

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
First Session — Eighteenth Legislature
1st Day

Wednesday, November 12, 1975

3:00 o'clock p.m.

This being the day appointed by Proclamation of His Honour the Lieutenant-Governor, dated the twenty-first day of October 1975, the meeting of the First Session of the Eighteenth Legislative Assembly of the Province of Saskatchewan and the Assembly having met:

His Honour the Lieutenant-Governor entered the Chamber and took his seat on the Throne.

HON. E. COWLEY (Provincial Secretary): — I am commanded by His Honour the Lieutenant-Governor to inform you that he does not see fit to declare the causes of the summoning of the present Legislature until later today, when the Legislative Assembly shall have elected a Speaker according to law.

His Honour the Lieutenant-Governor then retired from the Chamber.

The Hon. Mr. Blakeney, addressing himself to the Clerk moved, seconded by the Hon. Mr. Romanow, that John Edward Brockelbank, Esquire, Member for the Constituency of Saskatoon Westmount, do take the Chair of this Assembly as Speaker.

The question being put by the Clerk, it was resolved that John Edward Brockelbank, Esquire, do take the Chair of this Assembly as Speaker.

Thereupon he took the Chair and the Mace was laid on the table.

His Honour the Lieutenant-Governor re-entered the Chamber and took his seat upon the Throne.

Mr. Speaker then addressed His Honour to the following effect:

MAY IT PLEASE YOUR HONOUR:

I beg to express my grateful thanks and humble acknowledgement of the high honor the Assembly has been pleased to confer upon me.

While I leave the floor of this Assembly to take the Speaker's Chair, I feel that I also leave all political partisan feelings in order that I may discharge with impartiality to all and to the best of my ability the various and important duties pertaining to the high office of Speaker of the Legislative Assembly of the Province of Saskatchewan.

The Legislative Assembly have elected me as their Speaker, although I am but little able to fulfil the important duties thus assigned to me.

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If, in the performance of those duties, I should at any time fall into error I pray that the fault may be imputed to me and not to the Assembly, whose servant I am, and who, through me, the better to enable them to discharge their duty to their Queen and Country humbly claim all their undoubted rights and privileges, especially that they may have freedom of speech in their debates, access to your person at all seasonable times and that their proceedings may receive from you the most favorable consideration.

MR. COWLEY: — Mr. Speaker, I am commanded by His Honour the Lieutenant-Governor to declare to you that he freely confides in the duty and attachment of the Assembly to Her Majesty's person and Government, and not doubting their proceedings will be conducted with wisdom, temper and prudence, he grants and upon all occasions will recognize and allow, their constitutional privileges.

I am commanded also to assure you that the Assembly shall have ready access to His Honour upon all seasonable occasions and that their proceedings, as well as your words and actions, will constantly receive, from him the most favorable construction.

His Honour the Lieutenant-Governor was then pleased to open the Session with the following Speech:

Mr. Speaker,

Members of the Legislative Assembly:

It is my privilege to welcome you to the First Session of the Eighteenth Legislature of Saskatchewan.

THE ECONOMY

Saskatchewan's economy in 1975 has maintained the buoyant pace it set in 1974.

Our population has continued to increase, and halfway through the year reached 920,000.

September was the eighth successive month in which Saskatchewan enjoyed the lowest unemployment rate in Canada.

This year's wheat crop of close to 400 million bushels was substantially larger than last year's and of higher average grade.

The agricultural industry, however, faces substantial increases in production costs with cattle producers in particular caught in a serious cost-price squeeze.

My Government is disappointed that federal initiatives in income stabilization for agricultural producers continue to fall far short of the need. My Minister will continue to press for realistic stabilization programs which are fully responsive to changes in farm production costs.

But, despite the uncertainties facing beef producers, Saskatchewan's economy continues to perform at near-maximum capacity — a performance matched in few other jurisdictions in North America.

AGRICULTURE

In recent years, my Government has given priority to the development and preservation of family farms as the basis of our Province's agricultural industry. FarmStart and Land Bank are two important new programs designed to help young people start farming.

By March 31, 1975, the FarmStart Corporation had made loans and grants of nearly \$44 million to 2,035 applicants. Of these, more than half had not been farming two years previously.

The Saskatchewan Land Bank Commission has met with similar success. Since its inception, it has granted leases to about 1,400 farmers. Here again, three out of five either were not farming previously or had operated one-half section of land or less.

My Government will continue to place strong emphasis on stabilizing agriculture and revitalizing our rural areas. As part of these efforts, you will be asked to consider amendments to The Land Bank Act, 1972, which will clarify the intent of the Act and define more precisely the specific path of the program.

You will also be asked to approve amendments to The Dairy Products Act, The Conservation and Development Act, and The Agricultural Implements Act, 1968.

ANTI-INFLATION PROGRAM

My Ministers have responded positively to the Federal Government's call for provincial co-operation in a concerted attack on inflation. It is my Government's view that decisive action is needed, and that — to succeed — such action must break the inflation psychology.

But a program of restraints must be comprehensive and must be as fair and equitable as possible for all groups in society. In the judgment of my Government, the initial federal proposal fails these two tests. Therefore, while my Government stands ready to co-operate, my Ministers have sought a number of changes in the program as first announced.

These are the areas of major concern.

First is the fact that it is proposed to control wages firmly without a correspondingly firm control of prices and profits. Any price increase ultimately deemed to be excessive may take a number of months to roll back. My Ministers continue to press for a system of selective price controls on key commodities, like steel, cement and fertilizer, which would require that price increases be justified by cost increases and approved by the Anti-Inflation Board before taking effect.

Second, low income workers are being asked to shoulder too large a share of the burden. My Ministers were pleased that the federal government raised the level of individual incomes not subject to controls from \$6,000 to about \$7,000, but this is considered to be still too low.

Third, the wage control measures appear to be too inflexible to allow for fair resolution of transitional contract settlements

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or for adjustments which would restore regional parity among classes of employees. Large numbers of Saskatchewan workers are affected by this rigidity — public employees, teachers, nurses and construction workers, among others.

Fourth is the question of controlling professional income. In my Government's view, net incomes of professionals cannot be effectively controlled by fixing fee schedules. Rather, a federal income surtax is required.

These concerns have all been put vigorously to the federal government. The extent to which the federal program may be changed is not yet clear. Thus, provincial action to complement federal action will only take its full shape in the weeks ahead.

Nevertheless, my Government will proceed on several fronts.

You will be asked to consider legislation to place controls on rents.

In seeking contract settlements with employees in the public sector, my Government will be guided by the federal proposals, subject to appropriate adjustments designed to maintain fair rates of pay for various classes of employees in relation to their counterparts in other prairie provinces.

To protect workers at the lower end of the wage scale, my Government will increase the minimum wage to \$2.80, effective January 1, 1976.

My Government will actively assist the federal Anti-Inflation Board in monitoring price increases and will provide an avenue for relaying citizen complaints for investigation by the Board.

My Government's capital spending on public works has been severely restrained since 1974. This restraint will continue. Many new capital programs will be deferred, and the number of positions in the public service will be held at or close to the 1975 level.

Other restraints in the area of public spending will be announced by my Minister of Finance when he presents his Budget.

HOUSING

In general, my Government welcomes the federal government's new housing proposals. If they prove to be adaptable to Saskatchewan's particular needs, they should assist many families to obtain suitable houses or rental units at costs they can afford.

My Ministers have urged that the federal government adopt a firmer stance in directing the chartered banks to put a greater share of their funds into housing.

In Saskatchewan, provincial credit unions have played a leading role in funding housing mortgages. And contrary to national and regional trends, housing starts in Saskatchewan continue to increase. After a record 7,700 starts last year, the construction pace has accelerated in 1975. Through September, housing starts in centres with a population of

10,000 or more were up 45 per cent over the comparable period in 1974. Yet vacancy rates in many centres remain extremely low, reflecting an unsatisfied need for housing which must be met.

Thus, while my Ministers will continue their efforts to make federal programs more directly applicable to Saskatchewan, you will in addition be asked to approve expansions in provincial housing assistance programs. Special attention will be directed to increasing the supply of serviced land, providing more rental housing and encouraging co-operative housing developments.

To assist senior citizens to meet rising costs, you will be asked to amend The Senior Citizens Home Repair Assistance Act, 1973 to increase the maximum amount of the grant payable.

RESOURCES

My Government's resource development policy is well known. The cornerstone of that policy is the right of the people of Saskatchewan to receive their fair share of benefits from the development of their resources.

- benefits in public revenues;
- benefits in jobs from the harvesting and processing of resources;
- benefits in conservation of scarce resources for future generations;
- benefits in achieving a greater control over their own destiny.

In pursuit of those objectives, my Government has adopted a flexible approach, sometimes innovative, but never doctrinaire. It has launched new approaches to public ownership; it has sought joint ventures between the Government and private developers; it has encouraged and assisted the private sector.

With each approach, the test against which the Government has measured its action has been and continues to be: What route will provide the greatest public benefits, now and in the future?

Growth and expansion are important, but clearly these are not the only goals. Resources must be conserved for future generations and the degree of control by Saskatchewan people over those resources increased.

It is recognized fully that now and in the future Saskatchewan will need expertise and capital from outside our province.

Opportunities for broadening and expanding our economic base must be pursued. But the price in loss of revenue and loss of local control must not be too high.

In its approach to the Province's timber resources, for example, my Government has reclaimed from the large private operators the right to manage the resource in the public interest. The large private operators remain. But less saw

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timber is now being used to produce a lower value product — pulp. Many fewer prime spruce plywood logs are now being used for the production of lower value 2 x 4s.

Instead, my Government has established a publicly-owned mill at Hudson Bay. New or revitalized sawmills, privately and publicly owned, are operating or under construction in other parts of the commercial forest area.

My Government will continue to develop the timber industry, with a mix of public, private and co-operative enterprises and with the objectives of achieving a fuller use of the raw material and the highest degree of timber processing within the Province, all within the framework of sound conservative practices.

Saskatchewan is relatively rich in energy resources — petroleum, coal, uranium. Development policies have been adapted in the particular circumstances of each.

With the sudden rise in the price of oil, my Government moved decisively to capture the windfall increase in the value of oil for the people of Saskatchewan.

A new Crown corporation — SaskOil — was created to participate in the development of new oil reserves and in acquiring existing reserves. Today it holds reserves totalling nearly 9 million barrels of oil or natural gas equivalents.

Saskatchewan has never produced within its borders sufficient natural gas to meet its own needs. Therefore, the Government's policy has been directed towards assuring an adequate supply of natural gas for our citizens in the future. The Saskatchewan Power Corporation has steadily increased its ownership of or access to natural gas resources.

My Government will continue to encourage exploration for new reserves. It is true that no major new oil pool has been found in Saskatchewan for many years. But the search will continue both by SaskOil and by the private industry. Exploration is expanding. My Ministers have held extensive discussions with the oil industry over the past several months. They will be announcing almost immediately important changes in oil royalty regulations which will offer substantial new incentives to encourage private oil exploration. These changes will reinforce the renewed interest already evident in oil exploration in the Canadian Prairie basin.

Saskatchewan has large reserves of lignite coal — a resource which becomes more valuable day by day. At present, most coal production is used to produce electric power for the provincial system. The Poplar River plant will expand that use. But both the Department of Mineral Resources and the Power Corporation are exploring new techniques such as coal gasification for the decades ahead.

Legislation will be introduced at this Session to help ensure that future development of our coal resource, both private and public, is consistent with sound conservation practices and future energy requirements.

My Government will continue to protect future supplies of

conventional energy resources for Saskatchewan people through these means.

Uranium is a fuel of the future. The dimensions of our uranium resources are not yet fully known, but the promise of new discoveries is bright. Here, my Government's approach has been to seek joint exploration ventures with mining companies. My Government has entered into some ten joint ventures, sharing the risks, but also ensuring that the public will share in the future rewards. One promising uranium find has already been made through a joint venture arrangement.

There will continue to be an important role for private enterprise and the individual prospector in the development of uranium and hard rock minerals.

In one important resource area the policies being followed by my Government have been less successful in combining growth and expansion with an assured fair return to the people of this province.

I refer to potash, perhaps our most important non-renewable resource.

Saskatchewan's reserves of potash are among the largest in the world.

Potash is an essential element to raise food productivity in many areas of the world, particularly in those areas deficient in food production.

Current production of potash in Saskatchewan is exclusively in the hands of private corporations, most of those subsidiaries of giant multinational conglomerates. None has any significant ownership or control by Saskatchewan residents.

My Government has attempted to work out an accommodation with these companies which would — through regulation, taxation and participation in their future expansion — guarantee greater production capacity, an assured fair return to the province and a greater ownership role for the people of Saskatchewan.

My Government has been frustrated in these attempts.

The response of a majority of the companies has been to decline to provide information required to be provided by law, to decline to proceed with expansion required to meet anticipated future demand and to challenge in a series of legal actions the right of the Province of Saskatchewan to conserve the resource and to collect taxes from the industry.

My Government has given careful consideration to its stated objectives of ensuring expansion of potash production and an assured fair return and a greater participating role for the people of Saskatchewan and has concluded that these are valid and vital objectives to be pursued.

My Government is faced with three options.

First, it could retreat from its objectives, accommodate its policies to the willingness of the industry to comply, and surrender for future generation of Saskatchewan people their heritage from this vast resource.

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This course is unacceptable.

Second, my Government could stand still, permit present uncertainties to continue and, through attrition, delay the expansion of potash production. This course involves serious risks for Saskatchewan.

- a risk of loss of Saskatchewan's key position in world potash production;

- a risk of huge losses in future tax revenues;

- a risk of being ordered by a Court at some time in the future to repay hundreds of millions of dollars already collected.

These are risks my Government is not prepared to take.

The third option is to regain provincial control of our potash resource by taking decisive action.

This is the course my Government proposes to pursue.

You will therefore be asked at this Session to approve legislation which will enable my Government to acquire the assets of some or all of the producing potash mines in the province.

Where the terms of an agreement for sale can be reached between my Government and a selected potash company, it will not be necessary to invoke the legislation. Where such an agreement cannot be reached, however, the legislation will enable my Government to expropriate the Saskatchewan assets of that company and will place in the hands of an impartial board of arbitration and determination of a fair and equitable price for the assets acquired. The arbitration board's decision may be appealed to the Courts by either party.

Although the size of the potential investment by the province is large, it will be a fully self-liquidating investment, paid for by potash mined in the future. No tax increases will be required, nor will general tax revenues be diverted to meet capital requirements for this venture.

Present jobs in the industry at all levels will be preserved. Indeed, through early expansion, hundreds of new jobs will be created.

My Government believes that by achieving effective control through ownership of a major part of the industry it will be possible:

- to ensure orderly expansion of production in Saskatchewan to meet growing world needs;

- to regulate production to conserve potash in the best interests of Saskatchewan people;

- and to ensure a secure flow of revenue to all the people of Saskatchewan.

Other important benefits will flow from repatriating

control to Saskatchewan. The industry will offer new and challenging opportunities in research and senior management to Saskatchewan people here at home. Through Saskatchewan control of potassium fertilizer, there may be opportunities to see that Saskatchewan farmers are guaranteed adequate supplies of nitrogen and phosphate fertilizers at reasonable prices.

In summary, my Government's objective is to assure the greatest possible benefits for Saskatchewan people by gaining effective control of the Saskatchewan potash industry through ownership.

My Ministers will also place before you new legislation respecting the Potash Corporation of Saskatchewan.

LEGISLATIVE ASSEMBLY

Over the past several years, a number of changes have been proposed in the conduct of the business of this Assembly, ranging from the admission of television cameras to changes in the oral question period. My Government will recommend that the Assembly establish a Special Select Committee to consider these and other possible changes.

My Ministers will also recommend the establishment of an independent committee of citizens to consider and recommend on remuneration paid to Members, provisions with respect to a third party and related matters.

In his last report to this Assembly, the Ombudsman made certain recommendations to amend The Ombudsman Act, 1972. You will be asked to approve amendments to that Act which broaden the jurisdiction of the office of the Ombudsman.

TRANSPORTATION

My Government is giving high priority to transportation problems. In modern society, fast and low-cost movement of people, and of the products of the province's farms and industries, is essential.

A well-planned transportation system, in which all different types of transportation services are co-ordinated, will be the objective. Major changes in the system as proposed by the railways must be challenged; such changes will cause irreparable harm to farms and rural communities as well as to industry.

To protect and advance the interests of the people of our province, and more particularly rural people, legislation will be introduced to create a new transportation agency. The agency will provide ways in which the people can participate in planning any changes in the provincial transportation system. In part it will provide direction and advice to provincial groups and local communities concerned with proposals for rail line abandonment and reorganization of grain handling facilities. It will work closely with the recently established Saskatchewan Advisory Council on Transportation.

AUTOMOBILE INSURANCE

My Government has for some months been developing a new

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system of vehicle classification and a new rating system for drivers which are designed to provide greater stability in insurance costs. It is hoped that work will be completed in time to place legislation before you at this Session.

ENVIRONMENT

My Government has signed a ten-year Qu'Appelle Implementation Agreement with the Government of Canada. Flood protection works at Lumsden and the first stage of the tertiary treatment plant at Regina have been completed. During the coming year, work will continue on a wide range of additional works to protect and enhance the environmental quality of this beautiful river valley.

You will be asked to consider legislation which will assist local governments and provincial agencies to plan more effectively the use of land in flood plains and around recreation lakes.

In a few months, the final report of the Churchill River Study Board will be completed and made available for public review and discussion. My Government intends to appoint an independent Board of Inquiry to review development proposals, to assist the public in their review of the findings of the Churchill study, to hold public hearings, and to make specific recommendations.

HEALTH

Earlier this year, my Government introduced the first universal Prescription Drug Plan in Canada. This program serves all Saskatchewan citizens, but it is particularly important to the handicapped, the elderly and the chronically ill. Amendments to The Prescription Drugs Act, 1974, will be placed before you.

In the past few months, the Saskatchewan Aids to Independent Living Program was also launched. This program provides wheelchairs, limbs and braces free of charge to those in need. These two programs joined the Hearing Aid Plan, the AWARE Program, the Children's Dental Plan, and other innovative programs introduced since 1971.

The recent pronouncements of the federal government on cost-sharing arrangements, together with the ever-increasing costs of providing hospital and other institutional care are sources of great concern to my Government. As a result, there will be a renewed effort to streamline our health system, with continuing emphasis on preventive health measures and community-based service structures.

You will be asked to approve amendments to The Mental Health Act.

TRAFFIC SAFETY

My Government has taken the first step recommended by the Special Committee on High Traffic and Safety, by appointment of a co-ordinating committee. You will be asked to act on a further recommendation of the Special Committee by

approving a new Emergency Medical Aid Act designed to protect Good Samaritans who provide emergency medical assistance from the possibility of a civil suit.

CONSUMER AFFAIRS

The Department of Consumer Affairs is continuing to promote and protect the interests of Saskatchewan consumers. It recently began publishing a weekly food price index for Regina and Saskatoon supermarkets in order to help consumers get the best buy for their food dollar.

Following the submission of the White Paper to the previous Assembly last spring, you will be asked at this Session to consider a new Consumer Products Warranties Act. This legislation will provide a new standard of protection for consumers in the purchase of household appliances and other products.

CO-OPERATIVES

My Government continues to support co-operative development. In the months ahead, steps are planned to emphasize the organization of housing co-operatives.

Amendments to The Credit Union Act, 1972, designed to facilitate interprovincial credit union operations, will be placed before you.

You will also be asked to amend the membership provisions of The Northern Co-operative Trading Services Act, 1959.

STATUS OF WOMEN

In past years, my Government has taken a number of steps to establish equal rights for women in employment. At this Session, you will be asked to approve measures designed to translate those rights into affirmative action.

A new agency will undertake to open up new career opportunities to women at all levels in the public service, and to promote greater opportunities for women who work in the community at large.

JUSTICE

On December 17, 1973, my Ministers tabled a White Paper on conflict of interest in public matters. Since that time, much has happened in this area of the law. In order to assess these changes, my Government has asked the Law Reform Commission of Saskatchewan to undertake a detailed study of the entire matter, in the hope of recommending legislation as quickly as possible.

Amendments will be introduced to provide for improved operations for Magistrates' Courts and Justices of the Peace. My Government is confident that the steps proposed will further improve the administration of justice in Saskatchewan.

CABLE TELEVISION

The Canadian Radio and Television Commission will hear applications for cable television licenses for four Saskatchewan

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cities in February. My Ministers are confident that the Commission will recognize the validity of my Government's guidelines for cable development so that this service may be extended to a maximum number of households, in small communities as well as large, across the province.

I leave you now to the business of the Session with the full confidence that you will favourably discharge your duties and responsibilities.

May Divine Providence continue to bless our Province and guide this Legislature in all its deliberations.

ANNOUNCEMENTS

List of Members Returned to Serve in Legislature

MR. SPEAKER: — I beg to inform the Assembly that the Clerk of the Legislative Assembly had received from the Chief Electoral Officer lists of the names of such Members as had been returned to serve in the Legislature, as hereinbefore set forth.

MOTIONS

VOTES AND PROCEEDINGS

HON. A.E. BLAKENEY (Premier): — Mr. Speaker, I move, seconded by the Hon. Mr. Smishek:

That the Votes and Proceedings of this Assembly be printed, after first having been perused by Mr. Speaker; that he do appoint the printing thereof, and that no person but such as he shall appoint do presume to print the same.

Motion agreed to.

DEPUTY SPEAKER

HON. A.E. BLAKENEY (Premier): — Mr. Speaker, I move, seconded by the Hon. Mr. Bowerman:

That James Auburn Pepper, Esquire, Member for the Constituency of Weyburn, be Deputy Speaker of this Assembly.

Motion agreed to.

ANNOUNCEMENT

PAGE GIRLS

MR. SPEAKER: — I beg to inform the Assembly that Colleen Jesse, Margaret Kosa, Joyce Mackenzie and Jacqui McAfee will be pages during the present Session.

The Assembly adjourned at 3:58 o'clock p.m. on the motion of Mr. Blakeney.