

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Second Session — Eighteenth Legislature
31st Day

Monday, April 26, 1976.

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

WELCOME TO STUDENTS

Mr. J. Wiebe (Morse): — Mr. Speaker, I would like to take this opportunity to introduce to you and through you to the rest of the Members of this Assembly approximately 23 Grade Eight students from the Cabri public school. I understand they have had a busy day, arriving quite early this morning. They are accompanied today by their teacher, Mr. Dale Franks and Mr. and Mrs. Rigland.

The tour is an annual tour that is sponsored by the Cabri and District Lions Club in which they bring a group of students in each and every year and I am very pleased to see them again this afternoon. I will be meeting with them briefly at 3:00 o'clock and I hope they have an enjoyable day.

Hon. Members: — Hear, hear!

QUESTIONS

Nurses' Strike — Emergency Situations

Mr. D. G. Stuart (Leader of the Opposition): — I would like to direct a question to the Premier in the absence of the Minister of Health and I am sorry the Minister of Health isn't here, in view of this strike and the very serious situation facing the people of the province as a result of the nurses' strike. I was in Prince Albert over the weekend and I had a phone call from an individual there, a lady, whose father was ready to go into Saskatoon for a serious cancer operation and got a phone call to cancel it until further notice with no date set, of course. The woman told me that if this lasts longer than about a week it won't really matter because her father will be dead, it will be too late. Now I would like to know what plans the Government has, what steps they are going to take to deal with these kinds of emergencies. The information I have is that the decision of whether something is an emergency or not depends on a rule of the administration of some of these hospitals and not the medical and I find this unbelievable. I would like to know from the Premier just what is the situation because if this is true and the woman was very emotional and I am sure it was true, he had got the information. It sounds like a terribly desperate situation.

Hon. A. E. Blakeney (Premier): — I would just like to make a couple of comments. First with respect to the absence of the Minister of Health, he's at Ottawa at one of the numerous federal-provincial conferences, which seem to be the style of the current Government at Ottawa and in which it is relatively necessary for us to participate.

With respect to the other question I am going to ask my colleague, the Minister of Finance, in the absence of the

Minister of Health to report more fully.

Hon. W. E. Smishek (Minister of Finance): — Mr. Speaker, I am not able to comment on the particular case that the Leader of the Opposition refers to. If he could give me the details on it I would be glad to check it out with officials of the Department of Health. My information is that the Department of Health is monitoring the situation very closely on the emergency and essential services. There may be a particular case that needs to be looked at and we would be glad to investigate and report back. If the Leader of the Opposition is prepared to give me the name in this particular case I would be happy to check it out.

As far as the general emergency services are concerned my information is that the hospitals have been able to manage quite well in dealing with emergency situations.

Mr. Steuart: — I wonder if I can direct a question then to the acting Minister of Health, to the Minister of Finance. Is he aware or does he know whether it is a fact that the decision as to what is an emergency is in the hands of the administration of the major hospitals and not in the hands of the medical profession?

Mr. Smishek: — I would be happy to check that out but I doubt it very much, Mr. Speaker. The emergencies are determined by the medical staff not by the administrator who is a lay person. I would be very, very surprised if that would be the case.

Mr. Steuart: — A further supplementary. Could the Minister tell us exactly what hospitals in the four major cities are giving emergency service. Exactly what arrangements they have, if he can tell us. I am sure in this emergency they have looked into it, what hospitals are giving emergency service and what are the terms of reference for what is an emergency?

Mr. Smishek: — Mr. Speaker, my information is that in all hospitals throughout the country emergency services are provided and nursing staff is available through the discussions between the union and individual hospitals about providing nursing staff for emergency services. None of the hospital emergency services have been closed down.

Mr. Steuart: — Yes, a final supplementary. I'll ask the Minister if he is confusing normal emergency services which could be a broken arm or an outpatient, the emergency, there is a sign up in the hospitals in Regina — "emergency entrance" and emergencies that would not be considered, I am talking about an emergent operation or a serious operation of the kind that I got this phone call about. Are they prepared to handle these and what are the terms of reference in these areas, who decides?

Mr. Smishek: — Mr. Speaker, my information is that only elective procedures have been cancelled because of the obvious situation of nurses going out on strike last Saturday and certain patients

have been released, those that could have been released. But if there is an emergency surgery or in case of an accident then there is co-operation with the Saskatchewan Union of Nurses that they will provide the necessary nursing staff to deal with those emergencies.

Absence of Minister of Health

Mr. J. G. Lane (Qu'Appelle): — Mr. Speaker, I should like to direct a question to the House Leader, the Attorney General. Is the present Minister of Health under instructions or advised to avoid this Assembly whenever there is a controversial situation that exists in the field of Public Health?

Hon. R. Romanow (Attorney General): — Mr. Speaker, I must say, with all due respect, the question surely must not be given a degree of seriousness whatsoever. The answer is clearly and loudly, No. The Premier has already advised the House that the Minister of Health is in Ottawa on a federal-provincial conference. Now I don't know how in the world anybody, not even including the Member for Qu'Appelle could have gotten a conspiracy out of that, to avoid the House. The simple situation is the Minister attends very well, like all other Ministers given their responsibilities, at all times.

Mr. Lane: — By way of supplementary . . .

Mr. Speaker: — Next question.

Mr. Lane: — My question then is to whoever over there can deal with the particular situation. We note, of course, that the Minister of Health is gone whenever controversy arises.

Mr. Speaker: — Order! Next question. Member for Kindersley.

Emergency Services in Hospitals

Mr. A. N. McMillan (Kindersley): — Mr. Speaker, I would like to direct a question to the Minister of Finance in his acting capacity of health advisor to the Government. In view of the fact that people are being refused or turned away from surgery of an emergency nature due to the nurses' strike. One particular case that I have been made aware of is that it was so serious that this person was recommended by a doctor that he go to British Columbia to have this surgery performed. In view of the fact that these emergency services aren't being provided, can your Government give us at least some sort of guarantee that provisions for this type of surgery can be made and that surgery can be conducted while the nurses' strike is on?

Mr. Smishek: — Mr. Speaker, if the Hon. Member is prepared to give us the particular case we would be happy to investigate it. We know this, the Saskatchewan Union of Nurses has said that they will co-operate during the period of the dispute of providing emergency services. They have a roster as I understand it of making nurses available to deal with emergencies. Now if there is a particular circumstance, because there might be some misunderstanding, then we would be happy to check that out and

advise the Hon. Member.

Mr. McMillan: — By way of supplementary. I appreciate the fact that the Minister is prepared to look into these two particular cases that have been raised, but it has been brought to our attention that this problem may be a little more general and certainly widespread than two individual cases. Will you give us some assurance that you will at least investigate the possibility that emergency surgery is not being provided in Saskatchewan?

Mr. Smishek: — Mr. Speaker, if the situation is such that no nurses are available, then it will create problems. But so far the Saskatchewan Union of Nurses have indicated that they are prepared to co-operate with the hospitals of making nurses available, but there might be a particular circumstance. While the Government funds the Hospital Services Plan and provides money to individual hospitals, the actual management of a particular hospital, individual hospitals, lies with the boards and with the administration of the hospitals.

The Government of Saskatchewan does not run and administer each individual hospital, as the Hon. Member is aware.

Mr. McMillan: — By way of supplementary, Mr. Speaker.

In view of the fact that while you may not have day to day responsibilities for the administration of hospital services you certainly have general responsibility for the welfare of the health of the people of Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. McMillan: — Will you simply give us an assurance that this Government will investigate the possibility of influencing, to some degree, hospital administration and anyone whom you may be able to use your influence with, to see that provisions are taken to supply emergency surgery to the people of Saskatchewan if in fact those services aren't being supplied at the moment. I merely ask for your assurance that you will look into the matter.

Mr. Smishek: — Mr. Speaker, the Hon. Member knows as I have indicated emergency services are available, there may be a particular circumstance that there is a problem and in such case if the Hon. Member would refer any particular case to us we would certainly be prepared to look into it.

Differentiation of 2 Per Cent — Nurses

Mr. R. L. Collver (Leader of the Progressive Conservatives): — Mr. Speaker, a question to the acting Minister of Health. It is our understanding that the differentiation between that offered by the Hospital Association and that requested by (the rock bottom minimum) by the Saskatchewan Union of Nurses is 2 per cent. Would the Minister be prepared to tell us what that 2 per cent amounts to in terms of money for the hospitals in Saskatchewan.

Mr. Smishek: — Mr. Speaker, as the Hon. Member is aware that the Government does not do the negotiating, negotiations are conducted between the Saskatchewan Union of Nurses and the Saskatchewan Hospital Association. I am aware that conciliation service has been available. I am only aware of the kind of offers that have been made. This has been reported in the press and it would seem to me inappropriate for the Government to be getting involved in the direct bargaining. I do not have the figures because there are certain offers that have been made, that have been contingent on other factors, as I understand it, so any 2 per cent figure and the difference there might be, I think would be quite meaningless.

Mr. Collver: — A supplementary question, Mr. Speaker.

Is it not true that the Government of Saskatchewan through officers of the Department of Health have been involved with the negotiating team for some considerable weeks now in the negotiations between the Saskatchewan Hospital Association and the Saskatchewan Union of Nurses?

Mr. Smishek: — Mr. Speaker, no, what the Department of Health provides is consulting services, but is not involved in direct negotiations. Negotiations are between the Hospital Association and the Union.

Mr. Collver: — A supplementary question, Mr. Speaker.

In light of the Government's funding through the Saskatchewan Hospital Services Plan of all of the hospitals in the Province of Saskatchewan and in the light of the participation by the consulting services of the Department of Health, within the negotiations over the last number of weeks, is it not incumbent upon the Government of Saskatchewan to perhaps give an indication to the Saskatchewan Hospital Association in this area, that perhaps a settlement of this very serious situation might be in the best interest of the health of the people of the Province of Saskatchewan?

Mr. Smishek: — Mr. Speaker, from the standpoint of the Government, certainly a settlement is in the best interest of the people as well as the employees and the hospitals. If my information is correct and based on the information available to everybody, the offers that have been made are fairly substantial and certainly it is the hope of the Government that the dispute can be settled reasonably quickly.

Mr. Collver: — Mr. Speaker, it is our understanding that the offer as I said before, was within 2 percentage points and it is further our understanding that the increase granted by the Government of Saskatchewan, through their CUPE and SGEA, or in their negotiations with them was quite a bit in excess of the offer made by the Hospital Association. My question really is: in light of that would it not be incumbent of the Government to at least know how much the 2 percentage points difference was and perhaps compare its priorities in the field of purchase of other ventures in Saskatchewan as opposed to paying the nurses?

Mr. Smishek: — Well, Mr. Speaker, the offers that were made to Canadian Union of Public Employees and the Saskatchewan Government Employees Association in their bargaining and what has been offered to the nurses I think percentage wise is very comparable. Perhaps the percentage might even be higher than in the case of the latter two unions. Certainly I would be prepared to find out from the Saskatchewan Hospital Services Plan what a 2 per cent increase might mean, but I do not have that information. I will take it under advisement and see whether I can get that information.

Absence of Minister of Health

Mr. Lane: — Mr. Speaker, I should like to direct a question to the Premier.

The Premier is going on a trip to China and on that trip to China to discuss and by his own admission, merely to make contacts with regard to potash and wheat, the Premier is missing because of the trip, he will not be attending the First Minister's Conference on Energy, certainly one of the more important First Minister's Conference. Would the Premier not admit that it is strange that it is all right for the Premier to miss the First Minister's Conference, but when we have a health emergency in the situation in the Province of Saskatchewan that the Minister of Health can't miss that Conference to stay here to help us solve the problem.

Hon. A. E. Blakeney (Premier): — I think that there is no evidence whatsoever that the Minister of Finance, the acting Minister of Health, cannot deal adequately with any emergencies that may arise in the health field any more than there is any evidence that the Deputy Premier will not represent this province as adequately as I could at any Energy Conference.

I think it is not the manner of operations of our Government to believe that any one person is indispensable in any one position. I am of the view that each Minister in the particular position which he has decided to take is serving the people well.

Mr. Lane: — Would the Premier not admit though that seemingly the actions, their policy is somewhat inconsistent in this particular operation. We find that every time a health problem comes up the Minister of Health is gone and I realize what you are saying that the Minister of Finance, as former Minister of Health, has given us some answers but he is also being forced in the Question Period to basically take notice and try to obtain further information. Is it not somewhat an inconsistent policy?

Mr. Blakeney: — No, and perhaps I wasn't listening, but I didn't hear him take many notices.

I think that the fact that the Hon. Member would not be thoroughly conversant with negotiations which are taking place between two parties neither of which is the Government, in terms of what offers have been made through conciliators, is I think

not surprising, it is surely perfectly normal.

The other point is that I don't think the same pattern of the responsible Minister going to a conference or not going to a conference will necessarily follow on each occasion. It seems to me that in this case it is perfectly appropriate for the Minister of Health to be in Ottawa, discussing the issues he had discussed in the past, dealing with health costs, which are so vital to the resolution of any health problem which may arise in this province, and where in this case the matter at home is dealing with collective bargaining. I think even Members opposite would acknowledge that the acting Minister of Health, the Minister of Finance, is not a novice in this field and is probably able to deal with collective bargaining issues as adequately even as the Minister of Health.

Mr. Lane: — A supplementary, then to the Minister of Finance. When will the parties be going back to the bargaining table on this matter, have you got the information handy on that?

Mr. Smishek: — Mr. Speaker, the conciliation officers for the Department of Labour are maintaining contact with both the Saskatchewan Hospital Association and the Saskatchewan Union of Nurses. There are, to the best of my knowledge at the moment, no immediate meetings planned. But the Department of Labour people are available as well as the Labour Relations staff and Department of Health, are available to meet with both the union and management to see what assistance they can provide.

Mr. Lane: — By way of further supplementary . . .

Mr. Speaker: — The Member for Regina South.

Mr. S. J. Cameron (Regina South): — Mr. Speaker . . .

Mr. Lane: — I have . . .

Mr. Speaker: — Yes, you have one last supplementary . . .

Mr. Lane: — May I ask it now or . . .

Mr. Speaker: — After the Member for Regina South is done, if the question is still on your mind, you may proceed, providing no one else is there.

Mr. Cameron: — A question, Mr. Speaker, to the Premier. Would the Premier indicate to us when the Minister of Health left the province and whether the Deputy Minister or other senior officials from the Department accompanied him?

Mr. Blakeney: — I really do not know who accompanied him although I imagine some senior officials of the Department of Health did, the Deputy, although I think others would not have done so under the circumstances. I believe the Minister of Health left about noon today or thereabouts because the conference starts tomorrow morning.

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Mr. Cameron: — A supplementary, Mr. Premier. Can you tell us when they are expected to return?

Mr. Blakeney: — I would anticipate that they would be here by Thursday morning. I believe the conference ends on Wednesday and possibly on Tuesday night, in which case they will be back sometime on Wednesday — possibly on Wednesday in which case I would expect them back by Thursday morning.

Mr. Cameron: — A last supplementary, Mr. Speaker. Did the Minister of Health in the critical circumstances that now exist seek your leave in the circumstances to attend the conference along with senior officials from the Department?

Mr. Blakeney: — The arrangement was that he would provide some information to the acting Minister of Health, which I believe he has done.

Nurses Strike

Mr. C. P. MacDonald (Indian Head-Wolseley): — I want to go back to a comment that the Minister of Health made where he indicated that he doesn't do the negotiations, it's the hospital boards. Would the Minister not agree that this is becoming a repeating pattern, that the Government provides all the hard funds for financing hospitals, that he only provided 15 per cent, that the negotiations are now over 21 per cent, the same as in the field of Education, and the dramatic impact on mill rates across the province and is this not a direct responsibility or a direct fallback on the Department of Health and the financial grant provided by the SHSP. Let's not try and kid ourselves that this is the local hospital board's responsibility, it's the Minister of Health's. Would he not now sit down with his colleagues and reassess the priorities of Government and direct some towards education and health to the fundamental services of our province instead of . . .

Mr. Speaker: — I think the Member will agree with me that would be tending towards debate in the question itself and the answer that may be given to it. Does the Minister wish to give some answer to the question?

Mr. Smishek: — Mr. Speaker, we believe we have provided adequate funds for the Hospital Services Plan and to provide increases in wages for the employees including the nurses.

Mr. Lane: — A supplementary to the Minister of Finance. You have indicated that you have given adequate funds, have you indicated to the parties any wage differential that you or the Government thinks is fair between wages or salaries paid to the certified nursing assistants and registered nurses?

Mr. Smishek: — Mr. Speaker, in the case of any differentials that

might exist between one group and another is a matter of collective bargaining. We believe in free collective bargaining. It is up to the hospital association and to the nurses' union to work out a settlement. Certainly as far as the Government is concerned we did not set any particular differentials, these are matters for collective bargaining.

Mr. Lane: — Your previous experience as Minister of Health of the Province of Saskatchewan, would the Minister admit that a minimum of \$1 an hour and I am looking at the range of \$4.80 an hour paid to CAN, the nurses are asking for a minimum of \$5.81 an hour. In your previous experience would you admit that a \$1 an hour differential is a fair differential between CNAs and RNs?

Mr. Smishek: — Mr. Speaker, I do not think that I am in a position to judge just what may or may not be a fair differential. These are matters for collective bargaining. I can inform the Hon. Member that the kind of offers that have been made in terms of dollars, that in terms of dollar amounts the differential widens by the offer that has been made to what was in the previous collective bargaining agreements.

Transcripts of Statements Made by Leader of Conservatives

Mr. E. A. Berntson (Souris-Cannington): — The Attorney General has indicated over the last few days that he has been studying some transcripts of statements made by the Leader of the Conservative caucus, the Conservative Party and I was wondering under what law or statute are these transcripts being observed and if he has decided if a charge can come out of this and further, when this decision will be laid before the House?

Mr. Romanow: — Mr. Speaker, I am not sure that I fully understand the question. So if I give a wrong answer predicated on a wrong assumption I am sure I will get a supplementary.

Questions of transcripts, of course, of television or radio broadcasts can be asked by any Member. So far as I know, there is no need to have a statutory authority to request this. The stations have been pretty good in providing this on the request of individual Members of the Legislative Assembly and I am so doing under that authority for the reasons I outlined a few days ago.

Mr. Collver: — A supplementary question, Mr. Speaker. The Attorney General has suggested that no law or statute is involved in the examination of this transcript as I understand his remarks. Well then, my supplementary question is, to clarify the question; during the Attorney General's remarks previously in this Assembly, he was suggesting that he would be observing the transcripts of the remarks which I made on television on two occasions with a view to establishing whether or not a committee or a law had been broken, and I ask him today, under what statute would he consider a charge of any kind whatsoever, under what statute or section of what statute?

Mr. Romanow: — Mr. Speaker, I don't know whether I am being asked to give a legal opinion. I think that I am and I am not sure whether that question is in order or not. In any event, I can simply say what I said a few days ago is that I am looking at the transcript. I did not say that there was a law or statute under which I was asking for the transcripts. I said that no law or statute is necessary for anyone to ask for a transcript, including myself.

Allegation of Bribery in Committee of Finance

Mr. E. C. Malone (Regina Lakeview): — A supplementary, Mr. Speaker, to the Attorney General then in connection with the Conservative bribery affair. I understand, Mr. Speaker, that one of the Conservative Members was quoted on CKCK Television Saturday night indicating that the Conservatives at this late date now wish an investigation or an inquiry to be made. In view of this request from the Conservatives are you now prepared, if not at least conduct an inquiry or an investigation to at least recommend to the Premier, the Minister of Finance to let us know what happened as far as they were concerned?

Mr. Romanow: — Mr. Speaker, I am not aware of that statement. I am sorry I was not in Regina over the weekend. This is the first that I hear of it. I'll have to acquaint myself with it and add that as part of the consideration.

INTRODUCTION OF GUEST

Marjorie Cooper Hunt

Hon. E. C. Whelan (Minister of Mineral Resources): — Mr. Speaker, before the Orders of the Day, I would like to take this opportunity to introduce to you and through you to all Members of the House a former Member of this Legislature who sat in this House from 1952 to 1967, the very capable lady Member for first Regina and later, Regina West, I am pleased to introduce to you Marjorie Cooper Hunt.

Hon. Members: — Hear, hear!

Mr. Whelan: — Marjorie will you stand up so we can see you.

Hon. Members: — Hear, hear!

POINTS OF ORDER

Question Period

Mr. Collver: — Before the Orders of the Day I rise again on a Point of Privilege with reference to the remark made today by the Member for Regina Lakeview (Mr. Malone). This is where questions are allowed to relate to unsubstantiated charges and make accusations as the Member for Regina Lakeview has done today about the so-called Conservative Bribery affair when in fact allegations of bribery were withdrawn by the Minister of Finance, we admit erroneously and the House dealt with that; but

again by the Premier, again by the Attorney General. No substantiation has been made of these charges and the Member for Regina Lakeview . . .

Mr. Speaker: — I think the Member overstates the Point of Order. I'm not saying the Point of Order is necessarily right or wrong. I would have to examine the record because quite frankly I didn't hear the comments of the Member for Regina Lakeview at that particular point because I was distracted by something else, so I am unable to comment on it one way or the other at this time. I will examine the record.

Mr. Malone: — On the Point of Order as raised by the Member.

Mr. Speaker: — What's the Point of Order?

Mr. Malone: — It's similar to the point raised by the Member for Nipawin. The reason I referred to the matter as the Conservative Bribery Affair, Mr. Speaker, is that the Minister of Finance did not unconditionally withdraw these remarks. If you will recall, of course you weren't here, Mr. Speaker, but the remark by the Minister was that it was true, but he was going to withdraw the remarks to expedite proceedings. As far as I'm concerned there is some basis for these remarks and I think the Member for Nipawin is perhaps protesting just a little too much and that's why he wants to get on with the investigation.

Mr. Speaker: — I'd ask the Member to bear with me while I inform the House that the only item that I'm aware of was on the 26th day of April 19, 1976 the Minister of Finance said, in my presence, "I have already withdrawn any allegations and impropriety on the part of any Member and I repeat that withdrawal". Subsequent to that I brought a ruling into the House which the Members will be aware of with regard to imputations in questions and I ask the Members to abide by that. That applies not only to questions but it applies to Points of Order or anything else that may be raised in the House. The Members should not contravene the implied suggestion of my statement of a few days ago with regard to this matter. Next Point of Order.

Mr. Collver: — Mr. Speaker, I rise on a further Point of Privilege on the comments made by the Member for Regina Lakeview during his comments on the Point of Order. The Member has suggested again, has again imputed that these allegations are possibly true, when in fact the charges haven't been made, we have had no opportunity to lay before this Assembly any facts because every time we do we're ruled out of order and in fact, the Member is imputing once again this kind of unsubstantiated charge and I ask you to ask the Member for Regina Lakeview to withdraw that implication.

Mr. Speaker: — I'm not aware of when I've been ruling the Member out of Order with regard to bringing points forward except that they might have been out of order at the time and that's my position here is to rule points out of order that are in fact, out of order. I'm not prepared to make a judgment on the

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Member for Regina Lakeview at this time. I said I'd examine the record and I'll examine the record with regard to the Point of Order raised and with regard to the Point of Privilege raised.

Motion for Further Estimates

Hon. W. E. Smishek (Minister of Finance): — Mr. Speaker, I move that:

Bill No. 59 — An Act for granting to Her Majesty certain sums of money for the Public Service and for the fiscal year ending the 31st day of March 1977 be now introduced and read a second and third time.

Motion agreed to.

SECOND READINGS

Hon. E. Whelan (Minister of Mineral Resources) moved second reading of Bill No. 50 — **An Act to provide for the Conservation of Coal Resources in Saskatchewan.**

He said: Mr. Speaker, at the beginning of the fall session and again following the most recent Throne Speech, I informed this House that my Department would be introducing legislation on coal. The Coal Conservation Act, 1976 has subsequently been tabled.

Mr. Speaker, it gives me pleasure at this time to discuss the principle of the Bill before the House to provide the rationale behind the legislation and to urge all Members of this House to support the Coal Conservation Act. Saskatchewan's coal reserves are extensive and coal is once more coming into prominence as traditional supplies of oil and gas are being quickly depleted.

Mr. Speaker, the Industrial Revolution was fuelled by coal. Coal built up empires and nations, powered the first locomotives across our country and heated our homes and businesses. It was considered "buried sunlight" and it was important to our industrial economy. Then as oil and gas were discovered coal slipped quietly into the background. Today as oil and gas scarcity is a fact of life, coal is once more being considered for its potential. Because of this potential there is a corresponding need to see that coal will be developed rationally.

Mr. Speaker, the Coal Conservation Act will facilitate the development of Saskatchewan's coal resources in this manner. Mr. Speaker, Saskatchewan's lignite coal reserves are an extension of a large reserve in the northern United States called the "Fort Union Coal Field". This coal field has an estimated reserve of 250 billion tons of recoverable coal. Using today's technology (according to a federal-provincial study), Saskatchewan's share of that coal field is estimated to be 5.5 billion tons of economically recoverable coal. This figure could rise to six or eight billion tons as new technology is developed, and as the demand and price for coal rises.

Saskatchewan's reserves are in four major fields in a belt 50 miles wide, running along the southern border of the province. The Estevan field has reserves in the neighborhood of

one billion tons; the Willow Bunch-Wood Mountain area reserves amount to four billion tons; and about half a billion tons are indicated in the Shaunavon field.

There may also be coal at deeper levels; drilling for gas and oil along the western borders of Saskatchewan has indicated coal at these deeper levels. However, the extent of these coal finds has not yet been determined, nor the accessibility and cost of recovery.

A coal deposit also exists in the Lac La Ronge area. An estimated 100 million tons are situated near a significantly large body of water. There are going to be recovery problems, and solutions will be needed before this coal can be developed.

What use does Saskatchewan make of its coal? Mr. Speaker, four million tons of coal were used in 1975 to run the Estevan and Boundary Dam power stations which produced about half of Saskatchewan's electricity. When the Poplar River Thermal Electric Plant begins operations in 1979, its 300 megawatts of capacity will use another 1.5 million tons annually to produce electricity.

Mr. Speaker, the potential of coal is firing the imagination. Coal can be converted to synthetic natural gas. It can be put through a process of liquification to produce oil. It can be used to generate electricity, as will be the case in Poplar River. Coal's by-products are numerous. Just to open the minds of the Members opposite to the importance of coal, it's used in making briquettes, in the process of making steel, in making fertilizers, dyes and some other chemicals.

The biggest problem confronting the owners of coal is how to derive the optimum benefits of this resource. We have to act now, to determine the best possible use of Saskatchewan's lignite so that we in Saskatchewan will benefit from the best use, at the lowest possible cost, in the most practical form for use by the Saskatchewan consumer, for as long as possible.

Mr. Speaker, the course of coal development must be determined. We cannot wait or sit idly by as this non-renewable resource is developed. We need guidelines and we need studies. We have a responsibility to not only our generation, but generations down the line.

Fortunately, the cost of mining Saskatchewan coal is relatively reasonable. As Saskatchewan's coal is recovered by the strip mining process, and as more and more coal will be mined, there will be a greater need for direction in the area of reclamation. This is a concern of ours, as well.

There will be a need for other studies. We'll have to determine the costs of building a gasification plant and study the cost of moving coal from one area to another. Water is an important element in the conversion of coal into synthetic natural gas. Will the costs of transporting coal to a large body of water, coupled with the costs of building a plant make conversion an economical process? Or is there better use we can make of coal? Clearly, we must base our decisions on results of studies involving factors of costs, of timing, of transportation, of plant requirements, impact on the environment and surrounding communities, as well as on the total energy picture.

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With these concerns, it is evident there is a need for legislation on coal development; legislation that will guide the direction of coal development in this province. And with the kinds of pressures being brought to bear to speed the development of coal, the Coal Conservation Act, 1976, is an important piece of legislation.

There is strong rationale for the Act. The existing coal mining regulations, while having done an admirable job in the past, do not appear adequate to meet the new challenges of coal development. Many of the existing regulations were written with a view to assisting industry because of falling interest in coal. This was an attempt to give support to the coal industry in the face of dropping sales, falling prices and lost markets. Royalties were kept low to help the coal industry market their product. Our concern, at the time the last regulations were put into effect in 1957, was to keep Saskatchewan coal operators in business.

The Act now before this House applies to all coal and all coal mines in Saskatchewan. This is a very necessary course if future coal development is to proceed in an orderly and proper fashion. There must be a unified approach to the management, utilization and conservation of this very important non-renewable resource.

We have also been prompted to take action for another reason. Although most of Saskatchewan's coal is currently used by the Saskatchewan Power Corporation to generate electricity, other groups, both within and outside the province, have been closely examining the possibility of developing our resource. At present, existing legislation does not appear to be adequate to ensure that the most rational development of coal occurs, in the interest of both existing and future generations.

What exactly will the Coal Conservation Act do? What does the legislation provide for?

Mr. Speaker, this legislation will guide the direction of future coal developments in Saskatchewan. The legislation will provide for useful, economical and orderly development of a resource that belongs to the people of Saskatchewan. Hopefully, we'll see a unified approach taken to the problem of reclamation of lands used in strip mining and related problems of environment.

The Act clearly defines coal and coal mining, and includes all of the process of mining for coal, in any place in Saskatchewan, including the distribution and marketing of coal in the province.

Mr. Speaker, this Act sets down the regulations that are required to manage the development, utilization and conservation of Saskatchewan's coal resources. It makes it possible for surveys of all coal resources in Saskatchewan to be carried out. It provides for the implementation of programs for the useful, economical and orderly development of coal resources and provides for the collection and dissemination of information concerning coal resources and coal mining in the province.

Mr. Speaker, the Coal Conservation Act also provides for the licensing of all coal mining operations in Saskatchewan. This provision in the Act is to require of the coal industry

what is required of most other businesses in the province. As well, the Act outlines offences and penalties and fines to be levied against those committing an offence. In this respect these regulations are no different than any other regulations.

Mr. Speaker, the powers contained in the Bill are all embracing but no more so than those in Alberta's coal legislation or Saskatchewan oil legislation. Such powers are found in other Acts, for example, Sections 9 and 10 of The Mineral Resources Act, Sections 6, 17 and 18 of the Oil and Gas Conservation Act, and Sections 2, 23 and 24 of The Energy Resources Conservation Act of Alberta.

Most conservation Acts and mining Acts in other provincial jurisdictions contain either the powers of the Minister or the Lieutenant-Governor-in-Council to make orders or regulations to promote and encourage the development, management and utilization, conservation of the mineral resources of the respective provinces. Indeed, Mr. Speaker, such powers are necessary in the public interest.

Coal conservation, also, attributes to the Minister the powers of suspension, of revocation of licences for offences that include failure to submit required information or the making of false or incorrect statements. The Act clearly sets out the powers of the Minister in this regard and in the administration of the Act and its regulations. In addition, penalties and fines as set out in the Act in the event of non-adherence with regulations. A very important aspect of the Act, Mr. Speaker, is that it provides for the establishment of a Coal Conservation Board which will consist of informed, knowledgeable people who can make recommendations to the Minister on all matters referred to it.

Mr. Speaker, under this board we can include all possible interest groups who stand to be affected by coal development in Saskatchewan. It will be our way of getting representation from the public and those interested in coal. Mr. Speaker, this resource belongs to the people and this board will provide us with the best advice available. We could include someone who farms land with coal under it. A person who will safeguard the concerns of those who make a living by bringing land into production. We could include citizens from communities near coal mining operations. We could include university people, environmentalists, people of technical interest in coal, industry people, retired coal workers, marketing specialists.

Mr. Speaker, this board will represent a group of diverse interests that come together in a common purpose, to offer proposals that will effect not only the present generation but Saskatchewan people for generations to come. This board will also be able to engage the services of persons having technical or other knowledge in connection with an inquiry into any matter referred to it by the Minister. The board will be able to make rules for its own procedure and the exercise of its powers and the performance of its duties.

Mr. Speaker, I have discussed the principle of the Coal Conservation Act and have provided the rationale from my Department and my colleagues. I have also given an overview of the present coal situation in Saskatchewan and Members have been made aware of the extensiveness of our coal resources and its potential. As well, I have briefly reviewed what the Bill

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states and I have presented our plans for the Coal Conservation Board, expressing the hopes and expectations we have for this board.

Now, Mr. Speaker, I would urge the support of all Members of this House for the passage of the Coal Conservation Act. Therefore, I move second reading of Bill 50.

Mr. E. C. Malone (Regina Lakeview): — Mr. Speaker, I've listened carefully to what the Minister had to say. And again, it's so typical of speeches of the Ministers opposite, I'm not trying to single out the particular Minister in question, but it's not so much what they say, it's what they don't say. If this Bill is required to be the only device to set up something similar to the Oil and Gas Conservation Board, and if we can accept the things that the Minister said, at face value, I think we can assure you the support of the Liberal caucus for the passing of this Bill.

Unfortunately though, Mr. Minister, I for one cannot accept many of the things that the Minister has said. Not because of the Minister but because he is acting on behalf of the Government. Because this Government in any legislation it has dealing with the resource industry, frankly, can't be trusted. And any legislation that they bring in so far as it is in connection with mineral resources in this province, I feel must be looked at with considerable suspicion, if not more than suspicion.

I only have to think, Mr. Speaker, of some of the activities of this Government in other fields of resource development. One of these being the forest industry. Shortly after this Government took power many if not all of the contracts of people working in that industry were torn up and a new situation was put in.

I look at the oil and gas industry and the record of this Government with Bill 42. And the activities that they had there and what the result of those activities was. And how it literally destroyed the small oil and gas industry in this province. It did not hurt the huge multinationals that this Government always talks about, but hurt the small independent oil operators that carry on business from Regina, Estevan, Swift Current and so on.

That Bill, Bill 42, if you recall was sold on the basis that it was going to help the oil industry in the Province of Saskatchewan, as well as helping the people of the Province of Saskatchewan. It has not done so.

Then of course, Mr. Speaker, there is the potash legislation. Legislation that broke agreements that had been entered into by a previous socialist administration that were to carry on until 1981. That legislation completely destroyed those agreements.

We are now being invited by the Minister to give our full support to further legislation involving the resource industry. I, for one, at this stage, Mr. Speaker, am not able to give that support, notwithstanding the comments of the Minister. If I could accept everything the Minister said as being correct and being indeed the intentions of this Government as I indicated, I would give my support to this Bill.

But the Government's record is such that anybody sitting on this side of the House as I have indicated must consider the Bill with great suspicion. We must ask what the intentions are of the Government in a specific manner, not in a broad general manner as the Minister has outlined. He said that this Bill will help to study the coal industry, study coal reserves, see where the industry is going to go, what is going to happen to it in the years ahead. He didn't say who was going to make the studies, he didn't say how the legislation was going to affect the existing industry as it is now in this province. He did not say what is going to happen in the future, whether there would be a Sask Coal as we have a Saskoil and a Potash Corporation of Saskatchewan.

I think it would have been appropriate for the Minister to have dealt with those things in his remarks. I am not sure whether he is intending on dealing with them in his closing remarks.

But I say, Mr. Speaker, the Minister has raised more questions than he has answered. That he has not dealt at all with one of the major problems of the coal industry in this province, and that is environmental. I am sure that anybody who has been in the Estevan-Roche Percee area and seen that savage display of tearing the land to pieces would be concerned about the environment and what is going to happen in the future. If you go down there it is almost like a trip to the moon, the land has been treated in such a manner. Nothing was said about this. Furthermore, Mr. Speaker, I take great exception to the powers given to the Government by this Bill. They seem innocuous when you first look at them but I refer to Section 4, subsection (b) under the heading Regulations and it says, the Cabinet may concern itself with such things as:

providing for the formulation and implementation of plans and programs for the useful economical and orderly development of the coal resources of Saskatchewan.

Similar provisions are to be found in Bill 1 and Bill 2, and in Bill 42. In legislation dealing with the forest industry and again I refer you to what has happened in those industries and what a disaster the government's policies have been.

The provision is far too wide. Who is to determine what is going to be useful and economical, for the coal resources of Saskatchewan. The Government, the Coal Conservation Board, the Minister of Mineral Resources, the coal industry meeting in conjunction with these people, there has been no reference whatsoever to this in the Minister's remarks. Mr. Speaker, as I say I view this Bill with great suspicion, I am not sure at this stage whether I can support the Bill. Frankly my feeling at this time is not for what the Bill contains but for what it doesn't contain and because of the past record of this Government my present intention is not to support the Bill, because of their past record. Accordingly, Mr. Speaker, I would like to have some further time to consider what the remarks were of the Minister and also to consult with other people in connection with the terms of the Bill and accordingly I beg leave to adjourn the debate.

Debate adjourned.

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Hon. W. E. Smishek (Minister of Finance) moved second reading of Bill No. 54 — An Act to amend The Gift Tax Act, 1972.

He said: Mr. Speaker, you may recall when I presented the Budget on March 24, I said that later in this Session we will introduce amendments to The Gift Tax act. To extend the once-in-a-lifetime gift exemption to small business. This provision at present allows farmers to transfer tax free up to \$20,000 of real farm property to their children and allows a resident to transfer tax free to his or her spouse up to \$20,000 interest in a principal residence.

The new exemption will allow the tax free transfer from a parent to a child of up to \$20,000 in real property for a small business. The exemption will be retroactive to January 1, 1976. Mr. Speaker, particularly for benefit of new Members, it may be well to recall the circumstances which led to the introduction of The Gift Tax Act in 1972. The Federal Government abandoned the Estate Tax and Gift Tax fields, thus, leaving Canada as one of the few industrial nations that does not impose a national tax on wealth. By abdicating its responsibility in this important field of taxation, Ottawa created a tax jungle in which provinces compete among themselves in establishing tax rates and exemption levels. This is an undesirable situation we would prefer to have this form of taxation imposed and administered at the national level which was the case up until 1972. However, the Federal Government has chosen to vacate this field.

In 1972 when we entered the Gift Tax field certain deductions at that time amounted to total of \$15,000 per year for a donor. This total could be made up of any combination of gifts to individuals to a maximum of \$2,000 each and gifts to the spouse to a maximum of \$5,000. We also recognize that there were two special circumstances where additional exemptions were desired. We provided a once-in-a-lifetime exemption of \$10,000 for gifts to a child of interest in real farm property. A similar exemption was provided for gifts to a spouse of an interest in a residence. Mr. Speaker, these exemptions were designated to facilitate the transfer of real farm property from parents to children and to permit the sharing of property between spouses. In 1974 Members will recall we increased the once-in-a-lifetime exemption to \$20,000. As part of our ongoing review of legislation we looked at the kinds of exemptions that are provided under this Act. In that process we recognize that it would be desirable to facilitate the transfer of small businesses from a parent to a child. As a result we are now introducing this amendment to extend the once-in-a-lifetime exemption under The Gift Tax Act to small businesses.

Mr. Speaker, one of the problems that we encountered was how to define a small business so that the benefits of the exemptions could be limited to the smaller family operated type of a business. This has been accomplished by using the definition of a small business as it is used in the Income Tax Act. In other words, if business meets the criterion for small business under The Income Tax Act it also meets the criterion under The Gift Tax Act. The once-in-a-lifetime exemption for farm property or spouse gifts are restricted to real property. This is also true of the exemption we are proposing to provide for the owners of the small business.

Mr. Speaker, this Bill will permit the tax free transfers of up to \$20,000 in real business property from a parent to a child. This means that a parent who wishes to take a child into the family business can convey a \$20,000 interest in the real business property without paying the Gift Tax. I believe this is a progressive move and I would urge all Members of the Assembly to give this Bill their support. I know that the Member for Regina South (Mr. Cameron) when the Leader of the Opposition (Mr. Steuart) introduced the resolution during the earlier session did advocate this kind of an amendment. So, Mr. Speaker, we do look forward to getting unanimous approval of the Members of the House in respect to this amendment.

I move second reading of Bill No. 54.

Mr. C. P. MacDonald (Indian Head-Wolseley): — Mr. Speaker, I just want to say a few words.

First of all I think the Minister doesn't expect anybody in this Assembly to believe him when he says the Federal Government abdicated the responsibility in the Estate Tax field. What they did, of course, he ignored all the changes in the income and corporate laws and the inauguration of capital gains, which was considered by all financial experts to be a much fairer tax. And then the NDP in Saskatchewan and other provincial governments moved into that field and, of course, took over that particular thing on top of capital gains. Which is really the abhorrent part of succession duty tax in Saskatchewan.

However, I am not going to go into that now. We've discussed that on many, many occasions. The Member for Thunder Creek (Mr. Thatcher) did a good job in pointing out the inequities of the whole succession duty legislation in Saskatchewan.

I want to talk about this specific amendment. First of all we give you credit. The Member for Regina South and the Leader of the Opposition last fall recommended this very specific change. That not only should a once-in-a-lifetime grant be permitted by a father to a member of his family to purchase farm land, but, that it also should include small business. You've done that and we do give you credit.

But, now I want you to look very seriously at two or three other additional recommendations that we made at that time and that I'd like to make for your consideration now. First of all I think the \$20,000 is completely out of date. With inflation in the last two or three years it should be doubled to \$40,000 on farm land immediately. \$20,000 today does not even purchase a quarter of a section. In practically any farming area or any farming district in the Province of Saskatchewan and in fact in many farming districts it wouldn't even purchase a quarter section or perhaps even three quarters of a quarter section. So that the first thing I think the once-in-a-lifetime gift for farming, for farmers should be jumped to \$40,000 not \$20,000. It should take into account inflation of the last two or three years and I think the Minister would agree that \$20,000 a few years ago to purchase farm land is completely a different story because today after all, the price of farm land has doubled in the last three years, according to the Minister of Agriculture's own statement.

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The second thing so that you would eliminate this problem from the future is to recommend that you index the once-in-a-lifetime gift for farming and for small business and so that you will always have it looked after as far as inflation is concerned and it will make it possible for a father to pass on his land or his business through this device occasionally, once in a lifetime.

The third thing I should like to recommend, and I think that this is one of the things that I cannot understand why the Minister didn't do. We have talked about the tremendous increase in the price of housing and the cost of housing in Saskatchewan and in Canada. It is a fact that it is almost impossible for a young man who is just getting married to go out and purchase a house with interest rates and the cost of construction at 1976-77 levels. There would have been an opportunity by making it possible for a father or mother to pass on to a member of their family a once-in-a-lifetime gift in order to purchase a house by a member of that family. I think that would have been equally as important as passing it on to purchase a farm, to purchase a small business. It would have been one of the very areas — I don't think that I have to tell the Minister of Finance how important it is for a father to be able to pass on to a member of his family, a once-in-a-lifetime gift to help him purchase a house. It may mean the difference between decent accommodation; it may mean — and I am not suggesting that it would be used that often because there are perhaps not that many fathers who are in the position to do so — but certainly for a young person today there is practically no way that he can get into the house market and this would be the one device where you could help him.

There is one other comment that we should make and that is that we should extend once-in-a-lifetime gifts to more than one child. When we are talking about each child should be eligible for a once-in-a-lifetime gift. I think the Minister will probably agree with that one too.

So there are four specific recommendations.

1. That the once-in-a-lifetime gift should be increased from \$20,000 to \$40,000, to look after inflation, particularly in the price of land, and I think the Minister of Agriculture would agree.
2. The once-in-a-lifetime gift should be indexed so that in the future it will look after inflation.
3. That the once-in-a-lifetime gift should be possible for a member, a parent, to pass onto a child for the purchase of a home as well as a farmer or small business.
4. That it should be extended to more than one member of a family.

And if you did these particular things to The Gift Tax Act it would, in fact, make it a little more palatable in a province where I think the estate tax is a very bad piece of legislation and a bad Act.

Some Hon. Members: — Hear, hear!

Mr. Smishek: — Mr. Speaker, first of all I am glad to see that the Hon. Members will support the Bill. He has made reference to increasing the amounts from \$20,000 to \$40,000. The Member will recall that the figure was substantially raised in 1974 and I agree with him that with inflation it is important that these kind of exemptions be reviewed from time to time to take care of the problem caused by inflation and in case of farm land escalating. All that I can tell him is that we will be reviewing this legislation in the months ahead and considering the very recommendations that he has made, whether precisely the figures he suggests that is something for us to consider in the future.

I think that some of the references he made are already taken care of especially in the case of children. In case of the housing, I am really not sure whether there would be very many people in our society who would benefit from this, it would be those who are the well-to-do and who would get the benefit, because they would have the income to be able to buy their children housing. However, it is something that may be considered. Remember that our housing approach is to provide low-cost housing. We do provide grants to those who purchase their first homes and it seems to me that this is by far the better way of approaching the housing needs of our people.

Mr. Speaker, with those very few remarks I moved second reading of Bill No. 54.

Motion agreed to and Bill read a second time.

WELCOME TO STUDENTS

Mr. D. H. Lange (Bengough-Milestone): — Mr. Speaker, I should like to introduce a group of students ranging through Grades One to Eight, who are seated in the Speaker's Gallery. They are not Canadians, not Saskatchewan but are from Cherry Creek School, Culbertson, Montana. I should like to introduce them on behalf of the rest of the Members of the House and welcome them to the House because my constituency is the closest one to their particular community.

With the group are their teachers, Vicky Smith and Donna Safely and Mr. and Mrs. Otto Zoanni. The group is on a field trip to Regina because Regina is the Capital of the province. They will be here for today and tomorrow.

For the information of the students who came from the American system of politics, it might be necessary for me to point out to them a few of the basic differences between this House and the House that they may be used to at Helena, Montana. They are, of course, aware that Saskatchewan has only one Legislature as opposed to the American system, which has a Senate and a House of Representatives. The American system has only two basic parties whereas in Saskatchewan presently we have three. The Conservatives are sitting immediately below you, on the opposite side of the House. They are the first seven Members next to the gallery. The Liberals are sitting next to them and the Leader of the Opposition has just sat down. The New Democratic Party is on this side of the House.

An American leader of a state government is called a

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governor. I think your present Governor of Montana is Thomas Judge. Our leader of the government is called the Premier, presently Premier Allan Blakeney. The basic difference in the structure of the House, I suppose from your standpoint, is the position of the Mace, the symbol of authority for the Speaker. In the United States it sits to the right of the Speaker and does not come in before the Speaker, whereas in Canada it leads the Speaker into the Chamber.

You will notice that the Mace presently is not situated on top of the table. This indicates that we are presently in Committee of Finance and are dealing with money matters.

With that I should like to welcome the students to the provincial capital, to the Province of Saskatchewan, and hope that they have a most enjoyable visit today and tomorrow.

Hon. Members: — Hear, hear!

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