

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fifth Session — Seventeenth Legislature
35th Day

Wednesday, April 9, 1975.

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

REPORTS OF COMMITTEES

MR. H.H. ROLFES: (Saskatoon Nutana South) moved, seconded by Mr. Grant (Regina Whitmore) that **The First Report of the Select Standing Committee on Crown Corporations** be now concurred in.

He said: I should like to say a few words on the Report of the Select Standing Committee on Crown Corporations. I should like to take this opportunity to thank all the members of the Committee for their co-operation in conducting the business of the Crown Corporations, but in particular I should like to thank the Member for Whitmore Park (Mr. Grant) for his role in the Crown Corporations in seeing to it that the Members on his side of the House came out to the meetings. The co-operation I received from those people was much appreciated. I also want to thank the Members on this side of the House for coming out and especially thank all the Ministers who were involved in the Crown Corporations.

I think we had a very successful year in examining the Crown Corporations. This could not have happened, I think, if we didn't have the co-operation from all members. I look forward to the future for further deliberations of Crown Corporations.

With those few words, Mr. Speaker, I move this Report be now concurred in.

MR. A.R. GUY: (Athabasca) Mr. Speaker, I should just like to say one or two words. I agree with the chairman of the Committee that we didn't have a very successful year. Things went very well. I want to commend the Ministers who appeared before the Committee and their officials for answering the questions as we presented them. I think one of the reasons why we had a successful year was the change in attitude of the Government and I am pleased to be able to stand here and say that there was a definite change in the attitude of the Government this year. Remember last year they held secret meetings prior to the holding of the regular meetings of the Crown Corporations Committee. We pointed out at that time that it was certainly not in the best interest of a democratic parliament that we try to have here in Saskatchewan. This year they did not attempt to hold secret meetings . . .

MR. MacMURCHY: How do you know?

MR. GUY: Oh, there is the Minister of Education pointing his finger, maybe they did have some secret meetings. Well, let me put it this way, Mr. Speaker, if they were secret they were so secret that nobody knew anything about them. And the fact that we didn't know about them, the public didn't know about them led to excellent communications between both sides of the

House as we went through the various Crown corporations' reports. I'd like also to mention that this year there were 22 Crown corporations compared to only 11 the last year when we were the government showing the fact that the Government has gone into the public Crown corporation approach to government and, you know, that is according to their philosophy but I think the people of Saskatchewan would be interested to know that there are now 22 Crown corporations when there were only 11 just a few short years ago, with the increase of employees and space and number of Government cars and things that go with it. But I hope the Minister of Education isn't suggesting that there were secret meetings as again this would certainly detract from the spirit in which we did gather and held, I think, very productive sessions and we carried them through very quickly this year because I think we all want to make sure that this House proceeds in a very orderly and mannerly way.

So it was a pleasure and I think I speak for all the Members on this side who were on the Committee that we did enjoy it, I think we accomplished a great deal. I think we provided the information to the public of Saskatchewan to which they are entitled to. A great deal of credit for the manner in which it was run must go to the Ministers' officials and the chairman of the Committee.

HON. MEMBERS: Hear, hear!

Motion agreed to.

WELCOME TO STUDENTS

HON. W.E. SMISHEK: (Regina North East) Mr. Speaker, I should like to introduce to you and to the Members of the House a group of 50 Grade Eight students who are here from the Glen Elm School. They are seated in the Speaker's Gallery and are accompanied by their teachers, Mr. Dennison and Mr. Ball. I do hope that the students will have a pleasant experience this afternoon and that this will assist them in their social studies.

It is my hope to meet with the students about 3:15 and see whether they have any questions that may come to their mind. I hope to visit for a few minutes and to exchange any ideas. Again a warm welcome to the students from the Glen Elm School who are here with their teachers. I do hope you have a pleasant day.

HON. MEMBERS: Hear, hear!

MR. H.H.P. BAKER: (Regina Wascana) Mr. Speaker, I do want to welcome the Glen Elm students, Grade Eight students with their teachers, Mr. Dennison and Mr. Ball. Some years ago I had the pleasure of representing that area from 1964 to 1967. After a few minor alterations to the boundaries I was put into another constituency, but I am happy to say that Regina Victoria is now my seat again and I am looking forward to representing them again over the next four years. I welcome them most sincerely. I hope they have a pleasant stay here and learn much from their visit this afternoon. I, too, will meet with them after they leave the Chamber.

HON. MEMBERS: Hear, hear!

April 9, 1975.

MR. P.P. MOSTOWAY: (Hanley) Mr. Speaker, on behalf of the Hon. Elwood Cowley, I should like to introduce to this House and you a group of 52 Grade Six students from Delisle. They are accompanied here today by their teacher, Mr. Kalismacoff. They are seated in the west gallery

Now I presume they have visited other places in Regina today, and I hope that after visiting this House, they will be able to say they have had an enjoyable day. I should also mention that the Hon. Elwood Cowley is down in Ottawa right now, one of the members of a delegation at a conference of particular importance to Saskatchewan.

Later on I shall be meeting with this particular group students at 3:30. And I should like to say that it is certainly my hope, once again, that you have an enjoyable day and a very pleasant and safe trip back.

HON. MEMBERS: Hear, hear!

INTRODUCTION OF SOUTH AFRICAN TRADE UNIONISTS

HON. G. SNYDER: (Moose Jaw South) Mr. Speaker, I should like to take this opportunity introduce to you and to the Members of this House three visitors that are seated in the Speaker's Gallery directly above the clock, who are not students in the normal sense of the word but are visitors here from outside our province and, in effect, outside of Canada. They are a group of exiled South African trade unionists, Dr. Yusaf Dadoo, Mr. John Gaetswewe, and Mr. Joe Saloogy who is their Canadian escort. I hope I will be for given if I have mispronounced any of those names.

I understand that the group are visiting Canada for an extended period of time and will be travelling to Toronto very shortly. I am sure that the Assembly opportunity of expressing our wish that their stay in Canada will be rewarding and informative to them.

HON. MEMBERS: Hear, hear!

INTRODUCTION OF PAGE

MR. SPEAKER: Before calling Orders of the Day, I should like inform the Assembly that Sandra Schmidt will be a page during the present Session.

HON. MEMBERS: Hear, hear!

QUESTIONS

PURCHASE OF OIL RESERVES BY SASKOIL

MR. C.P. MacDONALD: (Milestone) Mr. Speaker, before the Orders of the Day I wish to direct a question to the Attorney General in the absence of the Premier or the Minister of Mineral Resources.

I noticed SaskOil's announcement yesterday of purchasing CanDel's operation in Saskatchewan for \$6.65 million with an annual production of 670,000 barrels a year. The \$6.6 million

was not paid for the production of 670,000 barrels but for the reserves of the company. We know that they are involved in several unitized areas, the largest of their holdings from what I have been able to understand is the Bone Creek Unit north of Shaunavon of which they own approximately 17 per cent. Can the Minister tell the House the total reserves of CanDel that were purchased by the Government and the amount per barrel that was paid for these reserves, so the people of Saskatchewan accurately assess whether or not they have been taken? Second, can he tell us who was responsible for estimating the reserves that were paid for by SaskOil from the CanDel operations?

HON. R. ROMANOW: (Attorney General) Mr. Speaker, I am not sure that it is possible to give the type of breakdown that the Hon. Member asks with respect to this particular transaction in terms of amount per barrel and the like. What has transpired is that the Saskatchewan Oil and Gas Corporation has negotiated in the ordinary fashion of negotiating a purchase and sale, has negotiated to purchase the Saskatchewan crude oil producing properties, all of them, in Saskatchewan of CanDel Oil for the price that the Member opposite has indicated, \$6.65 million. The properties are located in Kindersley, Swift Current, Shaunavon, Weyburn-Estevan producing regions. I am advised that there are some major holdings in the Battrum, Bone Creek, Fosterton and Instow oil pools in the southwest and Midale, Steelman and Weyburn pools in the southeast.

Now, in addition to those holdings, that is to say the crude oil producing properties of CanDel, those that are operated on a unitized operation basis, the purchase also included varying working interests in 37 CanDel operated wells. Now the gross production of the CanDel property is estimated to be approximately 670,000 barrels in the next 12 month period. That is the production of the particular companies that are involved here. I just might add, to round out the information to the House that with this latest acquisition by SaskOil the corporation now will have a capacity for daily oil production of approximately 2,300 barrels a day.

MR. MacDONALD: (Milestone) A supplementary, Mr. Minister. You don't pay for the production, you pay for the reserves. Would the Minister give us an undertaking to the Members of the House that he will find out the estimated reserves and therefore indicate the amount per barrel? Also, what is really significant here is, can the Minister explain to the House the policy of SaskOil? Is it to purchase existing production and reserves that do not contribute one additional barrel of production or is it to develop new reserves? This policy is not contributing one single solitary barrel of oil to the solution of the energy crisis in Saskatchewan.

MR. SNYDER: Why . . .

MR. MacDONALD: If the Minister of Labour will sit down and shut his mouth maybe we will get an answer. Can the Minister . . .

MR. SPEAKER: Order!

April 9, 1975.

MR. MacDONALD: Did you hear what the Speaker said, have you no respect. Can the Minister explain the actual policy of SaskOil? Is it to buy existing production or is it to explore and develop for new reserves which was the understanding of the majority of the people of Saskatchewan when SaskOil was initiated?

MR. ROMANOW: Mr. Speaker, I would first of all like to make one other additional comment with respect to the negotiation of the price. The purchase price, Mr. Speaker, was negotiated on the basis of what I understand am advised to be as the normal basis of negotiating these types of transactions, based on a calculation of a reasonable rate of return, a pay out period of approximately six years and subject to all the provincial royalties and surcharges. This was handled by and estimated by the officials at SaskOil, Department of Mineral Resources. They may have had some outside help on this but I have had no indication to that effect.

Now on the other aspect of the question and this is the matter of whether or not this is within the policy of SaskOil the answer quite clearly is, yes, that it is within the policy of SaskOil. I don't believe that it was ever thought that SaskOil would only be an exploration company. At the time of introduction, certainly exploration was one of the major activities that we all contemplated to be a feature of SaskOil, but it is not the only function. The legislation relating to SaskOil is fairly comprehensive and as SaskOil and as the Government working through SaskOil, deems it in the public interest there will be activities such as the one surrounding CanDel taking place from time to time. I disagree with the Hon. Member. We are indeed fulfilling a very valuable function for the people of Saskatchewan, not only in exploration but in terms of securing a reasonable supply of oil for the years ahead for the people of the province.

SOME HON. MEMBERS: Hear, hear!

INCREASE IN MILL RATES

MR. A.R. GUY: (Athabasca) I wish to direct a question to the Minister of Municipal Affairs (Mr. Wood). I think we have all been alarmed in the last few days at the headlines that appeared in the paper and I think in today's paper particularly: "Moose Jaw looking at a 20 Mill Boost". Then you turn over the page "Regina Preliminary Estimates Keep Rising", and they are suggesting a total of a possible 30 mill increase. I should like to ask the Minister of Municipal Affairs if he has given any consideration, or his Government, to increasing the grants to local municipalities in view of the promise made by the NDP Government that they would keep property taxes from rising and, in fact, would reduce them to a certain level? So would the Minister answer whether he has given consideration, he and his colleagues, to providing additional moneys to the municipalities at a time when the revenues to the province are at an all time high and yet it looks like an increase in municipal mill rates will be at an all time high for the people of Saskatchewan?

HON. E.I. WOOD: (Minister of Municipal Affairs) Mr. Speaker, the Hon. Member has indicated that the party which I represent had indicated that they would hold mill

rates during their term of office. I believe we did make some statements in that regard concerning the educational mill rates but I cannot recall that anything was ever said about municipal mill rates.

MR. GUY: Education is going up too.

MR. WOOD: Well, that may be but I don't like interpretations being put upon statements that are not quite factual.

Insofar as the possibility of further funds being advanced to the municipalities, I should like to think that this was possible although I cannot readily foresee this in the near future. I should like to think that if money became available that we might be able to do something along this line but I certainly cannot hold out any hope for this at the present time. I have to say that the Government of Saskatchewan has sat down and looked at our resources, what moneys they had available to handle the programs and to assist municipalities in the work that they had to do and we have made our decision on that to the best of our ability and we have carried on the large increases that were made last year. This is the position that we have taken on it. We have had to make our decisions on this and stand or fall by them. I think that the municipalities are in the same position. I have perfect trust in them. I'm sure that they will handle the situation before them in the most workmanlike and in the best interests of the people whom they represent. But I have to say, Mr. Speaker, that I think it is their responsibility and that they will do their utmost to handle their finances in the best way that they see possible, the same as what the Provincial Government has done with theirs.

MR. GUY: Supplementary question, Mr. Speaker. I certainly don't want to put the sins of the Minister of Education (Mr. MacMurchy) on the shoulders of the Minister of Municipal Affairs, I don't intend that. I should like to ask the Minister, particularly in relationship to the city of Regina which is facing a possible 30 mill increase, has the Mayor who is also an MLA for the New Democratic Party and sitting on the Government side, has the Mayor made any representation to the Minister to have increased grants for the city of Regina? Because it's obvious that as Mayor and MLA that he is not . . .

MR. SPEAKER: Order, order! I know your question, I think he knows your question, but we know your speech, too, and I want to cut it off at the question.

MR. GUY: . . . but I'll repeat the question. Has the Minister received from the Mayor of Regina who is both an MLA on the Government side and the Mayor, any requests for increased grants and increased financial assistance so that the people of Regina will not be faced by this amazing 30 mill increase which will be the highest in the history of the province?

MR. WOOD: Well, Mr. Speaker, if I got up and said, "Yes," that would be the understatement of the year.

SOME HON. MEMBERS: Hear, hear!

April 9, 1975.

SASKATOON MILL RATE INCREASE

MR. D. BOLDT: (Rosthern) I should like to ask the Minister of Municipal Affairs a question. The city of Saskatoon Public School Board has announced a mill increase of about 5.8 mills, the Municipal Council is wrestling with a 12 mill increase in Saskatoon, the reduction in the mill rate that they are wrestling with is related to increased fees for golf courses and swimming pools whereby they can get more money so that they don't have to slap it on to the property. With an 18 mill or 16 mill increase on an \$8,000 assessed home, that means \$128 increase on an \$8,000 assessed home. Is the Minister now prepared to admit that all the increases of the Home Improvement Grant will be absorbed or eroded in one year?

SOME HON. MEMBERS: Hear, hear!

MR. WOOD: I certainly cannot say that because the returns are not in and we certainly do not know what increases there will be in municipal tax levies across the country. Besides as indicated earlier and has been indicated from time to time, believe, that the Property Improvement Grant was basically meant to hold down the costs of education levies in this province and has not applied directly to municipal levies. I think it has been quite successful in doing that in the past and will continue to do so.

MR. BOLDT: A supplementary question, Mr. Speaker. Could the Minister comment, I'm sure that he's had many municipalities come to him asking for more grants, could the Minister comment as to why is there such a general increase right across the province? What are the reasons?

MR. WOOD: I think, Mr. Speaker, that the money that people pay for their tax bills, when they pay their taxes, the money that they spend in paying their taxes, is some of the best spent money that people in Saskatchewan pay. I think that the municipalities have done a very good job in husbanding and handling the funds that are in their hands and I think the Provincial Government, particularly in the last year or two has done very well in helping them with their finances and I think when people go to the municipal office and pay their tax bill that they are getting one of the best bargains that they get anywhere in Canada. It must come as no surprise to the people of this Assembly that there is inflation abroad in the land and that everything is going up in price and it must not come as a surprise to the Members opposite that there may be an increase in their tax bill. But I still say it is a good bargain and I give full credit to the municipal people who are handling these funds and I also give full credit to the Government of Saskatchewan for the assistance that they are giving to these municipalities to help them to hold down their tax bills.

SOME HON. MEMBERS: Hear, hear!

DAY CARE FACILITIES IN NEW CONSTRUCTION

MR. J.G. RICHARDS: (Saskatoon University) Mr. Speaker, I have a question I wish to address to

the Minister of Government Services. I understand that there is a raging debate going on in some of the planning committees with respect to new government buildings in Regina and also I suspect in Saskatoon, as to whether or not to include day care facilities in the new construction. Is the Minister in a position to inform us as to what decision the Government will be taking with respect to establishing a precedent by incorporating day care facilities in new construction of major proportions in new provincial buildings?

HON. J.E. BROCKELBANK: (Minister of Government Services) Mr. Speaker, I'm not able to say at this time whether the matter of day care facilities in provincial buildings has been raised. I'm not aware that it is an issue at this time, because it has not been brought to my attention. I missed the first few words of the Member's question and, therefore, I may not have the intent of his question correct.

MR. RICHARDS: Well, my understanding is that debates are proceeding in the planning of new government buildings as to the inclusion of day care facilities and, I might add, whether or not there should be some health facilities, such as some small gymnasium attached from the point of view of preventive health, which might be of interest to the Minister of Health. So the question to repeat, Mr. Speaker, is, can the Minister report on what decisions have been made, and this is in the planning stage of new government buildings, to be done in Regina and presumably in Saskatchewan, as to whether or not such facilities are going to be incorporated?

MR. BROCKELBANK: Mr. Speaker, I am unaware whether this need has been identified by the particular department which would normally be identifying that need for day care centres. Therefore, I can only respond in the negative that I am not aware that day care facilities are being planned in major provincial office buildings in Regina and Saskatoon.

POLL MAPS

MR. J.G. LANE: (Lumsden) On a Point of Privilege. Mr. Speaker, I'd like to raise a matter for yourself in particular, as Speaker of the Legislative Assembly and if you would use your efforts to urge the Government to supply the Members of this Legislature with the electoral boundaries and poll maps. There has been some considerable delay. We've been promised, Mr. Speaker, and I think your office would be well suited to urge the Government to treat the spirit of the electoral boundaries reform, there's been so much talk about and ensure that the Members . . .

MR. SPEAKER: Order, I think the Member has made his point.

STATEMENT

LAMB PROCESSING PLANT

HON. R. ROMANOW: (Attorney General) Yesterday, the Member for Athabasca (Mr. Guy) asked me a question respecting lamb processing and I'm advised that the nature of the transaction is that the Department of Co-operatives will be purchasing a total of \$50,000 worth of shares

April 9, 1975.

in a lamb processing co-operative at Innisfail, Alberta.

The object is to ensure Saskatchewan sheep producers continuing processing facilities.

MR. A.R. GUY: (Athabasca) Mr. Speaker, I wonder if I could ask the Minister a question?

MR. SPEAKER: No, I think, Order!

MR. GUY: He hasn't answered my question. I asked what equity?

MR. SPEAKER: Order! I think that if the Member wished further information, if he sends him a note, he can get back the information. I think we're getting a lot of our questions, are really not following the rule and I've tried to be lenient.

MR. GUY: Well, Mr. Speaker, I certainly don't want to argue with your ruling but I asked a question yesterday, the minister said he would provide the information. He didn't provide the full information. Surely I have a right to point out to him that there is still some part of the question that remains to be answered and I'm sure that he will take it under consideration and probably answer it.

MR. SPEAKER: I think you can send him a note and he will send the information back or get it.

MOTIONS

SITTING OF THE HOUSE

HON. R. ROMANOW: (Attorney General) Mr. Speaker, before you call it 5:30 I wonder if I could move, seconded by the Hon. Minister of Education (Mr. MacMurchy):

By leave of the Assembly, that notwithstanding Rule 3, the Assembly shall meet at 10:00 o'clock a.m. on Friday, April 11, 1975 and there shall be a recess from 12:30 o'clock p.m. until 2:30 o'clock p.m.

Motion agreed to.

MR. ROMANOW: Mr. Speaker, I should also move, seconded by the Hon. Minister of Education (Mr. MacMurchy):

By leave of the Assembly, that notwithstanding Rule 3, this Assembly shall, commencing Tuesday, April 15, 1975 meet at 10:00 o'clock a.m. each sitting day and there shall be a recess from 12:30 o'clock p.m. until 2:30 o'clock p.m.

Motion agreed to.

The Assembly adjourned at 5:36 o'clock p.m.