum pension would reach just over \$8,000 by 1976, with the new limits it will rise to \$11,200 by 1980.

Mr. Speaker, the changes to legislation and regulations will benefit those who have already retired, those who would like to retire and those who are seeking positions to enter the teaching profession. By making it easier to retire earlier these changes will make room for more young graduates and ease the unemployment situation.

This Bill, Mr. Speaker, and the changes in rules I have announced are not the end of a process. They are a beginning. The Government will make further changes in pension benefits and in pension rules. We are looking and looking seriously at a cost of living escalation. These proposals will be examined in consultation with teacher representatives. We are looking

forward to further changes at the next session of the Legislature. We hope to complete a more thorough reform of superannuation during our first term of office.

Mr. Speaker, I am pleased to move second reading of a Bill to amend The Teachers' Superannuation Act, 1970.

**SOME HON. MEMBERS:** Hear, hear!

**MR. K.R. MacLEOD (Regina Albert Park):**— Mr. Speaker, I am very pleased to speak on this Bill. Back in August of last year when we had a very short session of the Legislature, I spoke at that time of the serious plight of many of our retired superannuated teachers and I called upon the Government at that time to do something about the superannuation then paid to the teachers. I have also indicated to the Government my desire that the alteration be made in the age of retirement and I know that at least one Member on the other side has agreed with me in that respect.

Now, I've called upon the Government to do these things ever since I became an MLA, and I am pleased to see that the Government is starting. I notice that the Hon. Minister in making his pitch for this Bill had to spend a little time in politics. And I am very sorry to see that because it's obvious to me that he is doing that to cover up what is an inadequate Bill. This Bill does not satisfactorily deal with the problems of our superannuated teachers.

One of the problems of teaching has been that teachers have retired for many years and found that over the years their pensions have become steadily more inadequate to cover the cost of living. What is offered by this Government?

On page 3 of the Bill, a table of further allowances is set forth and teachers that have retired prior to April 5, 1951, get the grand sum change of \$192 a year. They get an additional \$16 a month for teachers that have been retired for over 20 years. I suggest, Mr. Speaker, that is virtually an insult. Now I am suggesting also that with the amendment which I support, on the change of the age of retirement we are going to get more of that kind of problem. Let us suppose a teacher does take the Government up and retires at age 55 with 35 years of contributions to the pension fund. You have then a teacher of 55 who steps out and makes way for a young teacher to come into the profession. But that teacher has a lot of years left to go. At age 65 the pension may well be ten years out of date. At age 75 it will be 20 years out of date. And are we going to offer to those teachers 10 and 20 and 30 years from now, insults like \$16 additional a month? Who in the world today could live on the kind of income that they were talking about 20 and 30 years ago.

**MR. ROMANOW:**— Why didn't you guys do it?

**MR. MacLEOD:**— I know, that's always the answer, what did you guys do! We went through that last night. We had a rotten Succession Duty Bill and the only excuse for the rotten Succession Duty Bill was that some of those provisions were contained in a former Act by some other Government. And now what is happening? We have got a rotten Teachers' Superannuation Bill that amounts to virtually an insult to the retired teachers and the only

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answer is, what did you guys do. Never have I seen a weaker set of excuses for failure to act in my whole life. If the Government came to power saying that it was going to do something how come we are listening to them daily saying, the reason we are not doing anything is because somebody else didn't do something. If that is the way this Government lives up to its promises then the people of Saskatchewan and the teachers in particular are in for a very sorry time.

Now, I suggest, Mr. Speaker, that if we are going to retire teachers at age 55 and I am pleased to see that they are going to be able to retire voluntarily at age 55 if they so desire, if that is what they want to do, and I am delighted with that provision, then we are going to see in the coming years teachers whose superannuations are going to fall steadily behind the times. And fortunately we cannot live to expect to see the NDP Government in power in future years more than a three year span so that this sort of situation will not be continued. But I suggest to you that the amount set forth in the table of further allowances on page three of the Bill is absolutely and totally inadequate and is an example of the failure to treat our teachers right and our superannuates right, not only in the teaching profession but in the entire Civil Service.

Now why is this caused? What is the start of it? Well I'll tell you what it is. It is because the Government has failed to contribute properly to the plan. In 1940 the Government of Saskatchewan began to pay the employers' portion of the money that is to go to the superannuation fund. Under most superannuation plans the employee makes a contribution, it is matched by an equal contribution by the employer. It is a fifty-fifty project. That's the way it is under Canada Pension Plan. The employee puts in 50 per cent and the employer matches that contribution. The Government of Saskatchewan does not match the contribution made by the teachers. In this current year we can expect \$6 million in fact about \$6.3 million in the superannuation fund. And of the moneys going into the superannuation fund in 1972, \$5 million comes from the teachers and just over \$1 million comes from the Government. The reason we have an inadequate Teachers' Superannuation Plan is because the Government has not and I don't mean just the NDP Government, I mean the NDP government has not, the Liberal Government has not and the CCF Government before that has not paid a fair share to the Teachers' Superannuation Plan. I recommend that the Government reconsider this Bill. They have already reconsidered part of it. Although we have been pressuring for months, although the teachers have been pressuring for months, it was only today that we got Bill 147 and I discover already that they have got to bring in House amendments. Now that is a shocking way to treat an urgent matter. As far as I am concerned the Government has done this belatedly because they realized how bad the teachers were being treated. They tried to do some little thing, but I can suggest to the Government that they are falling far short of what is reasonable or adequate. Some of the teachers who have been on pensions earning something in the neighborhood of some \$2,000 as pensioners are now going to receive a grand additional sum maximum under the further allowance of \$192. If they retired between 1951 and 1954 the additional amount will be \$168 per annum. If they retired from 1954 to 1958 it will be \$12 a month. A marvellous increase indeed. My suggestion, Mr. Speaker, is that the time has come for the Government to take a complete look at this and determine that in future the superannuation fund cannot operate properly, it cannot provide

adequate amounts for our teachers, our teacher superannuates unless the Government is prepared to match the teacher's contribution dollar for dollar. And then the fund will have adequate moneys to pay an adequate superannuation to our retired teachers and it will have to be prepared to pay considerably more money in future when teachers are starting to retire at age 55.

**MR. H. H. ROLFES (Saskatoon Nutana South):**— Mr. Speaker, I should like to say a few words to this particular Bill. First of all I should like to commend the Minister for bringing in the Bill and let me say to the Hon. Member from Albert Park (Mr. MacLeod) it is not a belatedly brought in Bill. I knew a long time ago that this Bill was going to be brought in and he knows as well as I do that the reason it is brought in this late is because we wanted to also bring in superannuation bills in the Public Service and he knew that, we told him that a long time ago. I agree with some of the statements that he has made, that it is not adequate. I certainly agree with the Member that this Bill is not adequate. But we must look I think at what has happened in the past. He has said governments have not contributed their share and I agree, I wholeheartedly agree. But if you look Mr. Hon. Member from Albert Park to the proportionate contributions made by this Government or the NDP or CCF Government as compared to your Government, you will find that proportionately speaking we gave more, . . .

**MR. MacLEOD:**— Not this year!

**MR. ROLFES:**— Not total amount! All right go back and have a look. I haven't got it here, I've got it in my desk in my office and I have checked those figures. Check for the seven years that your party was the Government as compared to the years when we were the Government and check those figures, I have checked them.

**MR. MacLEOD:**— Check the record this year!

**MR. ROLFES:**— Take your seven-year record. I kept quiet when you were speaking and I hope that you give me the same privilege. Certainly there are inadequacies but let's recognize that some of the inadequacies are as a consequence of what has happened in the last seven years and that I don't think we can deny. That is, this is part of it. Had the former Government kept up in gradually improving the superannuation for teachers we would not be in a situation now where many of our superannuates are in very desperate straits. The other thing is, I really can't understand the Members opposite that they expect us to do everything in the first year that we are in power. It is just impossible to do everything in the first year. We have a four-year program and I can assure you that the teachers and the superannuates in this province in the next four years are going to do a lot better than they did in the last four years under your reign. I can assure you of that.

In regard to this Bill being brought in under pressure. We promised the teachers and I assured the teachers in the campaign that there would be changes made to the superannuates' plan. It was our intention all along to bring it in. I am very pleased that the Minister of Education (Mr. MacMurchy) took advice from Members of this side of the House and possibly he took into

consideration in August when the Member from Albert Park (Mr. MacLeod) did mention that we should give the opportunity to people to retire at 55. But I can assure, Hon. Member, that we went to the Minister way, way before that, trying to get him to recognize that teachers should be allowed to voluntarily retire at 55 with no penalty attached. And he had consented to that a long time ago. That we were to strive for that and that we would bring it in at this Session. And he has done so and for that we ought to be congratulated.

Am I completely satisfied with the Bill? No, I am not. I am not completely satisfied, but I am also a realist and know that we have got some catching up to do. And I hope that the teacher superannuates of this province will take into consideration that we will have a further look at it next year and in the four years and that they will not have to suffer as they have in the past. I can tell you, Hon. Member, that I was in the teaching profession in 1970 when this reduction came in. I don't understand who was completely responsible, whether it was an Order-in-Council or how it was done. But when in 1970 the teachers in June or July found out that they were going to receive these reductions without any warning whatsoever apparently . . . I should like just to correct that, I am given to understand by the former Minister of Education that they had some knowledge of it and I don't want to misinform the House. But apparently they took it as a package, but they were not happy with the reductions. I will tell you that I had a lot of superannuates come to me in the last campaign and ask us to see if we could do something to correct that situation. I again want to say I am not totally happy with the Bill, but I certainly want to congratulate the Minister for bringing it in and for making at least a considerable attempt to improving the lot for our superannuates.

**MR. J.C. McISAAC (Wilkie):**— Mr. Speaker, just a very few brief comments. I'll save a number of my comments and questions for Committee of the Whole on this particular Bill. One question I should like to ask the Minister and maybe he can comment on closing debate. I'll try not to get into the political vein that the Minister started off on. The Minister tells us that teachers can now retire at age 55 and no penalty. I see no section in the Act before us in Bill No. 147, that will repeal Section 28(3) which has been in the Act for a good number of years. And that section states very clearly and very definitely — I don't have it in front of me I am sorry — that normal retirement age is 60 and there shall be an actuarial reduction for any retirement and age below that. So that section, Mr. Minister, unless there is something in Bill 147 before us that I haven't yet discovered, has not been repealed and therefore I can only conclude that the Minister made a mistake in his remarks in this regard. The biggest disappointment as far as I am concerned, Mr. Speaker, is the allowances for the retired teachers.

There is no question that I will be the very first to admit as I have done before in this House that we in the former Government did not do an adequate job in this regard. There is no question, I have not denied that, I do not deny it now. Let me say this, that I had hoped and fully expected that the present Government who were elected on a better package for teacher superannuates as well, I should have expected that they would have come up with something better other than a continuation of the program and of the approach that we had taken in the past. We had taken it seven or eight years ago when inflation wasn't



perhaps proceeding at the rate that it is today, when inflation at that time hadn't eroded pensions to the extent that they are today. But as I say that formula of \$16 a month or 14 or 12 or 10 has not proven adequate and I am certainly disappointed that the Government opposite has not seen fit to throw that formula out and to bring up the former superannuates' levels of pension to a much greater degree than the present Act before us will provide them. I will have a good deal more to say in Committee, Mr. Speaker, and for the moment I would ask the Minister to comment on how he is going to effect retirement at age 55 with no penalty.

**MR. D.M. McPHERSON (Regina Lakeview):**— Mr. Speaker, I should like to talk on this Bill. I feel very badly about this Bill when I read it today to look at the increases, I really feel ashamed. I also will say I was not proud of what happened in the past and I think this goes back a long time that the teachers' superannuation has just been neglected. I speak of two teachers from the city of Regina with over 40 years teaching experience, two of the best principals that we ever had in the city of Regina. One is getting a pension of \$154 the other one is getting \$200 per month and this is why I say I am not very proud to be part of passing a Bill that is doing so little for the people that need it so much.

**SOME HON. MEMBERS:** Hear, hear!

**MR. McPHERSON:**— Here we've got the indexes up since 1954 approximately 47 per cent and we are bringing in a measly \$16 per month. And I might say about the \$16 per month and the Minister can comment on this later, I think there are only six teachers in this category. They would have to be over 80 years old to qualify in this and we have got very few in the \$14 and so on down the line and I really feel, Mr. Speaker, that the Government should re-examine this, we didn't do it and there is no reason why we shouldn't do something for the superannuation fund this fall. I feel that, my figures could be wrong, but a figure of \$165,000 I understand would make this actuarially sound and be able to supply and give the proper pensions that should be given to these people who have served our teaching profession so well in this province. And again I say, Mr. Speaker, and as the former Minister has said we didn't do it right but let's start now. If we can put part of it in for this year, I think we should do this. I would urge the Minister and all Members opposite to work on this immediately. If I am right on the figure of \$165,000 to bring this and make it actuarially sound and bring the pensions up I think we should do it. Maybe we can do it in two lumps but I think it should be done as quickly as possible and I urge the Minister to do something on the pensions for these people that need it and need it so badly.

**MR. H.H.P. BAKER (Regina Wascana):**— Mr. Speaker, I want to speak on this Bill as well. I think I have to agree with Members on both sides of the House, that it is very inadequate. I think I have made my thoughts known on this to my colleagues and I understand and I am glad the other side have admitted that they didn't do too well on this either over the years. I think when they first brought their amount in it came to something like \$200,000 and I believe that this one runs about \$325,000. I want to say that it is totally inadequate and I should like to have seen more done and

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perhaps we should still consider doing more this Session. I can go along with the amendments that have been made with regard to early retirement at 55 with the proper number of years of service. I agree with raising the amount for pension contributions. But I am somewhat disappointed that this Bill does not contain as I mentioned in other Superannuation Acts, anything to follow through with portability for those who are pensioned or carry pensions in other jurisdictions. I want to say that this should be changed hopefully, Mr. Minister, this Session. The teaching profession has been kicked around very badly over the years. Most of us or many of us started teaching in the 1930s. I started in 1936 and we know what wages we got and when we did get paid we got notes that were worthless, so that we had to sponge on the farmers to board us from one place to another. When you brought the notes in to buy a suit of clothes they wouldn't even accept them but they would take you on your face value and permit it on credit.

Now the teachers who have been pensioned off during the years from 1951 to 1968 were, in the main, teachers of the depression. Their wages were low. They weren't able to have any savings, a chance to save anything. They weren't able to buy homes so that they couldn't build up any equity at all. They couldn't keep up insurance premiums. So, therefore, their assets were practically nil. As was mentioned by one of the Members on the other side, I think of a man by the name of Mr. Campbell, I believe, who taught in one of the finest collegiates in Regina, Central Collegiate in my constituency, some 43 years. The highest wage he ever got was \$4,200 and he was pensioned off. So you can see what a measly pension he received. These are the people we are considering.

We, as a New Democratic Party, have consideration for those who are down-trodden or in the low economic categories, we feel and believe that we want to do something and I know we will. So I think we owe something to these people to make some form of restitution for their faithful and dedicated service they rendered to the students of this province and the communities they served in many ways.

I think we have got to work on an escalation clause as well once we get a proper salary schedule set up for them, or superannuation rate. I am sure none of us would want to pension off with what these people are getting. I know if I was to draw a pension on the nine years that I taught school on that level I would be in the same category and I wouldn't like it very much. I am going to suggest, Mr. Speaker, that you try and do something this Session. Where you have this sliding scale of \$16 per month prior to 1951, let's double these this Session and double them the next session. Make it known that this is what we'll do and add an escalation clause. That is even too low but at least in a two-year period those in the lower category would get \$64 plus an escalation clause. I should like to see these doubled at this time. I realize it will add quite a bit to the budget, but these people need it. Instead of the \$16 let's make it \$32 and raise it accordingly and I think the \$8 is much too low and the same with the \$10. But these could be doubled next year and I don't think it would hurt the economy that much or the budget that much if we did this for these people who need it. When I think of others who have tremendous salaries, who earn tremendous amounts of money these days, I'm not singling out the doctors because they are in the highest categories, I could put lawyers next or maybe lawyers

come first, I don't know, Mr. Attorney General. But anyway we know they are high and when you can make \$25,000 to \$100,000 a year and we ask these people to live on an extra \$16 a month or \$8 a month, it is a mere pittance in this day and age.

While I am pleased you brought this in, and I am not levelling this criticism at you because I think we have discussed it and we have pressed hard for it, but I think we, as a Government today, should do something more this year. If that isn't possible that we give them a tremendous increase worthwhile and have this assessment made. I have had letters from these people and I think many of them ask for \$30, \$40, \$50 a month or \$60 a month, and that is not asking too much. That is even too low. I would appeal to this House and to my colleagues on this side that we move quickly on this. You wait a year perhaps many won't be here to benefit from this. These are people, as I mentioned earlier, the salt of the earth that kept the teaching profession together with all its frustrations during the 1930s. Having had the privilege of being one and not having gone back since the War, I still feel that this is my profession. I think this is a bit of an insult what has been brought in this time and even before, and the other Members admit, they've done wrong too. I'm glad they admit it and I am prepared to admit it here that we are not doing enough and I would appeal that we do something more in the 1972 sitting, namely now.

**SOME HON. MEMBERS:** Hear, hear!

**MR. E.L. COWLEY (Biggar):**— Mr. Speaker, I only have a very few comments which I should like to make about this Bill. First of all as the Members opposite realize it is not an easy matter, because you are not only considering one pension plan when you are dealing with teachers' superannuation you are considering several. The work that was started on amending The Teachers' Superannuation Act was started shortly after we came to office. Then came the procedure of working out the changes that would be made in line with those other adjustments to other pension plans which are administered by the Government. I could have easily accepted from the Members opposite some comments about the legislation, some suggestion that it should be more, some suggestion that there should be an escalating clause, but I couldn't really understand how the Member for Albert Park (Mr. MacLeod) could stand there and suggest that this was a terrible thing we were doing, it was horrible and it was bad, there was nothing at all right about it. He sits with a party whose Federal Government raised the old age pension a whole 42 cents. He sits with a party who when they were the Government of Saskatchewan for seven years made some adjustments to the pensions paid to existing superannuates but at the same time raised the actuarial reduction for those retiring before age 60. How he could suggest, now ten months later sitting on the other side, they all of a sudden come to totally different conclusions. They were sorry for what they had done and if they were over here they would sure make some different changes. The Minister made it quite clear that this was simply, if you like, a stop-gap measure. That we have to examine all of the pension plans which are administered by the Government, that we are looking seriously at an escalator clause, that we want to take an in-depth look at the pensions paid to existing superannuates and that there will be further adjustments made.

There is just one other thing I want to comment on and that was the comments of the Member for Albert Park — and I am sorry

he is not in his seat — with respect to the contributions made by the Government and those made by teachers. He said there is something in the neighborhood of \$6 million going to be paid out this year and only \$1.3 million is coming from the Government and \$4.7 million from the teachers. Only one of the reasons for that is that there is a surplus in the Teachers' Superannuation Fund which is being used up and the Government's contribution will, of necessity, go up next year. It will come very much in line with a 50-50 kind of proposition. Furthermore, Mr. Speaker, the Government incurs a liability because it commits itself to pay the pensions of those people who retire irrespective of the amount of money that there is in the fund. It is not a fully funded plan as the Member for Albert Park must surely know by now, but I think as the pension plan now stands with the amendments that have been brought forward this Session for those teachers who are not in the teaching force it's a very attractive pension plan. It has some problems which we hope to overcome but I think you can safely compare the pension plan to any pension plan in Canada be it in the teaching field, be it in industry or in any other field. It's a good plan. The adjustments while they are not what many of us had hoped for are certainly good adjustments. They make it an even better plan and we look forward in the future to further amendments which will make this, and the other plans supervised by the Government, a very attractive and the kind of plan that Members on both sides of the House can support.

**SOME HON. MEMBERS:** Hear, hear!

**MR. W.A. ROBBINS (Saskatoon Nutana Centre):**— Mr. Speaker, I should like to make some comments with respect to Bill No. 147. I know there are some disappointments with respect to some of the contents of the Bill. I realize that Members on both sides have admitted this and that it should be readily admitted. However, I wonder if the Members are really looking at the problems associated with pensions. If we had fully funded plans, the teachers' pension set up and the Public Service Commission, we would have to find somewhere between \$150 million and \$200 million. Now the Member for Lakeview mentioned a figure of \$165,000. I don't know where he got it or what he was referring to. The amount would be somewhere between \$150 million and \$200 million in order to properly fund the teachers' pension fund and the Public Service Commission fund, neither of which are properly funded. I have been given some responsibilities with relation to looking at pensions related to Government plans and I must remind the Members that there is not only the Public Service Commission and not only the Teachers' Superannuation Plan, but the municipal pension plan, the SGIO plan, the Saskatchewan Power Plan, the Sask Tel plan, the MLAs' pension fund, if you want some good examples of some very poor pensions there is one place to look. The Saskatchewan Mineral Corporation plan, the Timber Board pension plan. Now, we must look at the overall picture. We have no choice other than to look at the overall picture. I have said, and I have said to teacher groups many times, that it would be much preferable if we could have teachers contributing 3 per cent of their salary and matched with a 3 per cent, rather than have a 7 per cent from the teachers with an amount made up by the Treasury. The assumption is, of course, that the Treasury will always meet that responsibility but it is conceivable that you could be in a severe enough economic situation in this province with a crop failure or something that you would have

grave difficulty in that regard. I stress again that we will not solve these problems until we go to funded plans and we must make a start somewhere along the way.

With respect to this particular Bill obviously it is only a stop-gap, obviously the amounts are not as high as people would like them, Members on this side, Members on the other side, and people in the teaching profession. Quite frankly, and I don't think it is wrong to make this statement, had this been only the teachers that were involved the amounts would have been appreciably higher. However, the Public Service Commission people had to be considered as well at the same time. I think you must keep this clearly in mind in relation to the stipulations of this particular Bill.

Also other things the teachers have wanted, earlier retirement, are permissible here without penalty. These options are very, very important as the Minister very strongly pointed out. This is certainly not the end of the revision. I realize that there are people who will perhaps disappear from the scene. We can't help that, it's a case of you cannot solve the problem with regard to all those pension plans in ten months and I suggest you can't solve all the problems in one year, two years or three years. There is a lot of work to be done here and it is just ridiculous for Members to get up and make emotional statements without facing the realities of facts. I, for one, admit quite readily that I should have liked to have seen the teachers get more. We all admit that it is only a stop-gap. We are in the process, we hope to bring in vast improvements in the first four years.

Mr. Speaker, on that basis I support what is done in the Bill, at the same time contending, of course, that it is not sufficient.

**SOME HON. MEMBERS:** Hear, hear!

**MR. MacMURCHY:**— Mr. Speaker, while many of the questions raised can well be answered in Committee of the Whole, I think there are some comments that I should like to make.

The Member for Albert Park (Mr. MacLeod) — and the general comment has been with respect to the amount for superannuates — questioned my mention of a House amendment and if he had been sort of following what I was saying and had looked at the Bill itself, he would have noticed that the amendment referred to the table of further allowance. Where it presently reads in the Bill, April 2, 1953 to March 31, 1968, the House amendment we will be bringing forward will change the 1968 figure to 1970. It is not a real significant one but of benefit to those who have retired in 1969 and 1970.

The question was raised about changes in regulations by Order-in-Council which I dealt with at some length. I don't know the legal aspects of this kind of change by Order-in-Council, but the Order-in-Council would establish the actuarial reduction factors to be applied in those cases where a teacher is granted an age and service allowance prior to attaining age 60. In other words reducing them to where they were prior to 1970. It also provides that a teacher may superannuate without any reduction in allowance if he has contributed to the fund for at least 35 years. So that a teacher who has contributed

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to the fund for 35 years and is 55 would retire without penalty, as I suggested in my remarks, or if he was 54 with 35 contributory years he would retire without penalty. I suggested this in my opening comments, by regulation. Now if those regulations aren't proper we can certainly check them out with the Attorney General's Department which has already been done. So those are the changes in the Order-in-Council related to regulations and that Order-in-Council has been passed and I would assume it would be available to the Members opposite.

Now there are positive things in the legislation. There is a positive increase in amounts for the superannuated. There are changes relating to the ceiling factor at the present time, \$11,500 now, \$13,500, \$16,000 by 1973, changing maximum pensions to \$8,000 by 1976 and to \$11,020 by 1980, so the teachers who are now teaching and looking forward to retirement some point down the road will receive benefits and significant benefits as a result of this Bill. Everyone agrees that for the superannuates it is simply not what we should like to see. But let me suggest that the Member for Saskatoon Nutana Centre (Mr. Robbins) made a comment which is a problem with this Government. We had to look at the overall situation and you will note that a Bill has been introduced to the House relating to the Superannuation Act, Supplementary Provisions, and within that Act is tied the same sort of increases for Public Service Superannuation as for the teachers. It may be interesting to note, and I appreciated the comment of the Member for Regina Lakeview (Mr. McPherson), when he said we didn't do enough and I admit, in some respect, we're not doing enough. But in relation to that we are doing significantly more than was done last year under the former administration. For the total package the expenditure last year was \$250,000 and our expenditure for the total package we anticipate to be \$350,000. So there is more money going in but, admittedly the proposal is simply not adequate to meet the needs. But at least we are making a beginning and as I indicated there will be further changes in pension rules and in benefits. We certainly are, as has been indicated, looking seriously at cost of living escalations.

With that, Mr. Speaker, I move second reading of this Bill.

**SOME HON. MEMBERS:** Hear, hear!

Motion agreed to and Bill read a second time.

## **ADJOURNED DEBATES**

### **SECOND READINGS**

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Messer that Bill No. 115 — **An Act respecting the Foreign Ownership of Agricultural Lands in Saskatchewan** be now read a second time, and the proposed amendment thereto by the Hon. Mr. Romanow.

Amendment agreed to on the following recorded division.

### **YEAS — 35** **Messieurs**

Blakeney  
Meakes  
Romanow

Pepper  
Michayluk  
Thorson

Taylor  
Faris  
Cody

Messer  
Snyder  
Bowerman  
Thibault  
Larson  
Kowalchuk  
Baker  
Brockelbank  
MacMurchy

Whelan  
Carlson  
Engel  
Tchorzewski  
Richards  
Owens  
Robbins  
Cowley

Gross  
Feduniak  
Mostoway  
Comer  
Rolfes  
Lange  
Feschuk  
Kaeding  
Flasch

**NAYS — 14  
MESSIEURS**

Steuart  
Coupland  
Loken  
Guy  
Grant

MacDonald (Milestone)  
McIsaac  
Gardner  
Weatherald  
MacLeod

McPherson  
Lane  
MacDonald (Moose Jaw North)  
Wiebe

Motion as amended agreed to on division.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Thorson that Bill No. 139 — **An Act to assist Business Enterprises and Individuals to more actively participate in all forms of Commerce and to encourage the Establishment Expansion and Modernization of Business Enterprises in Saskatchewan** be now read a second time.

**MR. G.B. GRANT (Regina Whitmore Park):**— Before taking the vote on this Bill, Mr. Speaker, I should like to make a few comments on it. The one thing that is impressive about the Bill is the length of the title. I was looking through the records of the House here to try and find a Bill with a title as long as this one and I was unsuccessful, so I came to the conclusion that the one and only purpose of it was to create an impression. It was simply window dressing and the Act could have been very simply called Business Development Act in much the same manner in which The Industrial Development Act was entitled.

Now actually when one looks closely at this Bill there are many things that it proposes to do that could have been just as easily and conveniently done under The Industrial Development Act merely by extending that to cover industry and business development. There seems to be a little confusion in the minds of the ones who drafted it because in the Act itself, in the description of business enterprise it even includes industry and to me this is a duplication. Why do you have to cover industry in this particular Act when it is already covered in The Industrial Development Act?

The other thing in the purpose of the Act, Section 3 says one of the purposes of the Act is to promote tourism. Well I was under the impression and I believe most Members of the House too, that the Tourism Branch in the Department of Industry and Commerce is for that purpose. I don't believe that this Act in itself should be cluttered up with such an expression, because if you are going to promote tourism by this, I suppose you could use the same stretch of imagination and say that you

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are promoting all types of business and if so it should be spelled out the same as tourism but it is not.

I am wondering why the department is insisting on setting up another branch because I presume they will have to administer the work of this particular Bill. As pointed out The Industrial Development Act created the Saskatchewan Economic and Development Corporation which is quite capable of handling loans and advances and grants to small businesses as they do to the larger industry. Or, on the other hand, banking facilities could be used to screen the applicant and if the loan is warranted the Government could guarantee it and handle it in this manner. I am wondering if it is visualized that there be a separate branch set up, is it going to be administered by the Industry Department. If so it strikes me as a duplication. Who is going to screen the applications and who actually makes the decisions to advance the money or to make the loans?

This Bill while it is commendable, anything that will encourage business activity in the province should be supported, but it strikes me that the Minister is moving into a very hazardous area because it is all inclusive. It takes in all types of businesses and it mentions in particular businesses in an area where business is threatened and its loss would disrupt the social and economic base of the community. That could become a pretty tricky problem to resolve. To assist the establishment of new businesses in areas of the province of slow economic growth, this is another area that could be quite hazardous and I would hope that the Minister plans on having adequately qualified personnel to adjudicate on these cases because it strikes me that it is going to be even more difficult than the decisions that are required in connection with the SEDCO loans.

Mr. Deputy Speaker, with the reservations about the long and explanatory title to the Bill and the suggested duplication of administrative personnel the Opposition will support the Bill and I would hope that the Minister in closing the debate would give an explanation of these points that I have raised.

**SOME HON. MEMBERS:** Hear, hear!

**HON. K. THORSON (Minister of Industry and Commerce):**— Mr. Speaker, I take it that the Member who just took his seat (Mr. Grant) approves of the Bill in principle. He has some questions and some reservations. I said on the introduction of the Bill that it is our intention to establish a new branch in the Department of Industry and Commerce to assist existing business firms of all kinds, tourists, service, other types of existing business firms. We hope to have representatives of that branch in various parts of the province and that we intend initially to provide consulting and advisory services of all kinds. We have various methods by which we hope to do that. I also said and it is still the case that in the matter of financial assistance we intend to move very cautiously. I would anticipate that we would not move at all until we have at least an interim report from the legislative committee that has been established to inquire into the problems and prospects of business firms in Saskatchewan.

We did not intend to duplicate in the new branch any of the existing services in other agencies of the Government. I apologize for the unwieldy length of the title of the Bill. I only say by way of explanation that we had, at one point, a much



more lengthy Bill in which we dealt with various sectors of the economy. But it seemed wiser as time pressed hard towards the end of the Session to leave that for another year. By that time the estimates had already been printed with the name Industry and Commerce Development Act 1972, we did not try to amend the title. We proceeded with it but in a much more reduced form.

As I say, I am happy to know that the Member supports the Bill in principle. I hope his questions and reservations will not be borne out in practice when we begin to administer programs under the Bill.

Motion agreed to and Bill read a second time.

The Assembly resumed the adjourned debate on the proposed motion of the Hon. Mr. Thorson that Bill No. 140 — **An Act to amend The Industry Incentive Act, 1970**, be now read a second time.

**MR. J. RICHARDS (Saskatoon University):**— I am sorry to have to interrupt the bipartisan unanimity on the Bills introduced by the Hon. Minister of Industry and Commerce. I should have liked to have spoken also to Bill No. 139, which I oppose, but I will concentrate my attack on what I find to be the more obnoxious one, Bill No. 140.

I rise in profound philosophical opposition to what I think is a bad piece of legislation.

Let us first look at The Industrial Incentives Act, which Bill No. 140 seeks to amend. It was passed in 1970 and regulations were gazetted on the 26th of June 1970. This Act allows for certain ‘forgivable’ loans to be made in certain areas of the province for the encouragement of business. To date, there have been five loans approved; there are four loans in the pipeline. The total expenditure on the five approved loans has been \$97,700 creating, according to the figures available from the Department of Industry and Commerce, a total of 57 jobs. Of course, ‘forgivable loan’ is a euphemism for subsidy, a euphemism for welfare to business.

Mr. Speaker, of these nine loans, five approved, four in the pipeline, three are going to the Rosetown-Elrose area, one of the more wealthy rural areas in Saskatchewan, and two to Yorkton, a city. This program, which is supposed to be for the encouraging of investment in underdeveloped parts of the province, to be a Provincial equivalent of Federal Regional Incentive grants, is allocating over half of its loans to the relatively wealthier parts of the province. This is not to dismiss or denigrate any of the particular firms to which money has gone. They may have made very useful additions to the economy of the towns and regions in question. I would, however, put it to the House, that this program is not oriented towards the really underdeveloped parts of the province, and to claim otherwise would be a farce.

Furthermore, Mr. Speaker, \$97,000 and 57 jobs do not constitute any kind of program of rural development. By amending the Liberals’ Industrial Incentives Act, the NDP is putting a slightly larger band-aid on a major wound that needs stitching up.

Let us now consider what Bill No. 140 does. The Act presently restricts the areas eligible for these forgivable loans, to

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areas ineligible for DREE grants. We are now proceeding via this Bill to take off all limits, and now the loan can be given anywhere in the province, including Saskatoon and Regina. Furthermore, there were restrictions in terms of the size of the loan. A loan could not exceed any of these three constraints: \$300,000 as an upper limit, \$5,000 per job created 20 per cent of the capital cost of the project. These constraints are now being removed.

Mr. Speaker, we have here an irrational program of welfare to business, and a part, a very small part I will admit, of the irrational process of escalating subsidies to business characteristic of regional development policy across the country. It is a sad policy, Mr. Speaker, a policy doomed to failure where it has not already failed. DREE, the Federal Department of Regional Economic Expansion has designated its special development areas and proceeds to give money hand over fist to firms locating within them. DREE thereby encourages certain idiocies such as the proposed pulp mill development at Meadow Lake. DREE subsidies are, of course, completely uncoordinated with provincial policies. Then all the have-not provinces get into the game and start adding their own subsidy programs. They don't necessarily like the priorities which the Federal Government uses in specifying underdeveloped areas eligible for subsidies and so any area left out from the Federal program, the Provincial programs proceed to make eligible for subsidies. But then, when the wealthier provinces discover what the poorer provinces are doing and that maybe some companies will channel investment from the wealthier to the poorer parts of the country. They, the wealthier provinces, undertake their own subsidy programs. I refer, for example, to the Ontario Development Corporation. To date, the Ontario Development Corporation has disbursed according to Canadian Forum's article of June 1971, over \$40 million in subsidies to business enterprises in Ontario. We in Saskatchewan can't afford to spend \$40 million that way, and I hope we don't try. It amounts to escalating madness. Canada now has a crazy patchwork of escalating subsidy programs uncoordinated between Provincial and Federal Governments or among Provincial Governments. Public subsidy of private capital investment has now become so much part and parcel of the Canadian business climate that companies will not invest unless they have worked out a subsidy program from Provincial, Federal or Municipal Governments.

This kind of program has not worked in Saskatchewan. One has merely to look at the statistics of declining manufacturing jobs in the province or the overall statistics of the declining absolute population of Saskatchewan. We have in our province, Mr. Speaker, two Welfare Departments. We have a Welfare Department for poor people, and we apparently have a Welfare Department for poor business. Incidentally Bill No. 139 may well mean precisely that we subsidize potentially bankrupt private companies by giving them soft loans. It is a serious criticism to be made of Bill 139.

I should like now to refer to an advertisement which appeared in the Economist on February 12, 1972. In case any Members are not aware of this journal, the Economist is roughly the English equivalent of the Financial Post. This ad is an indication of how the Department of Industry and Commerce chooses to present itself to the public. Let me quote from the ad, "Looking for hard cold cash?" Half page ad, big picture of cash register. This is not directed to welfare recipients, mind you, but to

free enterprise businessmen. "Come and get it," the ad continues in big letters. "You'll have to put it to use by locating within this province. But it'll be worth it. Look at the facts. Resources, labor force, market, East, West and South, all at your finger tips." Mr. Speaker, this prose goes beyond the usual exaggeration of the advertising trade and approaches fantasy. One of the fundamental economic problems that Saskatchewan has, always had, is its distance from markets. For this gibberish to appear as publicity of the Department of Industry and Commerce certainly does not become a government interested in the truth, in telling it like it is. 'If you're a manufacturing or processing industry looking to expand take a hard look at Saskatchewan. If you qualify, we can help you greatly. How much in hard cold cash? Write us. We'll come to you.' Mr. Speaker, that, I submit, is not the tone of advertising a socialist government should be undertaking on behalf of its regional development policy. That is the kind of gibberish churned out by McLaren Advertising for the previous administration. I would have hoped that we would have no truck with such erroneous, misleading and unbecoming advertising.

Mr. Speaker, given the escalating patchwork of subsidies to business characteristic of development policy at the Provincial and Federal levels, there are only two alternatives. One is the easy alternative of continuing welfare to business, continuing policies of the previous Government. The second is to undertake on a large scale public enterprise. If our neighbors around us are subsidizing furiously, business is not going to invest in Saskatchewan without analogous subsidies. That is a simple economic truth. If we refuse to spend our money subsidizing private business, we will have to be prepared to fill the gap of lost private investment. We must be prepared to fill the gap left by a decline in private investment with public investment.

I submit, Mr. Speaker, the one theme underlying most of the constructive proposals that have come forth from this Government in the last ten months has been the constructive use of public investment, from very small projects such as hearing aids, through the drug program, to major propositions such as the Land Bank and I hope shortly, a proposal to nationalize the oil industry with the province.

Mr. Speaker, there is a fundamental question facing this Government. Will it proceed to bigger band-aids on major wounds or not? If it is not to proceed with the 'bigger band-aid' approach it will have to consider a socialist alternative. However, this Bill is an unfortunate precedent, continuing the welfare to business philosophy of industrial development pursued by the previous Government. I will personally have nothing to do with it. I adamantly oppose it and I invite other Members to join me in so doing.

**MR. G.B. GRANT (Regina Whitmore Park):**— Mr. Deputy Speaker, the last speaker changed my thinking considerably. I am just wondering when the Premier is going to have a shuffle of legislative secretaries because I think he should be down in Industry and Commerce Department, he seems to have more contribution to make in this field than he has in the health field. I haven't heard him expound too frequently, not as frequently as he has on industry and business. There is no doubt about it there is a bit of a gap between his thinking and my thinking and I feel that the present Minister of

Industry and Commerce will land some place in between.

I really must be careful not to be answering the Hon. Member from Saskatoon University (Mr. Richards) because that's the privilege of the Industry Minister, but I just wish him luck on his comments to him. This is as the Hon. Member from Saskatoon just mentioned, an extension of The Industry Incentives Act of 1970, and it takes off all the restrictions and limitations pretty well. I have some reservations about lifting all these restrictions myself, because there is no doubt about it you are going to have every Tom, Dick and Harry coming in with applications for these incentive grants. Admittedly when you don't cover the entire province, you get the excluded areas after you but in some respects this is more easily dealt with than saying 'No' to the many that no doubt will come up as a result of the removal of the limitations in this Bill. I don't think anybody who is a dedicated private enterpriser can get too enthusiastic about government subsidies to businesses. But if the alternative is public ownership then I will have to admit I am less enthused about that than I am about subsidies for business and industry. If governments continue to make it more and more difficult for business to operate as governments are doing and the Government to your right, Mr. Speaker, particularly then I think governments are going to be called on more and more to make subsidies to keep businesses going. It is an odd thing you know, that no one seems to get too up tight about subsidies to farmers and to the fishermen and to many others. But as soon as that word businessmen is used everybody thinks it is revolting and shouldn't be done.

**MR. ROLFES:**— No, big corporations . . .

**MR. GRANT:**— But, yes we have so many big corporations in Saskatchewan. Every day and in every way they are becoming fewer and fewer. The Opposition is going to support this Bill with some reluctance because of the fact that there must be a better way of encouraging business than subsidies, but to the present time to my knowledge no one has found it. In my opinion one of the ways is to create a better atmosphere for business and take less of their dollar by way of a tax bite. Ease some of the controls that Ottawa has and let business get on with the job of looking after their own shops. I think the big concern here is the one expressed by the Member from Saskatoon University that one must always be alert to the danger of perpetuating businesses that are eventually going to go down the drain or should have never been started in the first place.

**MR. THORSON:**— Mr. Speaker, let me just deal very briefly with some of the points that have been raised by the two previous speakers. First of all may I say that subsidies to business enterprises is a time-honoured tradition in Canada. There is nothing new or novel about that. I have always viewed, for instance, a protective tariff as clearly a subsidy to business. We have been using that advice in Canada since the time of Sir John A. MacDonald, since the time of Confederation. The building of the trans-continental railway, the CPR, was another outstanding example of outright public subsidy to a private company. I think for anyone to suggest that this is something new and novel to talk about subsidization to private business enterprises is not familiar with the history of Canada and its economic development. Whether or not the subsidies have been used wisely and well and in the public interest undoubtedly is a matter for

very great debate. But it is certainly nothing new.

It is not my understanding that the purpose of The Industry Incentive Act was primarily to develop underdeveloped areas of the province. It is my understanding that the purpose of the legislation was to put those parts of Saskatchewan, which were not covered by DREE (Department of Regional Economic Expansion) designation on the same footing as those parts that are covered by DREE designation.

As I said on introduction of the Bill there have not been a great many applications under The Industry Incentives Act since I have been Minister of Industry for the last three and a half months. There is only one potential application that might have exceeded the \$300,000 limit at least in the terms of the applicant. The request was for a larger grant.

Therefore, it seemed wise to remove the restrictions. May I say that I am not especially concerned about a flock of little applications. I think we can deal with them. That will not be different after the amendments are passed than it was before the amendments. I am concerned that if there is an opportunity which requires a large amount of money, which we think has a good potential for development and growth, that we should be able to make the forgivable loan to such a large industry.

May I just say, too, Mr. Speaker, that in my view we have had in Canada and we have had in Saskatchewan, a mixed economy made up of public enterprises, private enterprises, co-operative enterprises. I expect that will continue. I expect there will be an increasing involvement of government agencies in economic affairs. I expect there will be more and more joint efforts between governments and private agencies.

May I also say, Mr. Speaker, that in my view the serious economic problems of Saskatchewan are not in the investment whether it is private or public, the serious economic problems are in finding opportunities to utilize our resources, to put them to work, to find markets for them, to find employment for our people. I believe that in solving those economic problems there is a place for private entrepreneurs and private developers and private investment. I think there is also a place for public investment. I think there is certainly a place for closer co-operation between private agencies and government agencies.

Mr. Speaker, I am happy to move second reading of this Bill.

Motion agreed to and Bill read a second time.

### THIRD READING

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Blakeney that Bill No. 109 — **An Act relating to the Payment of Succession Duty** to be now read a third time.

**MR. K.R. MacLEOD (Regina Albert Park):**— Mr. Speaker, I just have a few words about this Bill.

This Bill is nothing more or less than a piece of showcase legislation by the Government. The experts who have studied tax laws and who have been advising people on the administration of their affairs for years have concluded that very few people

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will be caught by this Act who do not desire to be caught by it. People who consult competent legal and accounting professional people will have no difficulty in arranging their affairs in such a way that they will be able to avoid the implications and the imposition of the tax.

The result is, Mr. Speaker, that in many cases only the unsuspecting person will be hurt. The sophisticated and particularly very wealthy person will have no difficulty in so organizing his affairs that he will not pay any tax on this Bill. But the unsophisticated person, the person of very moderate wealth, a person who does not spend a lot of his time with the accounting and legal help required to avoid the tax, legally avoid it, will find themselves in a position that they pay the tax. But the very wealthy, if such there be in this province, will not be obligated to pay any tax because they will have no trouble avoiding it.

Particularly the Act itself attracts a bad kind of situation. Section 3(5), the Premier last night admitted that under the circumstances where off-shore corporations are incorporated in tax havens such as Alberta, the children are far better off, beneficiaries are far better off, if they are out of Saskatchewan.

Now surely to goodness no Act is a good statute if it says to children of our people in Saskatchewan, you are actually better off if you are not in Saskatchewan. That is what it says.

Now one of the problems in this is that we believe the elimination of tax free gifts between husband and wife is and should be the subject of severe condemnation. Between 1968 and 1971 gifts between husbands and wives were made tax free. We believe that taxation of these gifts should at least be deferred until death of the survivor. I know that the Government has indicated and admitted that it is prepared to impose the tax because they are afraid that a wife might be able to move somewhere else and thus avoid the tax. And they want to catch them as soon as they can.

The language, of course, is disgusting and disturbing. Even the Premier of this Province had difficulty in understanding the Bill. I mentioned yesterday that an African country had decided to stop printing its tax laws in English and would start doing them in Swahili and I recommended that the opposite course should be considered by the present Government.

The excuse for some of the bad sections, and the excuse given by the Premier in explanation of the Bills, was simply that a compromise had to be made with other provinces. I suggest, Mr. Speaker, that that is a very poor justification for bad laws and bad draftsmanship. The Bill is severely deficient in the fact that it does not give to small businesses the same privileges that are given to farms and to residences. The Bill specifically gives permission for a special exemption, a once in a lifetime gift of residences between spouses. And it gives a special once in a lifetime gift of farm land to children for farming purposes, but it does not extend the same once in a lifetime privilege to small businessmen who would like to give an interest in their business to their children.

The Act is severely deficient in this respect. One of the more serious deficiencies is the retroactive nature of the Bill. Gifts made in 1969, 1970 and 1971 may themselves be taxed in 1972 because of the retroactive collection of gifts given in the

last three years. That means that when people make gifts in 1970 or 1971 or even in 1969, under laws which then made those gifts totally exempt, particularly between husbands and wives, may find if a man or wife should die within the period of three years of those may well find that they have added back and made subject to tax certain gifts which could not have been taxed previously and there is no way that they can rectify the situation because of the oppressive and harsh retroactive feature.

One of the more insidious features is Section 21(1). Those on the other side who have been saying, oh, it is not double taxation, should read that section. That section states specifically that no deductions may be made of taxes to be paid before they value the property. So the value of a piece of property, a value of a business, even if many dollars are owing in income taxes, it is valued at the gross amount and not on the net amount. And what is happening, Mr. Speaker, is the succession duty, in fact, taxes other taxes. Now that is really double taxation. It is one thing to tax a particular piece of property twice. Now that is customary in many instances. It is certainly true in this Bill, but it is very unusual to say to a man, we are not going to deduct all your debts before you value the property. Subsection (1) refuses to permit a person in valuing his estate to deduct the taxes actually payable in respect of any business or any matter listed in Section 21(1). As a result it is not only double taxation, it is taxation on another tax. It is taxation of property which a person does not have.

Because it taxes property which people do not have, it is to my way of thinking a badly drafted, inept Bill. I could give example after example. Charitable organizations are not adequately spelled out, far too limited. Another matter is the case where they do not propose to allow deductions unless they could collect from the property in Saskatchewan. Over and over again debts are not permitted to be deducted before valuing an estate.

Mr. Speaker, this Bill is inept, it is poorly and carelessly drawn. It is harsh, it is oppressive, it is unconscionable and it is unreasonable. It is so wickedly and poorly drawn and so ill-conceived that I do recommend that they throw it into the trash can or send it back and draft it over again. It was probably drawn by some lawyer outside the Province of Saskatchewan as it certainly wasn't drawn by a competent Saskatchewan lawyer. Consequently I recommend, Mr. Speaker, that the House vote against the Bill not just because of its bad economic features, because it is such a messily and carelessly drawn Bill.

Motion agreed to on Division and Bill read a third time.

## MOTION

### SPECIAL COMMITTEE ON THE REVIEW OF LIQUOR REGULATIONS

**HON. A.E. BLAKENEY (Premier):**— Mr. Speaker, by leave of the Assembly, I should like to move, seconded by the Hon. Mr. Romanow:

That the name of Mr. Thibault be added to the list of Members of the Special Committee on the Review of Liquor Regulations which was appointed by Resolution of this Assembly on August 9, 1971; and

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That the Special Committee on the Review of Liquor Regulations be instructed to continue its enquiry into all aspects relating to the sale, advertising and distribution of alcoholic beverages in Saskatchewan; and

That the Committee be further instructed to submit its final report to the Assembly with all convenient speed.

**MR. D.M. McPHERSON (Regina Lakeview):**— Mr. Speaker, there are so many ‘drys’ on the Committee that it’s a pleasure to have the Member.

**MR. A. THIBAUT (Melfort-Kinistino):**— Mr. Speaker, as a new member I should like to say thank you.

Motion agreed to.

The Assembly adjourned at 9:30 o’clock p.m.