

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fifth Session — Seventeenth Legislature
30th Day

Wednesday, April 2, 1975.

The Assembly met at 2:30 o'clock p.m.

On the Orders of the Day.

POINT OF PRIVILEGE ON MISREPRESENTATION OF IMPRESSION

MR. D.G. STEUART: (Leader of the Opposition) Mr. Speaker, before the Orders of the Day I should like to rise on a Point of Privilege. Yesterday when the Premier was answering a question in the House and just before he tabled a letter he had sent to Mr. Denis Fisher, he stated that I had tabled a piece of paper I had. I don't think I tabled the piece of paper I had, I think I sent it over to the opposite side. I doubt I may have tabled it, but he left the impression and it was that way reported that I had taken something out of context and some correspondence of his and the Attorney General's out of context.

Now, I want to say very clearly, I have his letter now I that it has been tabled and I have a copy of the document or the piece of paper that I did send over to the government and it is exactly the piece of paper I received that was written, sent out by Mr. Denis Fisher. I did not receive it from Mr. Fisher. Mr. Fisher had, in his position as President of Saskatchewan Association of Broadcasters, sent out to the members of his Association some information about his efforts as their president to speed up the payments by the J.A.C. Struthers Company to the various broadcasters and television companies across the province. And in sending out information what he had done, he put on a piece of paper excerpts from a letter he received from the Premier, excerpts from a letter I presume he received from the Attorney General, Mr. Romanow. This came into our possession and I think quite rightly we brought it here and quite rightly we gave it to the government and tabled it with the Press.

But I want to clear up the impression that we had the original letter Mr. Blakeney had written, which we did not have and that we deliberately took something out of context and then Xeroxed it on a piece of paper and spread it around. We did not do so. As a matter of fact if you compare what I did give to the Press and what I did hand over to the Government Members and the letter that Mr. Blakeney tabled, the only thing different about it is the last paragraph which doesn't really say anything. The gist of the letter was in the document that we had handed to the government and to the Press. I want to clear that point up because I agree if I had taken it out of context and attempted to leave an impression that the Premier had done something that he hadn't done that I should be taken to task for it. I did not do that, in fact, the excerpt that was in the letter is the full meaning and the full context of exactly what he said and makes it clear, I would point out that the Premier did say in the letter that they could not be responsible for the debts of this company but they would do their best to see that it was cleared up. I left that impression, that is the only impression I tried to leave and I want to make that very clear.

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HON. A.E. BLAKENEY: (Premier) Mr. Speaker, I fully accept the comment of the Hon. Member. I was clearly confused in the sense that I confused the comment made by the Member for Lumsden with the comment made by the Member for Prince Albert West. I think we all remember the Member for Lumsden indicating that the government had guaranteed it, and I recall the comment in the letter specifically denying any guarantee and I had perhaps confused where it had come from on the other side. I tender my apologies if I have misrepresented the position of the Member for Prince Albert West.

QUESTIONS

SOCIAL SERVICES DEPARTMENT DEALINGS WITH J.A.C. STRUTHERS

MR. J.G. LANE: (Lumsden) Mr. Speaker, before the Orders of the Day, I should like to direct a question to the Minister of Social Services. Is the Minister aware that since March 25, 1975 we have asked several questions of the Minister?

1. The cost of production of the Family Income Plan ad and whether or not those costs of production have been charged by J.A.C. Struthers to the Department of Social Services.

We have asked questions of how much has been paid without invoices to J.A.C. Struthers. We have asked the cost of other ads and how much has been paid that have been run by the Department of Social Services, the cost of production and how much has been billed by J.A.C. Struthers. We have asked for invoices and we have asked for backup proof that those ads were paid for, not in bulk payments as is done by telephones but how much they were legitimately entitled to be paid. So far we haven't had any information. The questions have been asked on several occasions.

MR. SPEAKER: Order, order! I believe if I gather right, this information was asked for in Committee, was it not, Mr. Member?

MR. LANE: Mr. Speaker, I am referring to questions we have asked before Orders of the Day of the Minister of Social Services at various times.

MR. SPEAKER. The questions that were asked for in Committee and that the Minister has agreed to supply answers to cannot be raised on the Orders of the Day questions, but if it is entirely different from the questions asked in Committee the Member may proceed provided it is not a repeat of Committee.

MR. LANE: Mr. Speaker, we had asked the Minister of Social Services several questions before Orders of the Day, on the dealings with the government with J.A.C. Struthers. So far again, the Minister of Social Services . . . I don't think you want me to run through them all again, has not yet given us the answer. Are you now prepared to table the answers to the questions that we have been asking before Orders of the Day on your departmental dealings with J.A.C. Struthers?

HON. A. TAYLOR: (Minister of Social Services) Mr. Speaker, the questions the Member refers to regarding the costs, were asked in Committee of Finance. I did assure the Member that we would provide him with the answers and we will do so when we go into Committee of Finance.

MR. LANE: By way of supplementary, Mr. Speaker, we, of course, had also asked the Premier as to the delay in payment of J.A.C. Struthers by the Government and how long that delay was and we haven't had an answer. In light of the conflicting statements by Mr. Struthers that only part of his problems came from delay in government advertising, and the fact that we haven't been getting the answers, are you now prepared to start tabling the truth to these matters and giving us the full facts of your dealings with J.A.C. Struthers so that we can proceed with this matter?

MR. TAYLOR: Mr. Speaker, the trouble with the Member for Lumsden is that I think he wouldn't recognize the truth if he saw it. We have answered his question whenever it has been possible. When it has not been possible we have simply said to him that we would get that information which we intend to do. We assured him that it would be available within two or three days. That was on Monday when we were in Estimates and the information will be made available when we go into Estimates. That Member was the one who asked, as a matter of fact, that we delay these Estimates for two weeks so they wouldn't get the answers.

INCREASE IN RENTAL COSTS IN SASKATOON

MR. J.G. RICHARDS: (Saskatoon University) Mr. Speaker, I should like to address a question to the Minister of Consumer Affairs concerning increase in rental costs in Saskatoon.

Mr. Speaker, the question I should like to address to the Minister is; given the inordinate increase in rents, is the Minister prepared to consider the introduction of legislation or amendments to the Residential Tenancy Act concerning rent controls. I have just received information from a large Saskatoon real estate firm, indicating that on average typical units have increased 30 per cent since January 1974 with an expectation of a further ten per cent increase in rents by the fall of 1975?

HON. E.L. TCHORZEWSKI: (Minister of Consumer Affairs) Mr. Speaker, the government is always prepared to consider alternatives available, at present we have no proposals for rent controls.

MR. RICHARDS: A supplementary, Mr. Speaker. Obviously part of the problem of increased rents is insufficient supply. So the supplementary question to the Minister is: if you are not prepared to consider rent controls what are Government plans for construction of apartments in Saskatoon during the fiscal year 1975? Only 42 units were built during 1974.

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MR. TCHORZEWSKI: Mr. Speaker, that question is better directed at the Minister in charge of the Housing Corporation. I think it is well known that the housing starts, for example, in Saskatchewan have been greater in the past year than ever before, and in fact, have increased, whereas they have decreased throughout all the rest of Canada. For more specific details on that I think the question is better directed to the Minister in charge of the Housing Corporation, Mr. Cody.

ALLOWABLE CROP INSURANCE COVERAGE LOW FOR SASKATCHEWAN

MR. E.F. GARDNER: (Moosomin) Mr. Speaker, before the Orders of the Day I should like to direct a question to the Minister of Agriculture. Is the Minister aware that allowable crop insurance coverage is much higher in Alberta and Manitoba on various crops and that Saskatchewan is falling behind and that there is some urgency in this regard because of the increasing costs of inputs in agriculture and the need for higher coverage. I am not going into the various crops but is he aware, for example, that wheat coverage is over 50 per cent higher in Alberta?

HON. J.R. MESSER: (Minister of Agriculture) Yes, Mr. Speaker, I am aware that there are higher levels of coverage for certain crops in both Alberta and Manitoba. I might add that along with the higher levels of coverage also go a higher premium to the insured. I know that the increase is shared with the Federal Government, but nevertheless, if we are to increase the levels of coverage on a per bushel basis the premium will have to rise accordingly. I think no one will dispute the fact that Saskatchewan's Crop Insurance Program falls behind no other one.

SOME HON. MEMBERS: Hear, hear!

MR. MESSER: It is a leader in the crop insurance field in Canada and will continue to be so.

MR. GARDNER: A supplementary, he mentioned some crops. Is the Minister aware that we are behind both of them in all crops, not just some crops, and that 50 per cent of the premium is paid by the farmer, and 50 per cent is paid by the Federal Government, only the administration is paid by the provincial government so that there is absolutely no increase in cost to the provincial government if he raised the coverage. In view of this would the Minister consider an immediate raise for the coverage for these crops in Saskatchewan?

MR. MESSER: Mr. Speaker, it is impossible to consider a raise because most of the contracts for crop insurance have either now been renewed or new contracts signed up. It is too late to increase the level of coverage. I would suggest that the Member inquire with the general farming public in regard to whether they are dissatisfied with the present level of coverage. The Saskatchewan farmers have expressed their support for the crop insurance program as being one that does not provide to them a profit if they lose their crop but one which will provide to them the costs of operation in putting that crop into place

and subsequently because of some disaster beyond their control and not able to get the harvest returns for that crop.

I might add that when I say it applies to some crops, Saskatchewan Crop Insurance still includes coverage or has coverage on some crops that are not made available in either Manitoba or Alberta, so that we are extending coverage to farmers in Saskatchewan that is not available to farmers in either of our two sister provinces.

WHEN WILL POLL MAPS BE AVAILABLE

MR. A.R. GUY: (Athabasca) Mr. Speaker, I should like to direct a question to the Premier.

MR. SPEAKER: We have had three questions, is permission granted for another question?

MR. GUY: We are not on radio so I don't think the announcements . . . I don't want to get into an argument with the Premier today about who did what. But I want to ask him very sincerely, when can we expect the poll maps. We asked this question right after we opened the Session and we were told the 15th of March. Then we were told the 30th of March. Some of our fellows and maybe some of yours . . . I am asking a question, I am asking if he is aware - I am sure that people all across the province are phoning the chief electoral officer and I am sure that he would like to have some direction in this regard as well. I think he would be satisfied, we would and Members on your own back benches, if we could have a firm date when we might expect the poll maps.

The election is obviously not too far away and I should like to know when we can expect them.

HON. A.E. BLAKENEY: (Premier) The Member asks a fair question. I don't know the answer since I did not have notice of the question and therefore cannot answer it. I will ask one of my colleagues to respond on my behalf tomorrow. I don't expect to be in the House tomorrow. When the Member indicates that he was told, he is not, I know, indicating to the House that he was told by me. Because I have not given any dates, my staff have not been able to assure me for certain when they would be available. I gather they would be available very shortly. I will attempt to get that information for the Hon. Member tomorrow.

While I am on my feet, Mr. Speaker, I should like to advise the House that I have in my hand a message dealing with the Federal-Provincial Conference indicating that the Prime Minister has agreed to set aside room for official observers which was done last year. Twenty-five of these will be allocated to the Federal Government and five each to each of the ten provinces. I have not yet had an opportunity to consider who will be the five observers from Saskatchewan. But I will advise the House now that we will, as soon as we can get around to it, tender an invitation to the Leader of the Opposition to be one of them.

SOME HON. MEMBERS: Hear, hear!

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MR. BLAKENEY: The current Member for Athabasca had indicated that there might be an election in the offing and I thought Members would be interested in the fact that the NDP has this morning published its program for the election whenever it may come and I have one here. I won't burden the records of the House with tabling it. If I may I will use the facilities of the House to distribute one to each Hon. Member because it will be a valuable document. The old New Deal for People became a reference book and a source book, I know, for some tens of thousands of people of Saskatchewan and I know this one will be during the next term of office.

SOME HON. MEMBERS: Hear, hear!

MR. D.G. STEUART: Mr. Speaker, I think it would have been more appropriate if he would have brought that so called New Deal '75, out yesterday, April Fool's Day, however . . .

SOME HON. MEMBERS: Hear, hear,

MR. STEUART: . . . I suppose better late than never. I appreciate the Premier's kind invitation to attend as an observer at the Conference in Ottawa. I certainly will keep my promise to take him next year, to reciprocate.

SOME HON. MEMBERS: Hear, hear!

MR. STEUART: I would ask since I understand he won't be here tomorrow, he is going away, could you make available for us information that you said you would get concerning Struthers or have someone else bring it?

MR. BLAKENEY: I have had my staff look into this and our situation, I think, is as follows. If we get the information from the advertising agencies in question and take their word for it, we can do it in a day or two. If we have to go through our own records and find what was outstanding at the end of June what was outstanding at the end of September, for example, am advised it would take above ten days. I will get the preliminary information to the Hon. Member as fast as I can and see whether or not it will serve his purposes.

The Member for Rosthern who is not running again and therefore retiring from the political scene has dispensed with his copy of our new programme but the others are keeping it, wisely.

SOME HON. MEMBERS: Hear, hear!

ANNOUNCEMENT

CSP FOODS LTD.

HON. K. THORSON: (Minister of Commerce and Industry) Mr. Speaker, I am pleased to bring to the attention of the House, the Saskatchewan Wheat Pool and the Manitoba Wheat Pool have organized a new company known as CSP Foods Ltd.

which will operate oil seed crushing plants in Manitoba and Saskatchewan located at Altona, (Manitoba), Saskatoon and Nipawin. In making the announcement today the company officials stated that the company has assumed the right and the commitments of the Saskatchewan Wheat Pool with respect to a proposed oil seed crushing plant at Canora, Saskatchewan. Mr. Speaker, recently statements have been made in Manitoba about the possibility of a rapeseed crushing mill to be constructed in Roblin. An analysis of the delivery points and production statistics of the Canadian Wheat Board shows that a plant located in Roblin in Manitoba, if drawing from a 50 mile radius, would have to obtain 50 per cent of its rapeseed from Saskatchewan points, whereas a plant located in Canora, if drawing from a 50 mile radius would have to obtain only ten per cent of its seed from Manitoba points. An even more important fact is that a 600 ton rapeseed crushing plant requires approximately 7.2 million bushels of rapeseed per year.

Manitoba's acreage in rapeseed for 1974 was 439,948 acres. Assuming an 18 bushel average yield per acre, this would produce 7.9 million bushels. This is just sufficient to serve one mill and Manitoba at Altona has one crushing facility.

By contrast the Province of Saskatchewan had 1.4 million acres sown in rapeseed in 1974. Assuming an 18 bushel yield this would produce more than 25.5 million bushels a year. This amount is more than adequate for three 600 ton crushing facilities. There are now two in Saskatchewan at Saskatoon and at Nipawin. The Canora facility would give the province three rape crushing plants.

The Saskatchewan Government, of course, has a preference that our primary products such as rapeseed should be processed in Saskatchewan. From the facts as I have related them, I expect that the next rapeseed crushing mill, when it is built by the new company, will be located at Canora in Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Robbins that Bill No. 49 - **An Act to amend The Succession Duty Act, 1972**, be now read a second time.

MR. D.G. STEUART: Mr. Speaker, I just want to say a word or two on this particular Bill while we, as I said in my speech on the Budget welcome the change in the Act, we welcome the fact that the exemptions are going to be increased, and this will be a help to some people, especially farmers in allowing them to pass on their farms, or help to some Saskatchewan business people to pass on their businesses intact. But again it points up the whole weakness of the Succession Duty and the Gift Tax Acts. We are soon, I predict, to be one of the last provinces left in Canada to charge this. I understand there's some talk in British Columbia of moving out of this altogether.

Now, I want to make it very clear that when we become the government, Succession Duty Taxes will be eliminated. I think

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they are an unfair tax, I think it's an unnecessary tax and I think it works at cross purposes with the state philosophy in some ways, even of the NDP Government opposite. We all, in Canada and in this province, pay lip service to the idea of owning Canada, buying Canada back or putting an end some day to the domination by foreign ownership of our business and our industry and our resources. Now, the only way we're going to do that, the only practical way we're going to do that is if individuals, Canadian individuals by themselves or together in corporations or companies do it and the only way they're going to be able to do it is if they have the money. So what this does in the first place, it breaks up any large pool of money that is developed in this province by Saskatchewan people, by Canadian people and the record is very clear if you study the results of the old federal succession or death duties and now the Succession Duty imposed by the Province of Saskatchewan that many Saskatchewan owned businesses, many Saskatchewan owned farms had to be sold, had to be broken up to pay the death duties in the case of the Federal Government and now the Succession Duties in the case of the provincial government. And sometimes there are many cases on record where the businesses were sold to non-Canadians so if we are serious, if we are sincere in our desire to allow Saskatchewan and Canadian people to become masters in their own home, to be masters in their own country and own and control our own economy, then we can't do it if we cripple the people, the very people who are in a position to do it. And that's one very very bad side effect of succession duties.

By the time anybody acquires a large farm or ranch or business or any kind of estate they have paid every imaginable tax, municipal, provincial, and federal tax imaginable. This is without a doubt double taxation.

There is one other very serious effect it has on the province of Saskatchewan. They don't charge succession duties or gift taxes, companion piece of legislation, in the Province of Alberta and the result is very clear for anyone to see if they want to look at it clearly. And that is that people who can transfer their wealth, whether it's through business or holdings. The Province of Manitoba is doing it. The result is that we lose the kind of people we need, intelligent, energetic people who have been able to put together an estate large enough to be literally attacked or taxed upon their death by the NDP Provincial Government. We lose them and we lose their wealth. If everyone in Canada was doing it I'd still say it was a bad tax but it wouldn't be as bad. We will soon be an island here in the Province of Saskatchewan and when you couple this with all the other things that we do in this province to make it difficult for investors, to make investors unwelcome in our province, it's just one more step that the NDP have taken to show very clearly their attitude about people who are able to acquire wealth, 'people who have some substance. The sign is out very clearly by the NDP, you're not welcome here. So not only are we keeping out those who would come in and develop our resources for the benefit of our people, but in the case of the Succession Duties, we're driving many of the people who are here, out of the province.

If this thing developed any money for the Provincial Treasurer or the Finance Minister to stand up and say, this is ten per cent of our income or 15 per cent of our income or even

five per cent of our income, then again there might be some excuse, I'd still say it was a bad tax. But he can't. I predict this next year that this Succession Duty Tax will not bring in \$4 million into the coffers. Now no one knows how much it will bring it. If you study past history, it'll probably bring in \$3 to \$4 million at the outside. You've got an amount in the Estimates, I think of \$5 million, that's just an amount they put in every year. There's absolutely no bearing on the amount that really comes in and no one can calculate how much comes in because no one knows which of the moneyed people who are still left in our province will die in 1975.

So I say it's a bad tax from every point of view and the number of people it helps by the revenue it brings in is negligible. The number of people it hurts, not that many, it's the kind of people I say we can't afford to lose, we can't afford to lose their wealth, the money should be invested in this province to create more jobs and more opportunities.

Why do the NDP insist on it? I think it's because it's part of their philosophy. If there's anything an NDP person can't stand, it's somebody who's successful. This NDP Party, if they honestly look at their philosophy, bases a great deal of their philosophy on envy, envy of those people who have been successful. If you look at their whole tax structure, if you look at act after act they put on the books, you'll find the philosophy is true time and time again. It reflects the way they live and it reflects the kind of legislation they put on the books, it reflects the kind of people they are. They say if we can't make it and we haven't made it, we'll tear down those people who have made it. I'm not satisfied with tearing them down and driving them out and harassing them when they're alive, they say they'll get them when they're dead. They feel very strongly, the NDP, that this is a fair tax. They say why should people pass on wealth? Why should someone inherit wealth that they didn't earn, never mind that they might have helped to earn that as part of the family, but even if they didn't earn it, they missed the point entirely. They missed the point entirely. If we're to have successful people here, able to buy back or maintain our own business in Saskatchewan by Saskatchewan people, by Canadian people, then we've got to make it possible for people to acquire wealth. We've got to make it possible for people to acquire property and money. If we don't, we will stand naked and defenceless against people who have money coming in from the United States and other parts of Canada, other parts of the world continuing as they have in the past to control great segments of our resource industry, of our economy generally.

So, while this won't solve the problem of Canadians owning Canada, Canadians controlling Canadian economy, it is one small step that a provincial government can do to help Canadians, to encourage Canadians to invest in Canada and stay in Canada and stay in Saskatchewan and buy back or continue to control our economy. But by putting the tax on, it's one very serious step they take to discourage this. So, Mr. Speaker, we intend to support this Bill because it is a small step in the right direction but the whole tax is becoming almost meaningless as they increase the exemption almost year after year, the thing now takes in less and less money each year, becomes crystal clear that again it's on the books because it's part of the NDP philosophy. We can't get you when you're alive, if you're a successful, energetic person that's able to acquire, through your own efforts some wealth, some property, then we'll get

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you when you're dead. So I think it's a bad tax. I've said to the people very clearly, we'll take it off the books, it's a stupid tax, it's an unnecessary tax, it is double taxation and it does far more harm than the little bit of good the money brings to the government. In fact, I predict that if we took it off the extra money that would stay here, the extra business it would generate, the extra economic activity it could generate probably in the long run would more than make up for the two or three million dollars we take in from this very unfair and very unnecessary tax

SOME HON. MEMBERS: Hear, hear!

HON. W.A. ROBBINS: (Minister of Finance) Mr. Speaker, I just want to make one or two brief remarks with respect to the remarks made by the Hon. Leader of the Opposition.

He pointed out that a number of the provinces do not have this tax, that is true, there are five of them now, the Maritime Provinces and Alberta but they represent less than four million people out of some 23 million in Canada. In the remaining five provinces with 19 million of the population, succession duties and gift taxes apply. He talks about a rumour from B.C. that they may get rid of it and they may. We've had no communication from them with respect to that sort of thing.

May I quote Will Rogers as I did last year.

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

Now you may think that is foolish. Mr. Speaker, the Hon. Leader of the Opposition argues that we're envious of people who are successful. I think that is nonsense. I disagree with that totally. I believe that when he argues that this is double taxation, he could argue that any tax involves double taxation. He pays income taxes on his income, on his salary that he is paid as Leader of the Opposition, whether he earns it or not and he also pays sales tax money when he spends some of that money. That could be argued that that's a form of double taxation. You could find numerous examples throughout our taxation system where that would apply.

We admit that there's a problem for this province in the fact that Alberta has no tax. That is why we have consistently argued that the tax should be applicable at the federal level and therefore be consistent across the country. I admit that it does not bring a great deal of revenue to the province but there is a difference in philosophy. Our argument is basically that it's a tax on the transfer of wealth and if I transfer \$100,000 of money to my son, there is no reason why he should not pay some tax on that. It is not a tax on an estate, it is a tax on the succession and paid by the person who receives the money and I think we should not forget that fact.

I note that in his concluding remarks the Leader of the Opposition pointed out that he would support the Bill and that he does so because it does something in terms of going towards the approach he contemplates. I suppose he's assuming the tax will be removed entirely come day. Our argument is that it's

a tax on the transfer of wealth and therefore it should be kept. It should be kept at the federal level but because it is not we intend to apply it provincially. It doesn't bring us a lot of revenue but I think your arguments are really not that valid and I sincerely hope that every Member of the House will support the Bill.

SOME HON. MEMBERS: Hear, hear!

MR. E.C. MALONE: (Regina Lakeview) Would the Minister answer a question at this time?

MR. SPEAKER: Are you prepared for a bit of a question?

MR. MALONE: I apologize for not rising on the debate but it just occurred to me on this, Mr. Minister, that every year since we've had this legislation in Saskatchewan . . .

MR. SPEAKER: Let's just ask a question here because otherwise you are taking part in the debate which is closed.

MR. MALONE: All right, my question to the Minister, would he consider making the new exemption retroactive. The reason I ask the question, Mr. Speaker, is that every year we've had this taxation the exemptions have been increased and it strikes me as a basic unfairness that if you die in 1974 your estate may or may not have had to pay tax. If you die in 1975 you may or may not have to pay tax on a lesser rate. So, accordingly, I ask the question to the Minister, would he consider making it retroactive?

MR. ROBBINS: Mr. Speaker, I think that's already been considered and the decision was to go on the date of assent.

Motion agreed to.

The Assembly adjourned at 5:23 o'clock p.m.