

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Fourth Session - Seventeenth Legislature**  
**50th Day**

Monday, April 15, 1974.

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

**QUESTIONS**

**BANK OF CANADA RATE**

**MR. J.G. RICHARDS** (Saskatoon University): — Mr. Speaker, I should like to direct a question to the Premier concerning the increase from 7¼ to 8¼ per cent in the Bank of Canada bank rate. Mr. Premier we, I think, can be in agreement, in saying that if the Liberals in pursuing this policy of trying to control inflation we are going to get a result naturally that will harm the average working person and the poor inasmuch as this is going to mean increases in mortgages, increases in mortgage rates and housing costs, which is a very erratic industry at best. Furthermore, in this time of high inflation we still have unemployment in the order of five per cent. The question, Mr. Speaker, is, has the Provincial Government made any representations to Ottawa with respect to its attempts to control inflation by the use of traditional crude monetary mechanisms such as control of the bank rate which tends to have the gross secondary effects of increasing housing costs, increasing unemployment, making the pinch being felt by the average person at the bottom?

**HON. A.E. BLAKENEY** (Premier): — Mr. Speaker, with respect to the specific basis for the question of the increase in the bank rate which I heard the first time today, no representations have been made since that announcement has been made.

With respect to the general question of whether or not the Government of Saskatchewan has made representations, the answer is, in part, yes. At a number of Federal-Provincial conferences the Government of Saskatchewan has put forward the proposition that attempts should be made to control inflation by direct price controls rather than through the traditional, or perhaps in addition to the traditional, fiscal and monetary policies. The Government of Canada has, I think, persistently taken the position that price and income controls could not be made effective and accordingly were not effectively open to them.

**MR. RICHARDS**: — A supplementary, Mr. Speaker. The 8¼ per cent rate is a new record for the Canadian Bank rate. Has the Government any intention of making any particular representation given this announcement last night?

**MR. BLAKENEY**: — With respect to the intentions of the Government, I think that these will be made known in due course.

## MAJOR PROGRAM TO BENEFIT SENIOR CITIZENS

**MR. E.C. MALONE** (Regina Lakeview): — Mr. Speaker, before the Orders of the Day, I have a question to address to the Minister of Social Services (Mr. Taylor). I understand that there was a news report on Sunday indicating that the Government is going to announce a major program to benefit senior citizens. I understand as well the Government is intending to institute this program by way of Order-in-Council and is not going to bring the program before this Legislature. Firstly, is there such a program coming; and secondly, are you intending to introduce it by way of Order-in-Council?

**HON. A. TAYLOR** (Minister of Social Services): — Mr. Speaker, I have no idea of what the Member is referring to. If he is referring to the debate which took place last week in the House, that's one matter. If it is a new program, I have no idea.

## SECOND READINGS

**HON. G. MacMURCHY** (Minister of Education) moved second reading of Bill No. 98 — **An Act respecting the Saskatchewan Universities Commission.**

He said: Mr. Speaker, Bill 98, The Universities Commission Act, 1974; Bill 99, The University of Regina Act, 1974; and Bill 100 The University of Saskatchewan Act, 1974, creates a new university structure for Saskatchewan.

The bills have arisen from long investigation and study. For two years we have consulted and we have discussed. We proposed a Bill in 1973 and withdrew it to allow for further consultation. We ordered a full investigation under the distinguished Justice Emmett Hall. We have arrived finally at a structure which we believe to be the best alternative to serve the interests of higher education in Saskatchewan, and to solve the structural problems which have plagued the university in recent years.

My main remarks today will be related to Bill 98, The Universities Commission Act and I will only comment very briefly on Bills 99 and 100 in second reading.

In October, 1967, the newly elected Liberals decided they wanted to flex their muscles. I have here a clipping from the Saskatoon Star-Phoenix, October 19, 1967 and the headline reads, "Government to Control University of Saskatchewan Spending." There is a nice picture of the young new Minister, a good looking man, the Member for Wilkie (Mr. McIsaac), reading for a promising career. What is he going to do? I quote:

The provincial government will assume direct financial control of the university. The university will be obliged to make its requests to the Legislature just like any other spending department.

Or, if the authority of the Minister of Education at that time is not enough, take it from another Member with broad experience in university affairs. After all, the hero of the

well-known legend, "How a Guy Gets a Loan", ought to be an authority on such matters.

On December 6, 1967, the Member for Athabasca (Mr. Guy) addressed a Liberal Party gathering in Moose Jaw about the virtues of the University and of his respect for university autonomy. I quote from a news clipping, dated December 7, 1967, in the Moose Jaw Times Herald and the good-looking Member for Athabasca's picture appears here:

Mr. Guy said he was disappointed in the faculty and the students of the University of Saskatchewan. He was referring to protests by those groups to the provincial government's decision to take greater control of university finances.

If this is the attitude of the faculty toward responsibility, then the time will come when we have to take over academic control as well as financial control.

That was the dawn of the new Saskatchewan under the Liberal Party. The Member for Prince Albert (Mr. Steuart) re-emphasized the point in 1968 and I quote from the Leader-Post, November 6, 1968:

It all boils down to the point that the universities have to bring their own costs under control or have the job done for them.

And who said that? Then he was the Provincial Treasurer, now he is the Leader of the Opposition. Then he was all for controlling the university. Now it seems he is the great champion of university autonomy. He must have changed his tune on the road to the Legislature June 23, 1971.

Now at that time the university knew it was in a bit of trouble, and if it was to survive at all under the arbitrary, irrational and completely unpredictable whims of the Liberals, it would have to streamline its operation.

The university struck its own committee to examine problems and recommend structural changes. This was the joint Committee on Organization and Structure headed by Dr. W.A. Riddell, former principal of Regina and assistant to the president.

The Riddell Committee recommended:

1. A Board of Governors at each campus with clearly defined powers.
2. Abolition of the General University Council.
3. Distinctive names for each campus to provide greater identity for each individual campus.
4. More autonomy for each campus, but retention of a single central board. The Committee recommended that a strong central board be the single contact point with the government, and that it have clear power to allocate and rationalize between campuses.

University people themselves were beginning to admit the problems. The ills sorted themselves out into two major areas — that of decision-making, and that of the animosity building up between the two campuses.

First, the problem, Mr. Speaker, of decision-making. Not

only was it cumbersome but slow — a new program proposal had to go from department professors who may have originated it, to the dean, to the faculty or college, to the executive of faculty council, then to full faculty council, and then to General University Council. If it managed to make it that far, it then went to the Committee on Rationalization, followed by the council of the other campus, and then to the Senate. If the Senate approved, it went to the Board of Governors, who may agree in principle or may turn it back for further study. Should the Board finally agree, it could be implemented, providing there was enough money.

Obviously this is a very difficult process — enough to bog down almost any good idea. But a more serious problem had developed. Enrolments had certainly not lived up at all to the expectations. There were not enough students, let alone enough money. Some hard decisions were needed, and the university machinery was simply not able to make them. Rationalization between the two campuses was impossible.

The academic part of the decision-making process, headed by the General University Council, was too cumbersome to make any hard academic decisions. The managerial arm, headed by the Board of Governors and senior administration, pitted themselves city against city and deadlock was the only consensus in the hard and difficult decisions.

Indeed, shortly after we came to office in 1971 we found the Board of Governors ready to proceed with \$20 million new building complex on Regina Campus and at Saskatoon related to engineering, despite the fact that there were insufficient students to even fill the existing structures.

The second problem area was the hatred that had developed between the two campuses. As the Hall Report put it:

We found animosity, even bitterness, between the two campuses. . .two campus groups warring within the bosom of the one university.

Both campuses felt that the one-university concept was stifling their chances for identity and individuality.

Now Bill 90, which we put forward a year ago, was designed to attack these ills. Bill 90 had two objectives:

1. To streamline the decision-making process of the university.
2. To establish two campuses, autonomous from each other, yet retaining the one-university concept in dealings with the government.

Under Bill 90, each campus would develop a full university structure and would achieve the goals of autonomy and identity, while at the same time retaining the one-university concept in its relationship to the government through the single Board of Regents.

The Board of Regents would be composed of 12 members:

1. The President of each campus.
2. The Chairman of each campus Board of Governors.
3. One member chosen by each campus senate.

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4. Four public representatives appointed by the province.
5. The Deputy Ministers of Finance and Continuing Education.

The Regents were to be a half-way house between the government and the university, with membership split equally between the two. They would have had power to select a chairman and a vice-chairman from their number, and to appoint such staff as necessary.

The Secretary of the Regents was to be Deputy Minister of Continuing Education. The Board of Regents, through him, would be able to call upon the back-up evaluation and research capability of the Department of Continuing Education. It would also have the power to hire its own planning and controlling staff if it wished.

The Board of Regents was to serve as the single contact with the government. The province would turn its annual grant over to the Regents and they would allocate it to the campuses according to the priorities they saw fit to establish. In making their choices, they would have been able to call on the advice of the Academic Liaison Committee, a 13-man group representing both campuses, whose job would have been to recommend matching program proposals to avoid duplication.

The Regents represented, in equal numbers, the public and the university. Their job was not primarily academic, but their job was administrative, with responsibility for setting the limits and the guidelines within which the two academic communities would operate. Within those guidelines, each campus would have been free to run its own program.

The second level of the new structure was the campus level. Regina and Saskatoon were to become autonomous and independent of each other within the system. Each campus would have a complete university structure, with its own President, its own Board of Governors, Chancellor, Senate and Council.

The Board of Governors were to be made up of eleven persons: the Chancellor, the President, two members named by the campus Senate, one student, one faculty member, five public representatives.

The Act provided that Regina Campus would be named Regina University, and Saskatoon Campus would be known as the University of Saskatchewan.

The Act permitted up to 10 per cent of the council membership to be students, as it was expected that the faculty councils would play a major role in program development at each campus.

Now, I felt, Mr. Speaker, that Bill 90 was a good Bill. It would have provided separate names, separate Chancellors, separate boards, separate presidents, all the evidences of separate identities desired by the campuses. But it all retained a very strong central managerial body, the Regents, who would have retained control over program development, finance, property, salaries and fees. This would have ensured rationalization. But as you well know and as we all know we withdrew the Bill. Bill 90 was debated by the public and in the Press. Indeed the controversy which ensued was of a level seldom awarded any Bill put forward in this Legislature.

Mr. Speaker, first of all we were accused of lack of consultation. Leading university spokesmen accused us of this despite the fact that the Premier and I had both communicated extensively with them, with the university as the Bill developed. I had met numerous times with the Board of Governors, met with the Senate prior to the introduction of the Bill.

Secondly, Mr. Speaker, it was charged that Bill 90 would somehow give the Government control of the university. We are not sure of the mathematics of those who charged us with control. Bill 90's Board of Regents would have had six public representatives on a 12-member board, where the present board of governors has 11 representatives on a 21-member board. But then some people can do strange things with mathematics when they have to.

In addition, somehow the fact that we had not made a distinguished academic head of the Board of Regents was government control. The Board of Regents was a managerial body, not an academic body, but critics were horrified that we would suggest breaking the time-honored educational tradition of promoting educators into administrative positions.

And still greater horrors, Mr. Speaker, we had made the Deputy Minister of Continuing Education secretary to the Board. We were simply making research strength accessible to the Regents, but instead we were told we were taking over the university and replacing the President.

Yes, there were the academic critics of the Bill. But then there was the Leader of the Opposition. The same voice who, as Provincial Treasurer in 1968, said the university would have to be controlled suddenly became the champion of university autonomy and suddenly became the saviour of academic freedom.

Mr. Speaker, as the Hall Commission Report assessed the criticism of government control in their study of Bill 90 there came the comment and I quote:

We were unable to discern any such intention in Bill 90.

In fact, Mr. Speaker, when you look at the Report very closely, it appeared the Hall Commission really felt that the trouble with Bill 90 was that it simply didn't go far enough with respect to the autonomy and the independence of each of the campuses.

Mr. Speaker, the criticisms of Bill 90 were unfounded, and the Liberals had once again demonstrated their mania for grabbing at straws in the interest of short-term political gain.

But I say, Mr. Speaker, that the Members on this side of the House are fortunately not so short-sighted. We knew if any Bill was to succeed it had to be understood by the people of this province and those who had to work within it. We withdrew the Bill. We withdrew the Bill to permit more time for consultation. We followed this up, Mr. Speaker, with the appointment of a completely independent three-man commission to do a study of the province's university governance needs.

That three-man commission was made up of Justice Emmett Hall, Gordon South and Stewart Nicks, the now famous Hall Commission. The Commission gained immediate respect in the quality and in the integrity of its members, each a statesman in his own right,

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each outstanding in his own field as a man of justice and fair-mindedness, each a dedicated servant of Saskatchewan's development for many, many years.

The Commission earned respect in the thorough and sound job it did. Its workmanship was detailed and objective. Hearings were held in ten Saskatchewan centres between June and August of 1973. Submissions were received from some 80 organizations. Private sessions were held with university and government officials. National administrators and educators were consulted.

Mr. Speaker, those three sterling characters found some interesting things in their travels.

They found that outside of the two cities, the general public weren't very concerned about the structure or governance of the university. The controversy over Bill 90 was largely created by the university academics, the Press and the Liberals opposite. Out there in rural Saskatchewan, where I say the real people are, they simply wanted its benefits made accessible to more people and for it to get on with its job of education.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MacMURCHY:** — They also found, rather predictably, that the alumni people, that the Senate wanted things to be as much as they had been since 1908, a good deal of old fashioned nostalgia and loyalty. The Board of Governors it seemed wanted Bill 90 again with a few refinements to guarantee that the government couldn't get too close to their operation.

But, Mr. Speaker, they also found one very, very startling thing. It became glaringly evident that it was the Saskatoon faculty who were the radicals, not the Regina faculty. It seemed as though the Saskatoon campus was saying:

Rid us once and for al of this pesky, howling youngster in Regina, and let us go our own sure way.

That campus group in Saskatoon asked for complete separation and they didn't care whether there was a Commission or not. It became therefore, crystal clear that the wedge between the two campuses was much greater than any of us had realized. Autonomy was inevitable.

When the Hall Report came out, we invited written and verbal reaction from all sources. We have held countless interviews and countless discussions. You will have seen or heard, or been part of some of that reaction. In the light of what I have been telling you, 99 per cent of the reaction was entirely predictable. Many agree wholeheartedly with the Hall Commission Report.

There were those who said the Hall Report is too weak, meaning that the proposed Commission is too far removed from the day-to-day management of the universities.

There were those who said that the Commission would be too strong; its committees would tend to tamper too much in the life of the universities.

We weighed all these comments carefully, and the consensus

Mr. Speaker, has to be Hall. These three wise men have just about hit the balance. We have attempted very seriously to examine alternatives which are more or less than Hall, even to the extent of having written several alternative versions of the legislation. But, Mr. Speaker, none holds its own critical analysis quite like the Hall Report position as a guiding theme.

There are three separate Bills before us today, one setting up a commission, one for each separate university.

The Commission Bill which governs the administrative structure is based on the recommendations of the Hall Commission with some very slight variations. The two universities have each been incorporated in separate bills in order for each to amend its own structure. No changes affecting the internal structure of each university are incorporated in the two Bills; we want to give each university the opportunity to come up with its own best academic structure.

The legislation creates two separate and independent universities in Saskatchewan. Each will have its own chancellor, president, board of governors and senate. There will be no formal links directly between the two universities except for those provided by the Commission.

To some people, separation of the campuses will seem a drastic measure. In fact, Mr. Speaker, it is no such thing. As Hall reported, we already have two universities in this province. It is not important whether one is called Regina Campus or the University of Regina. The real question is not whether we should have two universities, but how we should organize and co-ordinate them in the overall interests of higher education in Saskatchewan.

Separation of the campuses is bound to be opposed by those who continue to believe in the one-university system for sentimental reasons, and continue to believe that it can work. It will also be opposed by people who have a vested interest in one university.

The Hall Commission was well aware of the opposition. They heard briefs and they conducted an extensive study of how multi-campus universities work elsewhere — and indeed, there are places where one-university systems do function. Despite all of this, Mr. Speaker, the Commission arrived at the conclusion that in Saskatchewan in 1974, two universities are a fact of life and we'd better learn how to work within that fact. I quote from the Hall Report, page 11:

We were left in no doubt but that the only viable solution was to recommend two independent universities.

Mr. Speaker, the Government agrees with this conclusion. Our experience is that the one-university system is not effective. It has failed in academic co-ordination; it has failed in administrative affairs. These failures are not the fault of individuals, though perhaps there are individuals who have contributed to specific problems. The failure, Mr. Speaker, is due to the inadequacy of the structure itself. It is time to change that structure so it can and will work for the benefit of the universities and the province that they serve.

Separation of the campuses raises a very legitimate question as to how the two independent universities can be co-ordinated



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to prevent waste, without infringing on their autonomy. The granting of independence must not be a signal for empire-building. As the Hall Report said:

Everywhere we were cautioned that the province did not need, nor could it afford, two universities competing for limited dollars that would result in duplication of programs, colleges or faculties.

Mr. Speaker, it is essential the co-ordination and rationalization be strong and effective so the overall needs of the province prevail over the individual interests of either university.

The Hall Commission concluded that the only way to make the Commission an effective co-ordinating body was to make the Commission completely external, not linked to the Department of Continuing Education, nor with any representatives of the university on it. As the Hall Report said, page 14:

In making appointments to the Saskatchewan Universities Commission the Lieutenant-Governor-in-Council should see that the Commission is broadly representative of the province as a whole, and of the dominant groups both male and female within the province, namely agriculture, labor, management and the professions. It should be the policy of the government that neither Regina nor Saskatoon should dominate the Commission. In this Universities Commission the concept of the university education in Saskatchewan as being a unified province-wide undertaking albeit with two separate universities will be perpetuated. We suggest no direct representation from either university on the Saskatchewan Universities Commission. It should be a wholly external body.

I believe the proposed Saskatchewan Universities Commission can be much more effective because it will be independent of either university.

One point should be made clear with regard to the role of the Universities Commission — its rationalization function will be performed through financial control; it will not be involved in the academic affairs of the universities. The Commission is the contact point for the university with government; it is administrative, not academic. The Commission would not be seen as the senior body in our university system; the senior bodies are the Boards of Governors, and that is where academic people will be located.

The Commission will however have its own staff, hired at its own discretion to make intelligent study of the needs of Saskatchewan higher education so that it can provide the universities with planning information, and also judge intelligently whether the public money entrusted to it are being properly used by the universities.

Mr. Speaker, when our Government took office we were amazed at how little information on university operations was available to the government. The Liberals like to pretend they were a real businessman's government — how efficient and 'no nonsense' they were. But when it came to spending \$30 million of public funds on the university, the Liberal government was totally irresponsible. The Liberals never made any detailed study of how

much money the university really needed. They never asked for any real information and then sat down and with the university, analysed it. They never initiated talk about new programs, or costs, or anything else. The Liberals used to hand out \$30 million by horse-trading, like a poker game. The university would bid high and the Liberals would bid low, and finally they would settle, not really on any kind of reasonable basis, but just whatever they thought they could get away with.

Let me comment, Mr. Speaker, on the basic procedures we see for budgeting under this new legislation.

Each university will submit to the Commission its budget. The Commission will assess the needs of each university, and it will have power to ask for explanations and documentation as it deems necessary. Each budget will be examined to give the Commission a thorough understanding of program needs and proposals. It will then be the Commission's job to match budgets with funds, and to mesh the two proposals into a unified, province-wide plan for higher education.

In performing its tasks, the Commission may find it advisable to delete items or to assign programs to one or the other university. However, once the analysis is complete, the funds assigned to each university are to be paid in a global lump sum, and their disposition after that will be at the discretion of the Board of Governors. In short, the Commission will have no power to enforce expenditure for specific purposes within the universities. This constitutes a 100 per cent guarantee for academic freedom.

Capital funds will be allocated to the universities in much the same way as at present. Project proposals related to program needs will come forward to the Commission, which may accept or reject them after study. No building worth over \$100,000 may be erected without the approval of the Commission.

The decision-making of the Commission will be assisted by four committees. Here we differ from the Hall recommendations. Hall recommended three advisory support committees, made up of academics, the Commission and university representatives. We have provided that the Commission may establish as many advisory committees as it sees fit, but must establish at least four. It will establish:

1. A business affairs committee - to advise the Commission on financial matters having a bearing on the budgets of the campuses.
2. A program co-ordinating committee - to advise on all matters relating to the rationalization of under-graduate programs.
3. A graduate studies and research committee - to rationalize post-graduate and research programs between the two campuses.
4. A capital planning and development committee - to review and advise the Commission on all matters relating to capital expenditures at either campus.

The Committees, Mr. Speaker, ensure that all academic, student and administrative voices at the campus level have a direct input into Commission decisions which affect them.

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In addition, though the Commission is responsible for financial co-ordination, the Act makes it very clear that the Commission shall not interfere in academic matters on either campus. The Act states specifically that the Commission shall not interfere in:

1. Academic policies and standards.
2. Standards for admission and graduation.
3. The selection and appointment of staff.

The Commission will have nine members — eight part-time members and one full-time chairman, named by Cabinet to represent a broad cross-section of the Saskatchewan public.

I have no doubt, Mr. Speaker, that the Universities Commission will be called a tool of 'government control' by some people in this province. Quite frankly, Mr. Speaker, I can think of no reason why any government would want to wish the running of a university on itself.

But I come back to the Liberal mathematics again. If the government really wanted to take control of the university, I suppose we could really do it right now. There are 21 members on the present Board of Governors, and there are 11 Cabinet appointments — an absolute majority. If control was the objective, no legislation would really be needed.

I think it is obvious that the 11 government appointees on the Board are not by any means a unanimous block and they are not intended to be unanimous, and never have been, and never were even under the Liberal government. No doubt the Member for Wilkie can recall the controversy of 1968. The Liberals think all you need for control is majority. I would suggest they speak to the former Minister and get his advice on how Boards of Governors work and how easy they are to control.

Mr. Speaker, the public deserves to be represented on any university board, and there is really no workable way of naming public representatives except through the elected government. There is nothing unusual about this — the Hall Commission recommended without any apology at all. Public representatives have done a good job before and they will continue to do a good job in the future.

Mr. Speaker, I remind you that the Commission is empowered to hire its own staff. The Executive Director is a Commission employee, as well as any other staff they might see fit to require. There will be no connection with the Department of Continuing Education or the Government. The legislation ensures the Commission's independence.

Le me for a few minutes, Mr. Speaker, turn to the universities themselves.

The thrust of the present legislation is to concentrate on the careful structuring of the duties of the Universities Commission and on the creation in law of two separate universities. No real attempt is made, however, to come to grips with what the internal structure of a modern university should be.

The two university Acts are nearly identical copies of The University Act, 1968, providing for each the traditional

Saskatchewan structure with two senior legislative bodies, the senate on the academic side, and the board of governors on the management side. In addition, the familiar convocation, chancellor, president, faculty council, deans and department heads are provided for.

This must not be seen as either complete endorsement by this Government of the present internal structure, nor as an indication that the Government view the internal organization as being unimportant. Quite the contrary, Mr. Speaker, they are seen as so important that it would be foolish to attempt any major change in the internal structure at this time. The people who will be most affected need time to suggest better solutions.

Many people did express to the Hall Commission concern over the present structures. In our discussions since Hall and before, the internal structures constantly arise as a sore spot. Some of the major questions are becoming clear.

Is the two-house system best for decision-making, or should we be trying some sort of a joint academic and administrative decision-making structure, as the University of Toronto is now using?

Is the present large senate effective? Is it too much dominated by academics? Is the present council sensible, since rarely do more than 10 to 20 per cent of the faculty turn out for meetings? Should both the senate and council disappear in favor of some smaller and more streamlined academic decision-making body?

Should something be done about the group decision-making or administration by consensus that has gone so far that decisions are virtually impossible? Is it really healthy to have senior administration so hamstrung by committees that it really can't do anything, and faculty members sick of spending time in administrative committees when they could be doing their research?

And what about the students' demands for parity, Mr. Speaker? How much involvement should students have? How should it be provided for? Should the Acts remain silent on such matters as tenure, workload, sabbatical leave and pensions?

These are only a few of the concerns we have heard respecting internal structure and relationships. They need to be debated by the university and by the wider community. I hope they will bring forward proposals. I hope they will be simple enough to be responsive, yet strong enough to move when necessary. What is right for Regina may not be right for Saskatoon, and vice versa. They have now a real opportunity for individuality and I hope they will use it. Therefore, let me make it perfectly clear the universities are each hereby invited to set up study committees to examine ideas for change that can be incorporated into amending legislation next year or the year after or whenever they are ready to move. I hope these committees will be representative of all the elements of the university community and will include people from the wider community.

We have made a few changes from the 1968 legislation and these should be noted. The Senate's role is clarified. More provision is made for student representation on the Senate. Provision is made for the faculty representation on the Board of

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Governors. Finally, residual powers between the Commission and the Board of Governors are to reside with the Board.

The idea behind these was simple. They are not meant to affect in any way the major review of internal structure I am calling for, but rather seemed so obviously needed that it would have been a shame to deny these actions for another year.

Mr. Speaker, the critics of the legislation will fall generally into two groups it seems to me. There is a group, among them the present governing bodies, who say that this new structure is too weak to control duplication. They say the universities will run off on a spending spree, and only a strong central board with more powers can hold them down.

Mr. Speaker, these people are calling for the same central control as provided in Bill 90 — the same powers that were condemned last year as government control. If it was so bad in 1973, how come it has suddenly become so necessary in 1974?

Those critics have found themselves however with an expected ally. I'm sure those critics must have been delighted to read in the Leader-Post, Thursday, March 28, and I have the clipping here:

C.P. MacDonald said Tuesday he was disappointed at the refusal of the Government to give the new University Commission authority over academic standards and staff. The decision will reduce the Commission to the role of a review committee, he said.

It is interesting how the same plan which will reduce the Commission to the role of a review Committee was in 1973 a diabolical scheme of the Minister to take control of the university. It is interesting how the 1973 saviors of academic freedom are now calling for a Commission with what sounds to me like veto power over academic programs.

Mr. Speaker, those crying 'weakness and duplication' in this Bill are hypocrites.

The other group of critics, Mr. Speaker, naturally, are those who say there is still too much central control, even in the Hall legislation. Hall states again and again that this province does not need, and cannot afford, two duplicate universities. It states again and again that someone has to decide what the programs are going to be on each campus. The campuses themselves, under the single university structure, have proven they cannot do the job. That leaves only these alternatives: either a completely independent commission or no commission at all, or the Government itself.

Mr. Speaker, personally, I have a great deal of objection to the government doing the job. They do it in Alberta and it seems to not be working all that well there. The result of all the consultation and study that has been going on in this province over the past two or three years is the conclusion that a commission independent of university and government, with power to plan and co-ordinate, is the best way of doing the job. This is what we will enact.

Mr. Speaker, I believe the approach incorporated in these Bills will work and will work well.

The Hall Commission stated that the University of Saskatchewan and I quote:

Has throughout its history been of great service to the province and it is an institution in which the people of the province take a great deal of pride.

Mr. Speaker, Hall traced the history of the university and the vision of service on which it was founded. But a hamstrung institution can neither serve nor maintain the respect of its people. The time has come for change.

I regret the length of time the consultation has taken, but, Mr. Speaker, I believe that the end result makes up for the tensions, and that the province's needs in higher education will be better served as a result of it. Now the university can get on with its job of ensuring the best opportunities for the people of Saskatchewan. These Bills will free the university to pursue that vision of service to Saskatchewan on which it was built.

I am pleased to move second reading of Bill 98, An Act respecting The Saskatchewan Universities Commission, 1974.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. C.P. MacDONALD** (Milestone): — Mr. Speaker, today like the Minister of Continuing Education, I am going to limit the bulk of my remarks to the Bill on establishing the Universities Commission.

I want to make a couple of comments on the remarks that the Minister made. I thought the biggest joke — perhaps the biggest joke of this Session was when "the Liberals started to flex their muscles in 1967 and take over control of the University of Saskatchewan," that from a man who introduced Bill 90, which attempted to seize absolute political control of the university; cause the resignation of the vice-president; the absolute rebellion of the president last year; the criticism of the Board of Governors and everybody else involved.

The second thing, Mr. Speaker, his attack on the faculty at the University of Saskatoon disturbed me. He said the one concern of the faculty of the University at Saskatoon was to get rid of the offspring in Regina. And certainly if there is anything that the Minister said that was an indication of his inability to recognize the real concerns and the feelings of the university community it was that remark.

The Saskatoon faculty, I suggest will not accept this shallow criticism by someone who doesn't have the knowledge of the university and their concerns.

He went on to say, one thing about it is the decision-making power is now the concept that we are attempting to implement. The only decision-making power that was in Bill 90 was in the hands of the Minister of Continuing Education.

Mr. Speaker, one year has passed and the Minister of

Continuing Education has returned to the scene of his crime to present to this Legislature a second Bill to reorganize the structure of the university community in Saskatchewan. If there is any area of policy in which the NDP has demonstrated a complete lack of leadership and direction, it is in the field of university affairs. The universities have, for the past three years, been in a continual state of discord and uncertainty. It has been an intolerable situation generated by the fumbling of the Minister of Continuing Education in his attempt to recognize the changing status of post-secondary education in Saskatchewan.

Bill 98 in no way satisfies the leadership required in 1974. First, it fails to establish a strong co-ordinated agency to rationalize higher education — problems of transfer, salary scales, union contracts, tuition fees and a host of other problems are now left to a competitive system with no strong central agency with the responsibility to co-ordinate.

Second, it has established a Commission with the appearance of power but skilfully removed its ability to tackle the problems of costly duplication.

Third, it failed to remove the causes of political in-fighting between Saskatoon and Regina universities for the expansion of existing programs and the initiation of new ones.

Fourth, it has failed to come to grips with the difficult decisions concerning the future of engineering in both Saskatoon and Regina. It has passed the buck to the new Commission without giving it the legislative authority to deal with it.

Fifth, it has given the power to the NDP Government to appoint the members of the Commission, and the independence of that Commission can be severely questioned.

Let me briefly review the problem. The reason behind the desire to reorganize the university system in Saskatchewan can be summarized briefly. Accountability to the public. Accountability means that the universities are being made responsible for their actions to the public. Where does the money go, and is it being used for a good purpose? This was not and is not a problem isolated to Saskatchewan, but is apparent in every province in Canada and certainly every state in North America. We have only to examine turmoil in other universities across the nation to recognize its significance.

Universities across the world have come under far greater financial scrutiny in the last few years. This has been caused by downturns in enrolments and the employment market resistance to university graduates. This has led to a public re-examination of the high priority given university spending in the last 15 years. This Government has two options open to it in its attempt to solve this thorny issue.

1. To concentrate control and responsibility for university affairs in the hands of the Minister of Continuing Education, with strong political control over every aspect of post-secondary education.
2. The other alternative is to establish public accountability for university spending in a co-ordinating agency outside the strict control of the politician.

The NDP had only one alternative in keeping with their philosophy. Government control by the political party in power, namely themselves.

We have only to examine their actions with the Land Bank, the Hog Commission, the forest industry, the oil industry and their general approach to government to know the reason why. To the NDP, they are the divinely ordained political party in Saskatchewan. Only they and their army of bureaucrats have the wisdom and the knowledge to control the lives of Saskatchewan citizens, from the raising of hogs to the determination of university financing. The result is history, the Liberal opposition, the university community, the public at large rebelled at this bare-faced seizure of university control by the NDP.

The reason was simple, the fear that the traditional decision-making autonomy of the university was being emasculated and placed in the hands of one individual - Gordon MacMurchy - an individual dominated by political considerations. He was one individual who neither had experience nor knowledge about university problems.

This transfer of control of such a vital and influential institution as our university was viewed by everyone as the virtual assumption of dictatorial powers by the NDP Government. Under the guise of public accountability of university spending, the Government attempted to seize political control. The NDP were confused by the desire of the public for accountability and thought public accountability meant political control.

The withdrawal of Bill 90, the appointment of the Hall Commission, is a real tribute to the Liberal Opposition and its strength in this Legislature and also to the public of Saskatchewan. They made it known in no uncertain terms that they would not accept political control of the University in Saskatchewan.

But the NDP again got confused. In his haste to repent his sins, Education Minister MacMurchy misinterpreted the real concern of Saskatchewan people. They did not want a strongly politically dominated Board of Regents to co-ordinate its university affairs, but they did want a strong co-ordinating agency outside of government.

Mr. MacMurchy has created a "Universities Commission" but it is not a strong co-ordinating agency. In fact, it may be a powder puff that will compound the problems, not solve them.

The Senate and the Board of Governors of the universities have both expressed the need for a strong co-ordinating agency. Call it a Commission or whatever name you wish. In fact, six weeks ago, Mr. MacMurchy, according to what I hear, accepted their advice and proposed a strong "systems board approach" with real power to rationalize university affairs. They agreed with his proposal. Sometime in the last six weeks, somebody got to Mr. MacMurchy and changed his mind. Was it the New Democratic Party, or who, Mr. Minister? In that interim period he changed his mind and advanced this proposal of a Commission with no responsibility to co-ordinate future planning and development and turned it into a budget review committee.

Let me quote from the Act:



Subsection (c) of Section 6 gives the Commission the power to review budgets.

Receive, review and rationalize the budgets annually presented by the institutions or presented at any other time at the request of the Commission.

But in the very next Section 7, subsection (a) he denied the Commission any power to determine academic policy. Let me quote:

The Commission shall not interfere in the exercise of powers conferred on an institution in relation to (a) the formulating and the adoption of academic policies and standards.

In one simple phrase he destroyed the effectiveness of the University Commission. In the two Acts setting up separate universities the legislation gives the Senate and to the Board of Governors complete control over the formulation and the establishment of academic programs. Let me quote from the Bill to establish the University of Saskatchewan:

Section 62, subsections (g) and (h)

The board may: (g) consider recommendations from the Senate for the establishment of new colleges, schools, departments, programs or major extensions to existing programs and consult with the Commission on the funding thereof.

Notice the word "consult" not "co-ordinate", but only consultation. Subsection (h) is even more explicit:

Provide for the establishment of such colleges, schools, departments, programs of instruction or change in existing programs of instructions as the Board considers necessary.

Some say, "oh yes, but the one that controls the purse strings will control the programs." This is simply not true, and there are all kinds of examples. Let me take the School of Social Work, now in operation at the University of Saskatchewan, Regina Campus. This policy was approved by the Board of Governors four or five years before it was put into effect. Each year the Board came to the Government to seek funds to establish the school. Each year it stated that it had insufficient funds to put the program into effect.

Then the politics began. Each year the request for funds. No one had cancelled the program. No one had denied the right to inaugurate the program. All that was refused for the dollars involved. Five years later, after continual lobbying — continuing politicking — the program was commenced.

Let's take another example, a hypothetical one. Five years from now, both Saskatoon and Regina may decide to institute a School of Architecture. Both the Senate and the Board of Governors of each University approve the project. The Commission denies the funds, but has no authority to co-ordinate the program. Then the infighting and politics begin. Eventually the universities end-run or circumvent the Commission and apply pressure to the Government.

This Bill has the potential danger of increasing the politics in our universities. Unless the co-ordinating agency has the authority to rationalize new programs it will end up like every other commission. It will be run out of existence by the universities themselves. This is just what has occurred in the Province of Alberta. The commission system has been established in many provinces in Canada and in every one it has failed to solve the problems of duplication, expansion, initiation of new programs or rationalization of university affairs.

The battle at the University of Calgary to establish a School of Law is the best example of the failure of the commission system, with no co-ordination responsibility.

Did the University accept the academic policy of establishing a School of Law in Calgary? The Commission denied the funds. From that moment, the battle was on. Pressure and infighting began not only with the commission, but with the government itself. The result was exactly the same as the engineering problem in Saskatchewan — it contributed to the destruction of the Commission and the establishment of political control.

What Mr. MacMurchy fails to realize is that responsibility for the co-ordination of academic policy is equally as important as financial control, if we are to have harmony in our universities in Saskatchewan.

I repeat, the commission system has been tried without success in many other provinces. It has been a failure because it has only been able to deal with finances. No one questions the right or responsibility of the individual university to determine what direction it should follow or what programs it feels are necessary. But in a province of less than one million people, it is vital that it must not enter into programs that will lead to costly duplication and the expenditure of millions of dollars without need or necessity.

Let me turn to the problem of engineering. Once again, here is a demonstration of the lack of leadership of the NDP. Mr. MacMurchy says that this will be the first task of the new Commission. Unfortunately, he forgot to give them the authority to act to make that decision. The Act clearly states that the Commission has not the authority to interfere in the formulation and adoption of academic policies. How can they deny the right of the Regina Board of Governors to establish and continue that program? Under what clause will the Commission deal with this problem?

The University has been given the power of expansion and initiation of all new programs. Surely the Minister does not expect that any self-respecting Senate or Board of Governors for the University of Regina has any choice but to promote the School of Engineering in Regina. Does he expect the Commission to go against this decision and cancel the funds? Surely this is only opening the flood gates to more hostility, bitterness and frustration.

What is budget review as contemplated by this Act? We can quickly point out what it is not. It is not a line by line examination of individual courses, departments or faculties. It is not the refusal to grant the funds to teach Biology 200 or French 100. It is not refusal to grant the funds to teach

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Sociology 400 because the Commission does not feel it has a high priority.

This type of an approach would be dynamite and challenge the very principle of academic freedom. The right of a university to teach what it wants — by whom it wants and the way it wants, is the freedom no one is prepared to surrender.

Budget review then is based on costs and efficiency and is allocated on a global or per student basis. Once these funds are allocated, the University, by the Act, has the right to change, contract or expand any program. This is impossible and the Minister knows it. Clearly, the Commission will have no power to co-ordinate program expansion or duplication.

Let me turn to another aspect of co-ordination that bothers me and I am sure that of other Members. The father in Estevan or Lloydminster, or Kindersley, or Yorkton, is not really concerned whether there is one university or two. He is concerned about his own son or daughter who is going to attend a university in Saskatchewan. That son or daughter starts off in Regina in the School of Arts and Science. He, or she has not yet determined the choice of profession. After completion of this course, he decides to become a lawyer. Unfortunately, the School of Law is located at Saskatoon. Will that student be able to transfer without difficulty? Will the student receive full credit for the courses he obtained? Will he or she be admitted on the same basis as those graduating in Saskatoon?

These are the problems that concern the people of Saskatchewan. This is the weakness of The Universities Commission Act. What efforts will be made to co-ordinate the right of transfer and access to the entire university system?

The committee system as outlined in the Bill is similar to that of Quebec and has some merit in this regard. The Committee on business affairs, program co-ordination, graduate studies, capital planning is one feature of the Bill that could develop co-operation and co-ordination, but it is on a voluntary basis. Unfortunately they have only the power to advise the Commission and the Commission has no power to act on their advice. This approach, again, resembles a powder puff and not a strong central co-ordinating agency.

Let me now turn for a few minutes to the membership of the University Commission itself. I object most strenuously to the entire Commission being appointed entirely by the NDP Cabinet. The people of Saskatchewan rebelled against Bill 90 for one reason. It gave political control of the University to a politician, the Minister of Continuing Education.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MacDONALD:** — The people of Saskatchewan and the University community are frightened of the NDP lust for power. Since you have become the Government of Saskatchewan, there has been one outstanding trademark of your regime — complete government control of every aspect of Saskatchewan life.

The University community, the general public and certainly the Liberal Opposition, do not trust you. They do not trust your

actions and your intentions. By appointing all members of the Commission you have, in reality, gained political control. Your appointments to other boards and commissions justifies this suspicion.

I should like to recommend the following formula to the Minister and urge him to adopt it: (1) Three members of the Commission appointed by the Lieutenant-Governor-in-Council to protect the interest of the Government; (2) Three members elected by the Convocation of each university on the same electoral basis as the Chancellor and members of the Senate are elected. These individuals would not be allowed to sit on the Senate or Board of Governors and would not be employed in any capacity by the University, nor would they necessarily have to be members of Convocation, but they would be elected by the members of the university community, with full knowledge of the kind of stature of people required to manage and to administer the University in the Province of Saskatchewan, not a political hack appointed by the NDP Cabinet.

This type of representation would ensure the independence and the freedom of action of the Commission. It would remove once and for all the charge of government control over post-secondary education in Saskatchewan.

Let me turn to the transitional sections relating to administrative personnel. It appears to me the NDP have spent millions of dollars attempting to get rid of two men; Dr. Spinks and Dr. Barber, in studies, in commissions, in lost progress and in lost development. They had no confidence in these two individuals because they did not accept their philosophy of government control. All of us can remember the courage and the integrity of Dr. Spinks last year when Bill 90 was introduced.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MacDONALD:** — Saskatchewan would have been better off if you had paid these men half a million dollars each and asked them to go their own way.

Bill 90 at least recognized the position of Dr. Spinks and named him Acting President of the University in Saskatoon. Bill 98, strangely, Mr. Speaker, completely ignores Dr. Spinks, a man of 44 years experience. Why, Mr. Speaker? Was it because he had the courage to speak against Bill 90? Was it because he dared to challenge your concept of university control?

I predict, Mr. Speaker and Mr. Minister, that you will hear from these two men. They might yet make a great contribution to post-secondary education in Saskatchewan by pointing out in no uncertain terms the weakness of this Bill.

It is also interesting to note that the new Commission has the responsibility of hiring former personnel from the President's office. Mr. Speaker, you have changed the function of the Commission and made no provision for the orderly transfer or responsibility. For example, many of the personnel in the President's office are . . .

**MR. CODY:** — Spinks for Athabasca!

**MR. MacDONALD:** — I will tell you that

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Dr. Spinks could run in any constituency in Saskatchewan after what you have done to the University, and be elected.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MacDONALD:** — Many of the personnel in the President's office are responsible for the terms and conditions of employment of all university personnel — union workers, non-union members of faculty administration and the faculty association. They are responsible for negotiating salary contracts, classification of university personnel and the management of pension plans. What will they now do at the new office of the Commission when these responsibilities now fall at the university level?

I wonder, too, what the Minister thinks of separate salary negotiations at each University when he fought so hard for provincial bargaining at the high school level. He sounds a little hypocritical to me.

This Bill provides not only the danger of costly duplication of facilities and programs, but it is certainly a costly duplication of services.

Finally, let me turn for one moment to the concept of leadership. If there is one failure that your Government, Mr. Minister, can be held responsible for in the last three years it is the lack of leadership in university affairs. You have been so concerned with the problems of autonomy and control, you have completely ignored the whole character of our universities in the 1980s. The universities have been at a standstill. The challenge of change and the need of long-term planning have been ignored. The patterns of enrolments in the elementary and secondary school system indicate the post-secondary system of education will alter dramatically in the next 10 years. There has been a drop in the birth rate of 50 per cent in Saskatchewan since 1954. Pre-school and school age populations will experience a further reduction of 30 per cent in the next 10 years, even if we retain our present population.

The present facilities may well exceed our requirements. Enrolments in undergraduate classes may drop significantly. By 1985, there may not be the student population to support even our present system. What direction will our Universities take? Will they be orientated to graduate studies? Will research become a more important factor? Those are the questions that need to be answered.

It is time that you, as Minister, began to provide the leadership to inspire this vision and planning. I urge the Minister to leave his preoccupation with re-organization and control and get down to the business of quality education and future planning. The Universities have lost three years, thanks to the NDP Government.

Mr. Speaker, this Bill does not provide for safeguards against costly duplication of facilities, of programs, of services. Mr. Speaker, I cannot support it because of that reason. I have other things to say, Mr. Speaker, and I beg leave to adjourn the debate.

Debate adjourned.

HON. MR. MacMURCHY moved second reading of Bill No. 99 — **An Act respecting the University of Regina.**

He said: Mr. Speaker, Bill 99 establishes an independent University of Regina. In the University of Regina we have a full autonomous body with jurisdiction over its own academic policies, programming staff, salaries and pensions. The University will have its own Chancellor, President, Board of Governors, Senate and Council.

As I pointed out in Second Reading of Bill 98, this legislation is almost identical to the 1968 University Act. However, the Board of Governors will be made up of six representatives of the University, the Chancellor, the President, two members elected by Senate, the president of the Students' Union, one member elected by the faculty, and six representatives of the public appointed by the Lieutenant-Governor-in-Council. The Board of Governors will appoint its own chairman and vice-chairman from its members.

The Senate will consist of the Chancellor, the President, vice-president. The principals of the affiliated colleges, the faculty deans, the deputy minister of Continuing Education, the chairman of the education council, 14 members elected by Convocation, six students elected by the Students' Union and representatives of any professional organization named by the Senate.

Until appropriate arrangements can be made under this new Act the present principal of Regina Campus shall be the acting president of the University of Regina, the vice-principal shall be the acting vice-president. Any person from Regina Campus who is a member of the former Senate or Board, but who would not be under the provisions of the new Act, may continue as a member until his term expires.

Finally, all employees of the former Board of Governors with responsibilities in Regina Campus will continue in their present positions.

Mr. Speaker, I am pleased to move second reading of Bill 99.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. C.P. MacDONALD** (Milestone): — Mr. Speaker, I have a few remarks to make on this Bill but I am going to address them to the Bill following and, therefore, I beg leave to adjourn the debate in order that some of my colleagues from Regina may speak on it in the future.

Debate adjourned.

HON. MR. MacMURCHY moved second reading of Bill No. 100 — **An Act respecting the University of Saskatchewan.**

He said: Mr. Speaker, Bill 100 establishes in a similar fashion as the previous Bill, 99, The University of Saskatchewan to replace the present Saskatoon Campus.

The present Chancellor of the University of Saskatchewan

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will continue as the Chancellor of the new University until the expiry of his term. The University of Saskatchewan will have its own president and vice-president, who until arrangements can be made under the provisions of the new Act will be the principal and the vice-principal of the present Saskatoon Campus. The Board of Governors will consist of twelve members identical in makeup to the University of Regina with the Chancellor, the President, two members of Senate, one faculty representative and one student, plus six members of the public. A senate and a council will be formed with the same membership as those outlined for the University of Regina.

In addition to the total academic powers allocated to each university, this legislation ensures the University of Saskatchewan its right to determine traffic bylaws and control traffic violations within the campus boundaries.

Mr. Speaker, I move that Bill 100 establishing the University of Saskatchewan be now read a second time.

**SOME HON. MEMBERS::** — Hear, hear!

**MR. C.P. MacDONALD** (Milestone): — Mr. Speaker, the Minister of Continuing Education has implied that these three Bills make up a package. In his initial remarks on the University Commission he spent equal or amalgamated the three Bills into one major speech of policy and description. I say, Mr. Speaker, that this is not a fact. The University co-ordinating system is not related necessarily to autonomy in Regina or autonomy in Saskatoon. I believe that these are two basic and fundamentally separate issues. The strength of a Commission to co-ordinate and rationalize university affairs in the province of Saskatchewan is one concept. The concept of separation of the Regina Campus from the Saskatoon Campus is another complete and separate issue.

Mr. Speaker, I don't want to confuse the issues, I would like today to concentrate and emphasize the problems relating to the Commission, therefore, I beg leave to adjourn the debate.

Debate adjourned.

**HON. W.A. ROBBINS** (Minister of Finance) moved second reading of Bill No. 92 — **An Act to amend The Gift Tax Act, 1972.**

He said: Mr. Speaker, I wish to deal with The Gift Tax Act, 1972 and I trust the Members of the Assembly realize that the main reason we have amendments in relation to this Act is that it is a complementary Act in relation to The Succession Duties Act; one complements the other and I should like to make my comments under four specific headings and perhaps give an example, which I hope will be of value to the Members of the Assembly in understanding the implications of the changes proposed.

The first change proposed is related to testamentary gift. We propose an amendment in The Gift Tax Act which would clarify the definition of these gifts which are exempt from tax under this Act. One clause exempts from tax gifts which are technically made but where the donor maintains possession and the rights to all income from those donated assets. The change also extends the tax free gift status to the reinvestment of any income from

those donated assets. This type of gift is exempt from tax because it would be included in the aggregate value of an estate for succession duty purposes in any event.

The next portion of the Act contains an amendment dealing with the gift tax credit and makes credit available for the total of all gift taxes paid to other jurisdictions while the existing legislation provides credit for the amount of gift taxes payable. The differentiation here, of course, becomes apparent I think when you realize that the change will have an effect on the timing of the payment of gift taxes to other jurisdictions, so as to receive the maximum credit available under The Saskatchewan Act. Unless gift taxes payable in other provinces have actually been paid, no credit will be allowed under The Saskatchewan Act.

The third section dealing with solicitor-client privileges and this section has been added to both The Gift Tax Act and the complementary Act, The Succession Duties Act, which defines and permits solicitor-client privilege to be utilized as a defence against actions taken by the Minister under the Acts to obtain information and documents.

The amendment has been analysed by the Canadian Bar Association and meets with their general approval. A lawyer may claim solicitor-client privilege in regard to documents or communications with a client subject to an 'in camera' hearing before a Judge of the Court of Queen's Bench.

The basic change, however, in this particular Act deals with the once-in-a-lifetime gift exemption and is related basically to the taxes that might apply in terms of farm land transfers and with respect to large assets like a house. There has been concern expressed that the rollover provision under The Income Tax Act is in direct conflict with the provincial Gift Tax Act in its treatment of farm land. The Federal provision permits the deferral of capital gains tax by permitting the transfer of land to a child to take place at the Adjusted Cost Base so long as the land was used immediately prior to the transfer for the purpose of farming. However, the transfer of land below the fair market value is deemed to be a gift under the provincial Gift Tax Act. Therefore, it has been suggested that the province should look into the possibility of changing this base to match the Federal provision of using the adjusted cost. We recognize that trade-off situations, Mr. Speaker, may arise when a farmer decides to transfer farm land to his children, in that gift taxes will increase as capital gains taxes decrease. It must be said, however, that the provincial tax is designed to impose the greatest tax burden on large transfers of farm land.

One of the purposes behind gift tax legislation is to tax the intergenerational transfer of wealth. The capital gains tax rollover provision provides that the liability for capital gains tax is postponed as long as the property is used for farming. This type of provision is relatively easy to administer under The Income Tax Act, since most of the type of property concerned will be covered by annual income tax returns. This is not true for gifts. Mr. Speaker, it would be extremely difficult to introduce any type of a scheme which would defer the amount of gift tax payable until some specific changes occurred in the ownership of the assets which had been gifted.

In recognition of the effects of inflation, the province



intends to raise the once-in-a-lifetime gift exemption from its present \$10,000 level to a level of \$20,000. This should facilitate farm land transfers while retaining the intent of the Federal legislation.

Mr. Speaker, in order to assist Members of the Legislature to understand the implications of this change, might I give an illustration or an example. Let us assume that a father decided to sell his 800 acres of farm land to his son. For simplicity's sake let us assume that that land was valued at \$100 per acre. The fair market value of the farm is assumed to be \$80,000 and the father's adjusted cost base is \$56,000. If the father chooses to take maximum advantage of the rollover provision, he would sell the farm to his son for \$56,000 with no capital gains involved. However, he would be deemed to have made a gift of \$24,000 under The Gift Tax Act. The value of that gift, \$24,000 attracts a tax rate of 15 per cent. If you compute that 15 per cent on that \$24,000 you come up with \$3,600. Now there is a \$10,000 once-in-a-lifetime exemption under the Act as it now stands, subject to a 15 per cent tax rate which would reduce that liability from \$3,600 down to \$2,100 or a reduction of \$1,500 in the once-in-a-lifetime exemption. When you also take into consideration the individual annual exemption of \$2,000 permissible under the Act, or permissible under the proposal in the Act, at 15 per cent, a further reduction of \$300 occurs, leaving a tax payable under the old rates of \$1,800.

Mr. Speaker, if we look at that same example in relation to the proposals in the Bill, you find that the value of the gift is \$24,000, the gift tax rate is still of course, at 15 per cent, computing 15 per cent of the \$24,000 gives you the \$3,600 figure and you would then deduct 15 per cent of \$20,000, the new proposed exemption, which will reduce that tax liability by \$3,000. You would also deduct the individual annual exemption of 15 per cent based on the \$2,000 figure which would reduce it a further \$300, and would make the total tax payable \$3,600, less \$3,300 or a tax payable of \$300. Therefore, the difference in terms of that example and the proposal in the Bill would indicate that the tax in that particular instance was reduced from \$1,800 to \$300, a differential of \$1,500.

We think this makes sense in relation to the fact that often a quarter section of land is gifted by a father to his son. It is not realistic in today's world to assume a valuation of \$10,000 in terms of that quarter section of land. In addition we often find gifted half of the value of a house and obviously with housing costs rising very rapidly, as they have in recent years, it makes sense in terms of changing the exemption from \$10,000 to \$20,000 in that respect as well.

I'm hopeful, Mr. Speaker, that that example will illustrate the implications of the proposed changes related to the exemptions in The Gift Tax Act and I take pleasure in moving second reading of Bill 92.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. G.B. GRANT** (Regina Whitmore Park): — Mr. Speaker, the Hon. Member, the Minister of Finance, (Mr. Robbins) in citing the examples reminded me of his story, and I'm not exactly able to recall the details but in some mathematical way he was able to add up certain figures, several

different ways and come up with the incorrect answer and it sounded pretty logical. And the examples he gave just now just reminded me of that instance when he cited that mathematical wizardry in this House. No matter how you add it up, The Gift Tax Act in this province does not appeal to me and I am not in favor of the Act itself.

However, when it comes to this amendment, it's something like the man who is about to be hanged, if he's asked if he's in favor of capital punishment, well naturally he's not very enthused about it. But the second question, if he is asked if he would like the drop shortened up from about ten feet to six, he might say well I'd favor that, hoping that he might be able to sustain the drop. So that actually this is much the same, this amendment to the Act and it would be very difficult for anybody to oppose an improvement, small though that improvement may be.

I'm reminded of the speed with which the NDP rushed in to fill this so-called vacuum that they claim was created when the Federal Government vacated the gift tax area and certainly I don't think very many people felt that it was a vacuum, because the vacuum was immediately filled by the Federal Government by a form of taxation called the capital gains tax. So actually we have ended up with two forms of taxation here, levied against a person who happens to be the recipient of a gift. So it's a duplication to some extent of the capital gains tax and I think is indicative of the philosophy of the NDP, that they can't stand to see anybody get something without the sweat of their brow whether it's a small gift or a large one. They seem ever anxious and every ready to jump in and get their pound of flesh.

I notice that by the end of this year, I believe there will only be five, or half the provinces in Canada levying the gift tax. I believe there are only three now and there are going to be two more drop out before the end of the year. While there might be some grounds that one could justify the gift tax in the more affluent provinces and the more populous provinces of Ontario, Quebec and British Columbia, up until this year I don't think Saskatchewan could be classed in with the affluent provinces and in all likelihood if history repeats itself, our affluence might be short-lived.

The fact that Alberta does not have a gift tax, or a succession duty tax and several other attractions, that neighboring province is certainly creating a vacuum that is going to suck in more and more Saskatchewan people because of these attractions. While the Minister was unable to recall anyone from Saskatoon who had actually moved to Alberta because of these taxes, if he wishes to come over and see me afterwards, I'll give him the names of quite a number of people in southern Saskatchewan and while he said he had encountered such people in Saskatoon who said they were going to move, they were still there and hadn't done so. I think he'll find on closer examination that there have been quite a number of people leave the Saskatoon area as well as southern Saskatchewan.

One of the many things that bothers me, being a non-farmer, is that there is a lot of wordage paid to the ability of the farmer to transfer his land, or at least in the event of death. The capital gains tax allows a rollover from father to son, but no one seems to give any consideration to the transfer of a small business, which to me is equally important as farming operations

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in our system of doing business in this country, unless we intend to put all small businesses under the jurisdiction of co-ops or government direction. But I'd certainly like to see, if this Act is going to continue, and I gather it is as long as the NDP is in power, I'd like to see more consideration given to the transfer or the rollover of small businesses from father to son, that is, during his lifetime and not make it necessary to wait until he dies to do it, because believe me, it is certainly discouraging now. I can't see any detraction or any drawback or anything wrong, politically or otherwise, with encouraging the small businessman to transfer his business to his son and let him continue that small business.

All governments, socialist or otherwise seem to pay lip service to the importance of helping small businessmen and yet this is one area that there is no help whatsoever.

As quite a number of Members and particularly the financial critic on this side of the House have more to say on this subject, Mr. Speaker, I ask leave to adjourn debate.

Debate adjourned.

HON. MR. ROBBINS (Minister of Finance) moved second reading of Bill No. 93 — **An Act to amend The Succession Duty Act, 1972.**

He said: Mr. Speaker, Bill 93 of course deals with succession duties and is an associate or companion bill with gift taxes. I realize the different philosophical approach the Member for Whitmore Park (Mr. Grant) takes in relation to succession duties and gift taxes and I don't doubt his sincerity in this approach. I'd just like to make a remark if I may though, that I think he must conclude if he looks at the facts of modern day economics that a much greater risk in terms of family business operations are the monopoly type businesses which really dominate the market and make it almost impossible for those types of businesses to survive.

I might be pardoned if I quote, Mr. Speaker, if I quote Will Rogers who said:

I don't see why any man shouldn't pay an inheritance tax. If a country is good enough to pay taxes to while you are living, it's good enough to pay to after you have died.

I don't know whether you agree with that philosophy or not, but nevertheless it seems to me not an incorrect conclusion.

Succession duty is of course a tax on wealth. In fact, it is the only tax on wealth in the Province of Saskatchewan today.

The Member for Whitmore Park made reference to capital gains tax and I think the Liberal Members opposite have difficulty in making differentiation between capital gains and succession duties, but there certainly is a difference. Capital gains in reality are income taxes which cannot be collected over the lifetime of their realization in terms of appreciation of that particular item which the individual may hold. The asset which he may hold. It's crystal clear I think if you think about it at all, for example, if you owned a quarter section of

land at \$10,000 and it appreciated to \$20,000 over a ten year period, you have an increase in terms of potential income of \$1,000 a year. And the capital gains tax really picks up what income tax is unable to do until the actual gain has been realized.

Another argument often put up by Members opposite, Mr. Speaker, is that this is a form of double taxation. I don't think really that is a very valid form of argument. I suppose you could argue that any form of taxation results in a form of double taxation. We pay income taxes and the resulting income that is left we spend, make expenditures on which we pay sales taxes, that can be called a form of double taxation.

Frankly, I do not see how in our society that could be logically avoided. Our argument is that Succession Duties inhibit large transfers of wealth from one generation to another or inter-generational transfers. The tax is progressive and it adds to the overall progressivity of the tax structure. It contributes to a greater equality of condition which will result in a greater overall equality of opportunity.

I am not saying, and I hope no Member of this Assembly construes my remarks to say that, in fact, it doesn't create some problems in terms of business. Obviously it does.

Mr. Speaker, I suppose it may be argued that the main reason for this tax is a philosophical one. I would concede that point and I am sure the Government would concede that point. The Liberals do not. We accept the verdict however, that either you believe in greater equality in taxation or you do not.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. ROBBINS:** — You either have to approach it from that angle or not at all.

Mr. Speaker, why amendments to the present Succession Duty Act? I should like to make a few comments, if I am permitted, in relation to remarks made previously by the Hon. Member for Whitmore Park. I think it is fair to say, although he pointed out that succession duties and gift taxes are applied in only five provinces of Canada, those five provinces contain some 19 million people out of roughly 22.5 million in Canada. The remaining five provinces, Alberta and the Maritimes have between them some 3.5 million in population. So the vast majority of people in Canada do have succession duties and gift taxes applicable to them.

The present collection agreement with the Federal Government expires on December 31, 1974. The Federal Government has refused to continue collecting the tax on behalf of the provinces. This is one of the reasons why we have these amendments brought in to this particular Bill.

**MR. McLEOD:** — Hear, hear!

**MR. ROBBINS:** — I notice the Member for Albert Park says "hear, hear". We contend that this type of tax should be levied at the federal level. If the Federal Government refuses to accept its

responsibility it is obvious that some of the provinces of Canada are going to accept that responsibility. But obviously it would be better applied at the federal level. The citizen who lives in Prince Edward Island should be treated the same as the citizen who lives in Alberta or Saskatchewan or British Columbia or any other place.

Estate taxes should, to be most effective, be levied at the national level. Federal abandonment of succession duties tax collection has led the Atlantic provinces to withdraw from that field. We are staying in it and I suppose you can argue that part of that is for philosophical reasons. The cost of administering the tax ourselves obviously will climb, and it may well double over the figure that we currently have in relation to the tax collections made at the federal level on the basis of roughly three per cent of the tax collected.

The other changes that we propose are related to a considerable degree to the inflationary pressures in our economy. I think it is realistic to look at those inflationary pressures and make some adjustments in relation to the tax on that basis.

We propose to change exemption levels because of inflation and they would be as follows: Preferred successors, the immediate family (sons, daughters, sons-in-law, daughters-in-law, etc.) is increased from \$150,000 to \$200,000. If you take that in conjunction with the \$50,000 available to the spouse there is an exemption of \$250,000 for preferred successors.

Collateral successors such as brothers, sisters, uncles, aunts, etc., will have their exemption increased from \$25,000 to \$35,000. Strangers — that is all others who are not blood relatives will increase from \$1,000 to \$2,000. There is another reason for making this change because there was some incompatibility between The Gift Tax Act and The Succession Duties Act in relation to the \$1,000 exemption to strangers, when in fact you could give a \$2,000 gift, tax free under The Gift Tax Act.

The value of gifts to the Crown will no longer be included in the aggregate net value of the estate which will effectively reduce the tax rate on all successions where there is a gift made to the Crown.

The minimum size of an estate liable for succession duties will be raised from \$50,000 to \$75,000 which should effectively reduce the number of estates which pay the duty. Obviously this is again related to the inflationary pressures.

In general these amendments mean that an estate with a value of up to \$250,000 can be transferred without tax provided it goes to preferred successors where a spouse is included.

There are some other factors in the Act which have to be taken into consideration. To clear up a misunderstanding which has been reported in the Press, and I hope the Press will take note of this, the effective date for the increases in the exemptions is to be January 1, 1974, not January 1, 1972 as previously reported in the Press. Other amendments are proposed to clarify the intent of the Act, to close loopholes and to correct some drafting errors in the original legislation.

These changes will be made retroactive to January 1, 1972, and that may be where some of the confusion arose. I might make

brief reference to them. One is called an option agreement which gets a bit technical. It is an additional clause which will be inserted in The Succession Duties Act to deal with option agreements to acquire shares which are exercisable before or after the death of the deceased. In one recent case an option was found to be outside the Act, since the Act specifies that only agreements transferring on or after death are to be included in the estate. In effect, the new clause will include in the aggregate net value of an estate, the value at death of any option net of consideration paid.

Another section deals with prorating of exemptions. Under the current legislation it is possible to have multiple exemptions which exceed the intended limit to successors.

If a deceased leaves personal property or real property in several provinces to his children or other successors resident in several provinces, the total amount of exemption which is legally allowable can be greater than the prescribed limit. The situation can occur due to the current method of prorating exemptions among successors in co-operating provinces. The proposed amendment should provide consistency of treatment of exemptions whether or not there is property of the estate subject to duty in only one province or in two or more provinces. We expect this will eliminate the anomaly which permitted greater than prescribed exemptions from being claimed against succession duties.

Another section in the Act is proposed which will prescribe the order in which the exemptions specified in the Act will be applied. At present there is the possibility of inconsistency of treatment. If, for example, the notch provisions of the preferred successors exemption and the collateral successors exemption are applied in the opposite order for the purpose of calculating the duty that is payable. The proposed section will eliminate this possibility and thereby ensure that exemptions are applied in a more consistent manner.

Mr. Speaker, in concluding my remarks on this particular Bill, might I say, if one believes, as the Liberal Party apparently believes in the laissez faire approach to economics, it is presumed that society is relieved of the awkward task of struggling with distributory justice. Unfortunately it does not solve the problem. Liberals ignore this obvious fact. Belief in this approach creates the illusion that moral issues can be evaded. Once again the obvious answer is that they cannot. Taxing of inter-generational transfers of wealth is required if reasoned equity is to be applied in our taxation system.

Mr. Speaker, I take pleasure in moving second reading of Bill 93.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. G.B. GRANT** (Regina Whitmore Park): — Mr. Speaker, I am not sure whether the Minister of Finance when he said this was to offset inflation was helping inflation or hindering it or just what he was doing. Making an adjustment for inflationary causes might be all well and good if the base was sufficiently large enough to have justified its existence originally. As far as the succession duty exemptions were concerned they were too small originally and I

think the NDP sense this because they made an adjustment before the ink on the Bill was hardly dry. Now they are coming in with another one. This amendment is something like the gift tax amendment and the man who is going to be hanged. He would pretty well have to go along with it because it is certainly better than being hanged completely, it shortens up the drop a bit. He might have a chance of survival.

The Member mentioned that a large percentage of Canada's population is represented in the five provinces that are carrying it but I must point out that his own province represents less than 1/22 of the total population of Canada. That's a pretty small percentage indeed. So that whether Saskatchewan is in the five or out of the five it makes very little difference indeed as far as the percentage of Canada's population is concerned, in fact, you would hardly notice the ripple.

It is interesting to note too, that of the five provinces that are going to be left in this tax field, three of them are NDP Governments, so it is quite obvious that your philosophy differs from my philosophy. You want to discourage initiative and penalize success and encourage people to move into Alberta where things are more attractive and probably into New Brunswick and Nova Scotia as well, and Newfoundland even, when they withdraw their Succession Duty Tax.

Many of the arguments that I presented in connection with gift tax apply here but I think the main one is that the exemptions are not large enough. When you speak of a basic exemption of \$75,000 you make it sound very magnanimous, but you want to bear in mind that that is about a three-quarter section of land. It is a very small business or it's maybe a little bit higher than some of the Ministers opposite have or probably will pay for their residence here in Regina. So let's not kid ourselves that \$75,000 is a lot of money these days. Twenty-five years ago, yes, but today, it is disappearing very, very quickly and you will have to increase the exemptions a lot faster than you are doing if you are going to keep up with inflation. Particularly in view of the fact that your exemptions weren't large enough to start with.

As other Members on this side of the House, I am sure will have some remarks along these lines to make, Mr. Speaker, I beg leave to adjourn the debate.

Debate adjourned.

## **ADJOURNED DEBATES**

### **GOVERNMENT MOTION**

#### **CONSTITUENCY BOUNDARIES COMMISSION**

The Assembly resumed the adjourned debate on the proposed motion by Hon. A.E. Blakeney (Premier):

That the final report of the Constituency Boundaries Commission established pursuant to The Constituency Boundaries Commission Act, 1972, laid before this Assembly by the Honourable Mr. Speaker recommending that the area of the province

(i) lying south of the dividing line as defined in

section 14 of the said Act, be divided into 59 constituencies, and

(ii) lying north of the dividing line as defined in section 14 of the said Act be divided into two constituencies,

be hereby approved and adopted by this Assembly; That the descriptions of each of the constituencies as recommended by the said final report, except the description of the boundaries of the constituency of Saskatoon Mayfair, be approved and adopted by this Assembly; and

That the final report of the Commission be altered by deleting the description of the constituency of Saskatoon Mayfair, and substituting therefor the description as set out in the schedule which was attached to the final report, and that the final report of the Commission as so altered be approved and adopted by this Assembly.

**MR. E.F. GARDNER** (Moosomin): — Mr. Speaker, you will recall that I spoke at some length on this Resolution last week. I pointed out what the report has done to the present Liberal Members and the Liberal Party of this province. I pointed out that at present we have about 25 per cent of the seats, 15 out of 60, with 44 per cent of the vote in 1971, that after redistribution, based on the 1971 election, we will have about 16 per cent of the seats and still the same 44 per cent of the vote.

I also pointed out a number of the boundary changes and indicated the method in which these changes appear to help the NDP and I suggested that there was certainly more in these changes than could be expected by mere coincidence. I am quite certain that some Members will argue against certain details of my remarks and I am expecting that they will do this. I don't think that anyone can dispute the overall results, the changes that it has made as far as the number of seats that the Liberal Party would have and what it has done to the present Liberal Members; about 9 out of 15 of them wouldn't be here as a result of these changes.

You will recall also, Mr. Speaker, that I made it clear that I did not oppose the concept of an independent commission. You will recall also, Mr. Speaker, that I emphasized on two or three occasions that it was not my intention to cast a reflection on the present commission members nor to criticize them in any way.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. GARDNER:** — I would remind you, Mr. Speaker, of the Premier's very bitter and provocative remarks when he introduced this Resolution, completely uncalled for remarks in introducing a Resolution of this nature. In my case it meant that I had to discard speech number one and bring out speech number two.

**SOME HON. MEMBERS:** — Hear, hear!



**MR. GARDNER:** — He talked about boundary changes under the former Liberal government, the terrible things they had done. But you know he conveniently omitted the many political changes made under the NDP previous governments. He didn't tell us about the situation under the NDP where a voter in Saskatoon went to the polling booth and marked his vote for five MLAs all at once. And at the same time and the same day the voter in Regina would walk into a polling both and vote for only one MLA. This happened at the same election under the NDP simply because they felt that by doing it this way, by having multi-seats in Saskatoon they could benefit themselves politically. Obviously there was no other reason for this.

The Premier, I believe, when he introduced this Resolution expected no rebuttal to his speech. He knew of course that the Opposition was faced with a dilemma, we didn't wish to appear to criticize the Commission but we did feel that we had a responsibility as an Opposition to point out what has resulted because of these boundary changes. I don't think anyone over on that side of the House was going to indicate what had happened as a result of these changes; where it left the Liberal Party, the per cent of the seats they had. We felt that we had an obligation to bring this out and this is what we have done. The people must know the political situation that we are faced with as a result of this redistribution.

Mr. Speaker, there is a massive change in voting patterns in Saskatchewan. I think this became fairly obvious in the Lakeview by-election. This was a surprise to people all over the province, certainly a surprise to the NDP. They perhaps expected that the Liberals would get a majority in the polls on the south side of the seat, they had no idea that the polls in the central part of the city would go Liberal, just as they could go Liberal in the central part of any city of this province including Saskatoon and other areas of Regina. In spite of the fact that some of the Cabinet Ministers were looking after some of these polls and some of the civil servants were looking after some of these individual polls, I am sure they were disappointed in the results.

I will predict, Mr. Speaker, regardless of the apparent harm done to the Liberal Party by this redistribution, that the voters are going to have the final say at the next election. I would predict, Mr. Speaker, that the voters in the next election regardless of their changed location, regardless of what constituency they are in, they are going to elect enough Liberal Members to change the government in Saskatchewan. This will happen whenever the next election is called.

Mr. Speaker, I have purposely kept my remarks today very brief because I am sure that there are other Members in this House who wish probably to express their views on this subject and that is why I am rather brief today.

**HON. J.E. BROCKELBANK** (Minister of Government Services): — Mr. Speaker, I certainly want to avail myself of the opportunity of saying a few words on this particular Resolution now before the House.

I note from the Hon. Member for Moosomin's comments that he discarded speech number one in rebuttal to the Premier and

came out with speech number two. This leaves us in a bit of doubt here as to what was in speech number one. The Member clearly stated at the beginning of his remarks in rebuttal to the Premier that he had this speech written around Christmas time and has been keeping it on ice ever since Christmas time. I really don't want to spend too much time speculating about what was in speech number one, I intend to direct my remarks to some comment he made in speech number two.

It gives me a great deal of . . . yes, I will certainly say something about the Brockelbank bulge, if you will promise to stay in the Chamber long enough, I will have something to say about it.

Mr. Speaker, it gives me a great deal of pleasure to support this Resolution which when passed will approve and adopt the final report of the Constituency Boundaries Commission established pursuant to The Constituency Boundaries Commission Act, 1972. I said that it gives me a great deal of pleasure, Mr. Speaker, because I have favored and fought strongly on behalf of electoral reform since I was first elected to this House in 1964.

I recall, Mr. Speaker, the first session in 1965 when in Committee the Member for Hanley, Mr. R.A. Walker, urged the then Provincial Government to make use of the Commission planning the federal boundaries for the planning of the provincial constituency boundaries. This suggestion was rejected by the Liberal Party according to a news item which appeared in the Star-Phoenix April 12, 1965. On the same day in 1965 the Members for the Legislature for Kelsey and Cut Knife, J.H. Brockelbank and I.C. Nollet, moved an amendment to the second reading of Bill 89, amendments to The Legislative Assembly Act, which sought to have the Members of the Legislative Assembly give consideration to the appointment of a Royal Commission for Saskatchewan similar to the Federal Electoral Boundaries Commission. The Liberal Members of the Chamber opposed that motion, Mr. Speaker.

In 1968, at the first session after the 1967 election I moved, seconded by the Member for Canora that an independent electoral boundaries commission be established and charged with the responsibility of drawing Saskatchewan's electoral boundaries based primarily on the principle of representation by population. Once again the Liberal Party attacked that proposal and thereby the principle, defeating it on a recorded vote in this House.

Again in 1970 the Liberals demonstrated that they were unalterably opposed to any reform in the area of constituency boundary formation by defeating amendments to Bill 86 which would have directed the matter of the amendment to The Legislative Assembly Act and the electoral boundaries to an independent commission.

Mr. Speaker, the record is absolutely clear, the Liberal Party has and is opposed to the principle of an independent boundaries commission.

**SOME HON. MEMBERS::** — Hear, hear!

**MR. BROCKELBANK:** — Any deviation from that firm position taken in the past and taken most recently by the Member for Moosomin (Mr. Gardner), was for the sole purpose of window dressing for the Saskatchewan public. I had thought that the position taken

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by the Liberal Party when they voted almost unanimously in favor of The Constituency Boundaries Commission Act in 1972 would be the first example of "the leopard changing his spots". I'll admit that I was dismayed and despondent, at first, when I heard the Member for Moosomin restate the position of the Liberal Party on independent electoral boundaries. However, as time went on I was thankful that the Member for Moosomin had exerted some leadership in stating that the Liberal Party completely opposes the electoral boundaries drawn by an independent commission. Their present position now reverses and makes a farce out of their support of The Constituency Boundaries Commission Act, 1972, therefore, the Liberal Party's stand then was hypocritical and contradictory.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. BROCKELBANK:** — The Member for Moosomin has chosen to reassert the true Liberal position regarding electoral boundaries chosen by an independent commission by a means I find distasteful but which would be commended by the Wolverine. The Member for Moosomin states and I quote, Mr. Speaker:

Mr. Speaker, we could cover the province completely and show beyond any doubt how the boundary changes were carefully designed to accommodate the NDP. It would take a great deal of work to discover all the ways the NDP were accommodated by this change.

In another place the Hon. Member for Moosomin states:

We suspect they are politically motivated.

In another place the Hon. Member for Moosomin states:

We notice, Mr. Speaker, that every Cabinet Minister who needed help at the polls seems to be looked after.

When speaking of the constituencies of Shaunavon, Gravelbourg and Notukeu-Willowbunch, the Member for Moosomin had this to say:

It is almost unbelievable but nevertheless true, Mr. Speaker, that once again the boundary lines were very carefully drawn to benefit those three NDP members.

You will have noticed, Mr. Speaker, that special attention was lavished on the constituency of Saskatoon Mayfair. I ask you, Mr. Speaker, why?

I stated at the beginning of my remarks that I have taken an obvious role in sponsoring resolutions on electoral reform of all types since entering this House. That, Mr. Speaker, obviously marked me by my opponents for special attention at this time.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. BROCKELBANK:** — What did the Member for Moosomin say about

Saskatoon Mayfair constituency? He said:

Could the Brockelbank bulge in Saskatoon Mayfair have happened independently and coincidentally and I think the answer is obviously 'no'. They couldn't have happened independently.

Let me make some points crystal clear with regard to the unbelievable charges made by the Member for Moosomin: (1) I don't own a house that the Member refers to at 901 McMillan Avenue. If I did, what difference would it make? (2) I have not attempted to influence the Independent Boundaries Commission in any way whatsoever.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. BROCKELBANK:** — (3) I announced publicly and was quoted in the Press that I intended to seek the nomination in Saskatoon Westmount at least two weeks prior to the statement by the Member for Moosomin.

I think, Mr. Speaker, we should examine who is the Member for Moosomin attacking on behalf of the Liberal Party. First, he attacked the Chief Justice of Saskatchewan, whose duty and responsibility it was to choose the Chairman of the independent commission. Secondly, he attacks, Mr. Justice P.H. Maguire, who was chosen as the Chairman. Thirdly, he attacks other members of the Commission. Finally and least importantly, of course, he attacks what little bit of credibility the Liberal Party has left in Saskatchewan.

As the Member for Moosomin drew to the close of his remarks he repeated:

Surely, Mr. Speaker, it is obvious that political considerations were paramount in the whole redistribution. This brief but revealing look at the new Saskatchewan constituencies map makes it perfectly obvious that the map was carefully drawn to benefit the NDP.

Amazingly, Mr. Speaker, the Member for Moosomin concluded to this effect, that although the members of the Commission have been duped they could be excused by attributing to them a lesser crime, that being dereliction of duty.

Mr. Speaker, let me quote from the remarks of the Hon. Member for Moosomin the section that clearly indicates in his judgment dereliction of duty by the Commission members:

Now, Mr. Speaker, I come to a very important part in my speech and I hope you will listen carefully because in arriving at these obvious conclusions it may appear that we are somehow casting a reflection on the three members of the Committee. Mr. Speaker, I want to go on record and I want to make it perfectly clear that this is not my intention. The Commission members are all well known and respected gentlemen, but you know they are also busy men in their own right and I would personally doubt if they were involved in the actual drawing of the lines on the map.

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The Member for Moosomin says that the Commission members were derelict in their duties and that they did not personally become involved in the actual drawing of the lines on the map.

I might say, Mr. Speaker, that I certainly am pleased that the Member for Moosomin put forward the strongest possible case his political party could mount with respect to independent electoral boundaries commissions.

I want to take this opportunity, Mr. Speaker, to support the Resolution put forward by the Premier and give it my strongest possible support in this Legislature.

**SOME HON. MEMBERS::** — Hear, hear!

**MR. E.C. WHELAN** (Regina North West): — Mr. Speaker, this Bill places a democratic procedure in writing. The New Democrat Members have waited 10 years for it. No government will remove the procedure or resort to the old method. Those of us who watched the Liberal Opposition draw boundaries when they were government, Mr. Speaker, were a little sick at the stomach when they heard an Opposition Member criticize the Independent Boundaries Commission. There are some things about the report one could criticize I suppose and surely if you look hard enough there will be some aspects that favor the Liberals. Sure there are some aspects that favor the New Democrats but, Mr. Speaker, it is the first time in the history of this province that the boundaries have not been drawn by one government or the other.

**SOME HON. MEMBERS::** — Hear, hear!

**MR. WHELAN:** — In my estimation the members of this Commission, Mr. Justice P.H. Maguire, Dr. John H. Archer, Mr. Gordon Barnhart, in drawing the boundaries have been fair and objective.

**SOME HON. MEMBERS::** — Hear, hear!

**MR. WHELAN:** — As a matter of fact I am sure the people of Regina feel that there should be ten Regina seats and that no portion of Regina should be in Qu'Appelle. They will tell you a number of things that are wrong with the boundaries in this city. Over and over again I hear criticisms by New Democrats of a trivial nature. But, Mr. Speaker, at no time and on no occasion and never to my knowledge, at least not within my hearing, has anyone questioned the honesty, the integrity, the dedication of this Commission. I would not want to go back to what we had. I would have to look in the direction of Regina Albert Park. I would have to think in terms of Moose Jaw North or Regina Whitmore Park, or Prince Albert West. I would have to think of boundaries that challenge an individual's belief in fair play, in democracy and in democratic elections.

I want to say one thing, Mr. Speaker. I think as a Legislature we have taken a giant step toward establishing democratic procedure, proper boundaries for proper constituencies so that we can have a proper election in the democratic way. I say to the Hon. Member for Moosomin (Mr. Gardner), shame. I say to the Hon. Member for Moosomin that he is the last man who should throw stones for he stand in a house that is made

completely of glass.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. WHELAN:** — When one looks at his criticism of the Commission Report and compares their work and their boundaries with the boundaries drawn by the Committee selected by the Liberal Government, his criticism becomes contemptible and offensive. I commend the commissioners, they deserve full marks and full credit. In my estimation, like many other things that have taken place in this province, their performance and their report and their boundaries will set a precedent for all of Canada.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. WHELAN:** — Mr. Speaker, I have some other comments I would like to make on this Bill, therefore, I beg leave to adjourn debate.

Debate adjourned.

## **ADJOURNED DEBATES**

### **SECOND READINGS**

The Assembly resumed the adjourned debate on the proposed motion of the Hon. Mr. Messer that Bill No. 79 — **An Act to Regulate the Ownership and Control of Agricultural Land in Saskatchewan** be now read a second time.

**MR. H. OWENS** (Elrose): — Mr. Speaker, I am honored at this time to have this opportunity to say a few words in support of this very important piece of legislation. I had the privilege of being a member of the Special Committee of this Legislature that reported back to this Assembly by tabling its report from which the material of this Act has been taken.

Having listened to the concerns voiced at the Committee hearings by a large number of persons who either presented written or oral briefs and also having talked with quite a number of people, mostly farmers, since the substance of the Act has been released, I am convinced that this legislation will meet the wishes of the majority of Saskatchewan residents.

Land resources are non-growth, in other words no more acres are available. Therefore, it is our responsibility as a responsible government to conserve, protect and use our lands to the best possible advantage with our main objective to be the development and expansion for Saskatchewan residents. In order for Saskatchewan residents and future generations to benefit, exploitation such as we have seen up to this time in history must cease.

If we have studied and followed the history of the settlement of this great land we will have found that immigration followed the railway building that linked the East with the West. We also find that the shrewd and power-hungry leaders of the late 1800s literally gave our lands away for the purpose of providing a service through a transportation facility with the full knowledge that such a facility would be used exclusively for the exploitation of our resources for the powerful

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industrialists of central Canada.

Huge land areas conceded to the two major railways and the Hudson's Bay Company removed from the early settlers the right to homestead on this land, granting these major land holders the opportunity to dispose of this property to the highest bidder.

Now, Mr. Speaker, as I mentioned earlier, if you have studied the settlement of the West, you will know that the majority of the homesteaders had very little in the line of worldly goods and felt very fortunate when they were allocated a quarter section of land, not realizing that in a large number of cases, that homestead quarter would prove to be a millstone rather than a milestone. A quarter section was not a viable unit for a farmer and his family and any or at least many of the attempts to expand their holdings proved futile, mainly because their economic unit was not sufficiently sound to provide enough collateral to make a deal with the large landholders for more acres. Therefore, in order for these major landholders to dispose of their raw land property and have it brought under cultivation and hopefully provide more raw products to transport on their railways to process in the industrial East, they were prepared to spend some money on a land settlement campaign and turned their efforts mainly to that area south of the 49th parallel.

In my own home district, I can readily recall to mind, the caravans of cars transporting a trainload of United States land seekers across the prairies. Many bought to their sorrow, but a large number had the financial backing and resources to make a success of a farming operation and in many cases expand their holdings.

Mr. Speaker, a few of these people stayed in the district and became good and highly respected members of the community, but on the other hand a large number made their initial investment and any profits that may have been their good fortune to make then, took them across the border to spend or invest in that country. I might also add, Mr. Speaker, that the same rule applied for investors from central Canada — all to the detriment of the local community and the Province of Saskatchewan.

Mr. Speaker, it is a series of this kind of happenings in the ownership and control of land across the length and breadth of Saskatchewan that is the forerunner of this piece of legislation, and more predominantly because investment in rich farm lands in Saskatchewan by large non-farm corporations that led to the proposals embodied in this legislation.

We, as a responsible Government, cannot stand idly by and watch our smaller farmers being forced to leave the farm because of economic considerations and see the land pass into the ownership and control of wealthy individuals and corporations who disregard farming as a way of life, even in fact disregard Saskatchewan as a social entity and a place where people enjoy living and raising their families.

Mr. Speaker, if at all possible, we must reverse the trend of migration from off the farm, back to the farm. To make this change of direction a reality, and fulfil the hopes and aspirations of large numbers of young men and women, it is beholden to us to do all in our power to salvage land for their use, from those corporations and individuals who are not now

making a significant contribution to the community or to the province but are using this land resource as a means to enhance their own well-being in some other 'clime', caring not what the future of Saskatchewan be, as long as they are able to extract their 'pound of flesh'.

Mr. Speaker, The Saskatchewan Farm Ownership Act has embodied in it the legislation that will return to the people of our province the powers to regulate the sale and retention of our farm land resources. The people of Saskatchewan who appeared before the legislative committee expressed their concerns for the future of rural Saskatchewan and the need for legislation to protect our future from domination by outside interests. I believe these people will be reasonably well satisfied and accept this Bill as a step in the right direction. Undoubtedly some will think that in some cases time limits are too lenient while others will hold opposing views. The requirements to be a landholder in Saskatchewan are clearly set out and will clear up much of the confusion that has been so rampant during the past few years. Probably one of the most significant sections is that which allows anyone to become a farmer and landholder providing that person actually does become a resident farmer by his own declaration.

Mr. Speaker, this legislation signifies once again the concern of this Government for the future well-being of agriculture in Saskatchewan and the effect of the ownership of farm lands by residents of our province, specifically as farm residents are the backbone of our rural communities and as such the main base of our total economy, for we must all realize that agriculture is still our main resource.

This Bill will enhance the opportunities for active farming and do much to keep farming a strong and healthy industry with the net result a stronger and healthier Saskatchewan.

Mr. Speaker, with those few words, I fully endorse the Bill.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. J.A. PEPPER** (Weyburn): — Mr. Speaker, this I believe is to be a very important Bill and will be an important Bill passed at this Legislature. I think it certainly affects the constituency which I represent.

I should like to take part in the debate and at this time I beg leave to adjourn the debate.

Debate adjourned.

## **SECOND READINGS**

**HON. A.E. BLAKENEY** (Premier) moved second reading of Bill No. 101 — **An Act to amend The Liquor Act.**

He said: Mr. Speaker, this is amendments to The Liquor Act. There are minor changes, as anyone who has had the chance to peruse them I think will agree, aimed at improving the efficiency of operation of the Act.

We are asking the Legislature to approve a change which



will make the definition of hamlet in The Liquor Act, more in line with the same definition in The Liquor Licensing Act. This is recommended by officials as routine tidying up. We are also proposing an amendment which will assist policemen and judges to carry out their respective duties. Police under the proposed Section 132(1) will be assisted in the disposition of court exhibits where a charge is withdrawn. And under Section 149, judges will now be required to submit reports to the Attorney General only in specified cases. Formerly judges were required to submit reports on any convictions under the Act, and the proposal will be to reduce the number of reports to be made in the paper work which the judge needs to complete.

Finally, amendments simply replace the words 'provincial treasurer' with Minister of Finance in a number of places in accordance with the changes made in the legislation governing the department formerly known as the Provincial Treasury and now the Ministry of Finance.

I think that these will be seen to be amendments of a housekeeping nature. They are small points but I think ones which are useful in the administration of the Act and I think will not be controversial. Accordingly, Mr. Speaker, I move second reading of Bill No. 101 — An Act to amend The Liquor Act.

**MR. K.R. MacLEOD** (Regina Albert Park): — Mr. Speaker, this particular Bill is in fact fairly routine. Perhaps it is an unkind comment to suggest that in the first two or three sessions of this Legislature we were faced with, and managed to pass, a number of Bills and in the fourth Session of this Legislature we are patching up and doing some routine correcting for various Bills presented earlier in the Legislature. I suggest that this is one of those Bills where there are a few bits of tidying up to do. We have had a couple of that sort earlier in the day.

I support the move to tidy up and reduce the paper work. One cannot help but reflect that the handling of exhibits in liquor cases is one of some interest to Members of the Legislature and perhaps to the public and any easy disposition of court exhibits is something that we must support. I hope that in the reduction of paper work we will not overlook the fact that these magistrates are now receiving a rather substantial salary and that our judges of the Magistrates Court will, in due course, receive an even greater salary, I trust that they will be assisted in this paper work and that the paper work will not in any way relieve the magistrates of providing us with appropriate information in due course.

However, I am not sure that these remarks are greatly helpful. I have a couple of additional remarks for the next Bill and will therefore suggest that the Opposition has no objection to any part of this particular Bill 101.

Motion agreed to and Bill read a second time.

**HON. A.E. BLAKENEY** (Premier) moved second reading of Bill No. 94 — **An Act to amend The Liquor Licensing Act.**

He said: Mr. Speaker, Bill 94 deals with amendments to

The Liquor Licensing Act. I don't think that the amendments require a great number of comments but I will make a few.

Perhaps the most notable characteristics of the proposed amendments is that they are relatively noncontroversial. They don't represent a move to make liquor more readily accessible but rather represent changes essential in the administration of the Act. This is the manner in which we interpret the wishes of the people of Saskatchewan at this time; that the liquor legislation not be widened at this time in any general way.

We have resisted considerable pressure from many groups on specific items of liquor legislation, notably advertising of liquor products in Saskatchewan. You just have to cross borders of Saskatchewan either to the East or the West or to the South, to find liquor freely advertised in the media. As a Government we have resisted pressure to allow this type of advertising in Saskatchewan because we believe it is the course of action which people of Saskatchewan wish us to follow at this time.

The amendments that are put forward are designed for the most part to assist various people and groups to administer the Act. The Bill clarifies two points in The Liquor Licensing Act. It removes all references to beer parlors and it removes all references to provincial treasurer.

We no longer have any beer parlors as a license category, separate from beverage rooms. The provisions with respect to beer parlors accordingly are being removed, I think this should not be controversial. Similarly the phrase 'Provincial Treasurer' is being replaced with that of 'Minister of Finance' as the appropriate term, again to comply with the changes in nomenclature made in other Acts.

We are changing one provision to provide that where an outlet changes ownership it is not necessary to make complete stock reports in quite the same way as was previously made. In fact, the previous provision required the vendor to sell all his liquor on hand back to the Liquor Board and the purchaser then purchased all the liquor back from the Board. This procedure is being simplified so that a tally can be made of the liquor and it can simply go from vendor to purchaser. That, I think, is not going to be controversial, and if it is we will certainly withdraw it. It is represented to us as a simple way to save red tape.

We are putting in a provision to protect the proprietor from the client who would demand re-entry to licensed premises after midnight, when he has been asked by the proprietor to leave for unruly behavior. That is a matter which has arisen because of the fact that beverage rooms now can stay open after 12:00 o'clock. The provision said that if he was expelled from the beverage room, he could not come back the same day. Some of those expelled have had the presence of mind to figure out that after 12:00 o'clock it is a different day and they are asking to come back. The proprietors are asking that we change this provision and we now provide, in the Bill, that he cannot re-enter the premises until the following day's hours of service. That again is, I think, in the nature of a technical change.

Section 99(b) dealing with sanitary facilities is a re-enactment of Section 85. This again is a technical matter. Section 85 is in those sections which are being deleted because

they deal with beer parlors. This previously covered the arrangements with respect to sanitary facilities in beverage rooms and we're having to re-enact that one section to see that it isn't lost.

There are a couple of sections which are of more substance. The new Section 114A provides for the issue of a licence under The Liquor Licensing Act to a city in respect of a golf course owned and operated by it. This is at the request of the city of Saskatoon which operates a golf course and asks that it have the same privilege of having cocktail facilities at its clubhouse that the private golf courses have, which operate clubs. Because of (you might say a quirk in the Act) this was not permitted. We are limiting it to golf courses, although I suppose the logic of the situation would suggest that perhaps it should apply to other sporting facilities. We are, however, simply providing for it for golf courses because that was the request.

We have similarly had a request from proprietors of fly-in camps in northern Saskatchewan in the Northern Administration District, who have facilities to permit them to serve beer, wine or spirits by the glass to provide liquor by the bottle to licensed guests only. They explained the circumstances and this seemed to us to be not an unreasonable request provided it was confined to licensed guests only, and we are including that provision. Under the new Section 107A it widens the discretion of the Commission with respect to granting club licenses, dealing particularly with the clubs where people under the age of 18 are eligible for membership in the club.

I think it will be agreed, Mr. Speaker, that none of these provisions are very wide-ranging in their application. They are straightforward amendments which are for the most part desirable for the smooth functioning of The Liquor Licensing Act and I think will generally be not particularly controversial although it is quite possible that individual Members may have comments, and possibly adverse comments, with respect to one or more of the provisions.

With those comments, Mr. Speaker, I will move second reading of Bill No. 94.

**MR. K.R. MacLEOD** (Regina Albert Park): — Mr. Speaker, I had promised a couple of remarks on this Bill and I don't want to disappoint Members. I am very pleased that the Premier has seen fit to introduce a Bill which will more clearly identify what a 'day' is as far as an alcoholic day might be. There is, however, something to be said adversely to this Bill. And that is the fact that this Bill fails to put in any meaningful attention to the problem of alcoholism.

This Government has contributed more to alcoholism than any other government in Canada. The first step in that process was in the reduction of the age of adulthood from 19 to 18. I was disappointed to see that the effect of this would be to have more people in beverage rooms than ever before. The fact of the matter is that the Provincial Government has received more sales from alcohol than ever before, a 25 per cent increase in a little over two years, and has made no more than token contributions to the problem of alcoholism.

The fact is that this is a very disastrous sort of effect going on in the province. The amount of money contributed by the Provincial Government, this year, in this year's Estimates, to alcoholism is just a token, it is nothing more than an amount which will allow them to go out on the platforms of Saskatchewan and tell the people of Saskatchewan that they are working on the problem of alcoholism. The fact is that they are getting far more from the 18 and 19 year olds than they are contributing to alcoholism in Saskatchewan.

As a result the fact of the matter is that the people of 18 and 19 are putting into the hands of the Provincial Government more money than the Provincial Government is spending on alcoholism. As a result I believe that this Bill is a failure in the sense that it does not come to grips with the problem. I do not object to some of the things that are being done, in fact I do not object to any of the things that are being done. What I object to are the things that are not being done by this Bill.

The Premier has suggested that he is interpreting the wishes of the people of Saskatchewan. He then suggests that he has resisted considerable pressure. These are contradictory statements. The fact is that there is considerable pressure to do a number of things which the Premier has, in fact, resisted. I would suggest that he would have been better to have given in to some of these pressures and then taken a forthright step to fight alcoholism and warn people of the dangers, while at the same time allowing people the freedoms that we expect in this democracy.

One thing about advertising, in the last year alone something like \$13 to \$15 million was spent in America — that is in the United States of America — for advertising directed back into Canada. We are kidding ourselves if we are going to pretend that we are stopping advertising in Saskatchewan by preventing advertising in our Liquor Act and in our Liquor Licensing Act. The fact is that there is a considerable amount of advertising coming into Saskatchewan. All you have to do is to pick up any issue of Maclean's magazine and you will see an awful lot of advertising coming into Saskatchewan. The truth is that we are doing nothing to prevent advertising, except keep our own local advertising, our own media, from having the benefit of that income. We are doing nothing at all to stop advertising.

That \$13 million, I suggest, will be far better spent in Canada than in the United States. I do admit that the Provincial Government is doing an awful lot to make up for the loss.

When I look at full page ads on VD and that type of thing in our newspapers it seems to me that the Province of Saskatchewan is trying to make up for any loss in revenue which the newspaper might have suffered. I believe, however, that this whole thing is mistaken in the sense that it ought properly to go farther in dealing with these problems realistically. I hope that other Members of the House will have words on this Bill and I beg leave to adjourn the debate.

Debate adjourned.

The Assembly adjourned at 9:34 o'clock p.m.